

January 22, 2016

# Financial Technology Partners

## FT Partners Research – Transaction Profile



*acquires an additional 19% stake in*



**BANKERS HEALTHCARE GROUP**  
*Financing for Healthcare Professionals*

*for*

# \$114,000,000

*Courtesy of:*



***The Only Investment Bank  
Focused Exclusively on Financial Technology***

[www.ftpartners.com](http://www.ftpartners.com)



**Financial Technology Partners LP**  
555 Mission St., 23<sup>rd</sup> Floor  
San Francisco, CA 94105  
Tel: 415.512.8700

**Steve McLaughlin**  
*Managing Partner*  
Tel: 415.992.8880  
[steve.mclaughlin@ftpartners.com](mailto:steve.mclaughlin@ftpartners.com)

**Highly Confidential and proprietary information. Unauthorized distribution without prior consent from Financial Technology Partners LP or FTP Securities LLC (together "FT Partners") is strictly prohibited.**  
This communication should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product or service, nor is it an official confirmation of any transaction, or representative of an official position or statement of Financial Technology Partners LP, FTP Securities LLC or any other related entity. FTP Securities LLC is a FINRA registered broker-dealer. © 2016



# Pinnacle Acquires 19% Stake in BHG for \$114 mm

## Transaction Summary

**BHG offers financial products, commercial / personal financing, credit and insurance services**

**Pinnacle Financial Partners is the second-largest bank holding company headquartered in Tennessee**

- On January 19, 2016, Pinnacle Financial Partners announced that it has agreed to acquire an additional 19% stake in Bankers Healthcare Group ("BHG") for \$114 mm
  - Payable with a mix of cash and 912,000 shares of Pinnacle common stock
  - The cash amount will equal the difference between \$114 mm and the value of the stock consideration on the closing date
  - The transaction is expected to close in late February or early March
- Pinnacle acquired 30% of the Company in February 2015, bringing the total current investment to 49%
- BHG's three founders and executive officers will maintain 51% ownership interest in BHG
  - The officers have also contractually agreed to remain with the firm for an extended amount of time
- Pinnacle expects this transaction to be approximately 2% accretive to the Firm's estimated fully-diluted earnings per share in 2016 and 4% accretive in 2017

## Transaction Multiples

Total Transaction Size	<b>\$114 mm</b>
Implied Enterprise Value	<b>\$600 mm</b>
LTM Revenue	<b>Approx. \$146 mm</b>
EV / LTM Revenue	<b>4.1x</b>

## Previous BHG Financing

### February 1, 2015

Pinnacle acquired a 30% stake in Bankers Healthcare Group for \$75 mm in cash

Total Transaction Size	<b>\$75 mm</b>
Implied Enterprise Value	<b>\$250 mm</b>
LTM Revenue	<b>Approx. \$96 mm</b>
EV / LTM Revenue	<b>2.6x</b>

The transaction was accretive to Pinnacle's fully diluted earnings per share by an estimated \$0.26 in 2015

## Transaction Quotes

*"Our investment in BHG has exceeded our expectations over the past 11 months and we expect their growth trajectory to remain strong. We look forward to building on the solid partnership that we have established and continuing to offer financial services through their national distribution channel. This additional investment will allow us to further increase and diversify our fee income"*

**Terry Turner, President & CEO, Pinnacle**

*"Our partnership with Pinnacle has better positioned us to continue our rapid growth and profitability. We expect that this additional investment will open up new opportunities for both firms."*

**Al Crawford, Founder & CEO, BHG**



# Pinnacle Acquires 19% Stake in BHG for \$114 mm

## Bankers Healthcare Group Overview

**BHG has provided over \$2 billion in funding to more than 65,000 healthcare professionals**

### BHG Overview

**Headquarters:**



**Year Founded:**

**2001**

**Employees:**

**215+**



**Al Crawford** – CEO & Chairman, Co-Founder



**Bob Castro** – President, Co-Founder



**Eric Castro** – COO, Co-founder



**Edmund Durant** – CFO



### Commercial Loans

#### Commercial Working Capital

- 24 hour approval
- 72 hour funding
- \$20k - \$500k
- Rates from 6.99 – 17.99% (fixed)
- Extended term up to 10 years
- Will not appear on personal credit report
- Do not need to own a practice

#### BHG Flex Program

- Funding from \$400k to \$5 mm
- Extended term up to 25 years
- No lockout of prepayment penalties
- Fully amortizing, no balloon payments

#### BHG StartUp Express

- 24 hour approval
- 72 hour funding
- Loans up to \$200k
- Rates from 6.99 – 17.99%
- Exception policy over \$200k
- No hard collateral required



### Personal Loans

#### Personal Finance

- 24 hour approval
- 72 hour funding
- \$10k - \$150k
- Completely unsecured
- No prepayment penalties
- Flexible terms available



### Insurance Services

#### BHG Insurance Services

- Business Insurance: BOP, worker's comp, commercial auto, umbrella, employment practices liability, professional liability
- Personal: Home, renters, auto, boat, identity fraud, valuable items coverage
- Professional Services: HR, employee benefits administration, payroll, ACA and government compliance



### Credit Cards

#### BHG Power MasterCard

- Premium features and benefits available exclusively to members of the healthcare community

# Overview of FT Partners

## FT Partners is the Leader in Financial Technology Investment Banking

*FT Partners has advised on some of the most prominent transactions in the Alternative Lending / Credit space*

### Student / Personal Loan

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as  
exclusive strategic and financial advisor to

**earnest**

in its Series B minority financing led by

**BV**  
Battery Ventures

**ADAMS STREET**  
PARTNERS

**m**  
maveron

for total consideration of

**\$ 75,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

The Only Investment Bank  
Focused Exclusively on Financial Technology

### Consumer Home Improvement Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its  
exclusive role as financial advisor to

**GreenSky**

in its minority investment from

**TPG DST ICONIQ WELLINGTON**  
MANAGEMENT

for total consideration of approximately

**\$ 300,000,000 +**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

The Only Investment Bank  
Focused Exclusively on Financial Technology

### Consumer Marketing / Credit Lead Generation

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as advisor to

**Google  
capital**

in its lead investment in

**Credit Karma**

with additional participation from

**TIGER**

**SIG**  
SECURITIES

**Ribbit Capital**

for approximately

**\$ 85,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

The Only Investment Bank  
Focused Exclusively on Financial Technology

### Contractor Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as sole  
strategic and financial advisor to

**BlueTarp**  
Financial

in its financing, including investment from

**HIGHLAND**  
CAPITAL PARTNERS

**longridge**

**TRINITY**  
CAPITAL

for approximately

**\$ 15,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

The Only Investment Bank  
Focused Exclusively on Financial Technology

### Asset Backed Loans Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its  
exclusive role as financial advisor to

**borro**

in its growth financing for total  
consideration of

**\$ 19,500,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

The Only Investment Bank  
Focused Exclusively on Financial Technology

### SaaS-based Loan Origination

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
sole strategic and financial advisor to

**WebEquity**  
solutions™

in its sale to

**Moody's**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

The Only Investment Bank  
Focused Exclusively on Financial Technology

### SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its  
role as advisor to

**Kabbage**

in its Series E minority financing led by

**RCP**  
REVERENCE  
CAPITAL  
PARTNERS

**ING**

**Santander**

**InnoVentures**

**Scotiabank**

**\$ 135,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

The Only Investment Bank  
Focused Exclusively on Financial Technology

### Personal Loans

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
sole strategic and financial advisor to

**Upstart**

in its financing, with investment from

**THIRD POINT  
VENTURES**

for approximately

**\$ 35,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

The Only Investment Bank  
Focused Exclusively on Financial Technology

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

# Overview of FT Partners

## Award-Winning Investment Banking Franchise Focused on Superior Client Results

*FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition*



**M&A Advisor Awards**

- |      |                                                                                                                                                                                                                                                                                                            |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year</b></li> <li>■ Technology Deal of the Year</li> </ul>                                                                                                                                                                                    |
| 2014 | <ul style="list-style-type: none"> <li>■ <b>Equity Financing Deal of the Year</b></li> <li>■ Professional Services Deal of the Year, Above \$100mm</li> </ul>                                                                                                                                              |
| 2012 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year</b></li> <li>■ Professional Services Deal of the Year, Above \$100 mm</li> </ul>                                                                                                                                                         |
| 2011 | <ul style="list-style-type: none"> <li>■ <b>Boutique Investment Bank of the Year</b></li> <li>■ Deal of the Decade</li> <li>■ <i>10 Deal of the Year Nominations Across 9 Categories</i></li> </ul>                                                                                                        |
| 2010 | <ul style="list-style-type: none"> <li>■ <b>Upper Middle Market Deal of the Year, Above \$500 mm</b></li> <li>■ IT Services Deal of the Year, Below \$500mm</li> <li>■ Cross-Border Deal of the Year, Below \$500mm</li> </ul>                                                                             |
| 2007 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ Business to Business Services Deal of the Year</li> <li>■ Computer and Information Technology Deal of the Year, Above \$100mm</li> <li>■ Financial Services Deal of the Year, Above \$100mm</li> </ul> |

**Institutional Investor**  
Institutional Investor  
Annual Ranking

- |           |                                                                                            |
|-----------|--------------------------------------------------------------------------------------------|
| 2015      | ■ Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List                   |
| 2006-2008 | ■ Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |



**WINNER**  
**Middle Market**  
**Financing Awards**

- |      |                                                                                                                                                                                                                                      |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2008 | <ul style="list-style-type: none"> <li>■ <b>Equity Financing Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ <b>Information Technology Deal of the Year</b></li> <li>■ <b>Financial Services Deal of the Year</b></li> </ul> |
| 2006 | <ul style="list-style-type: none"> <li>■ <b>Financing Professional of the Year – Steve McLaughlin</b></li> <li>■ <i>Financing Deal of the Year - Equity</i></li> <li>■ <i>Financing Deal of the Year - Debt</i></li> </ul>           |

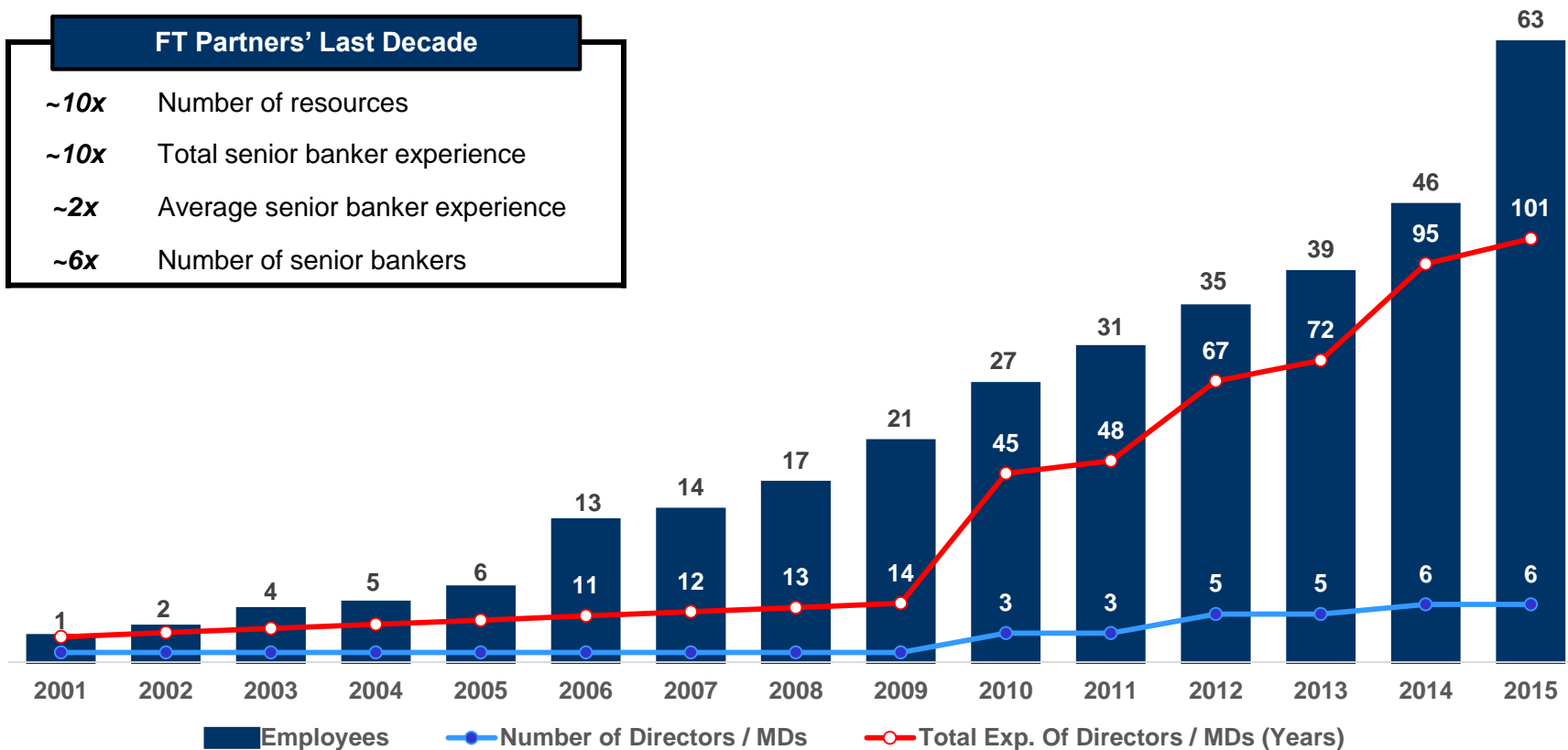
Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

# Overview of FT Partners

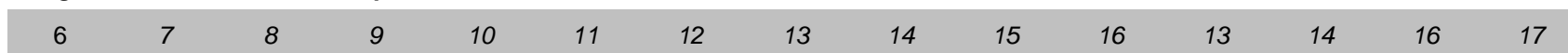
Platform of Choice for Clients and Bankers Alike

## FT Partners' Last Decade

- ~10x Number of resources
- ~10x Total senior banker experience
- ~2x Average senior banker experience
- ~6x Number of senior bankers



## Avg Years of Director / MD Experience



# Overview of FT Partners

## The FT Partners Senior Banking Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>21</b>
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York, London and Los Angeles beginning in 1995</li> <li>Wharton M.B.A.</li> </ul>	<b>21</b>
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee</li> <li>Recent coverage included V, MA, TSS, GPN, HPY, DST, ENV, FISV, FIS &amp; JKHY among others</li> </ul>	<b>20</b>
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	<b>14</b>
<b>Andrew McLaughlin</b> <i>Managing Director, Research &amp; Business Development</i>		<ul style="list-style-type: none"> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>10</b>