

December 22, 2014

Financial Technology Partners LP FTP Securities LLC

Transaction Profile:

THE CARLYLE GROUP

WARBURG PINCUS

agree to acquire



Courtesy of:



The Only Bank

Focused Exclusively on Investment Financial Technology

Financial Technology Partners

555 Mission St., 23rd Floor
San Francisco, CA 94105
Tel: 415.512.8700

www.ftpartners.com



Steve McLaughlin

Managing Partner
Tel: 415.992.8880

steve.mclaughlin@ftpartners.com

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Carlyle Group and Warburg Pincus Agree to Acquire DBRS

Transaction Overview

Transaction Overview

- On December 22, 2014, the Carlyle Group and Warburg Pincus announced that they would acquire DBRS, the fourth largest credit rating agency, for an undisclosed amount
 - Earlier in the month, Reuters reported that the two prominent private equity firms were in advanced talks to purchase DBRS for “more than \$500 million”
 - William Schroeder, the founder and CEO of DBRS, and DBRS management also participated in the acquisition of the Company
 - The Company’s headquarters will remain in Toronto, Ontario, Canada
 - Carlyle will fund the deal through the Carlyle Global Financial Services Partners II fund; Warburg Pincus will fund the purchase through the Warburg Pincus Private Equity XI fund
- DBRS is Canada’s only independent debt rating agency and has a two percent share of the international ratings market
 - With its new partners, the Canadian rating agency plans to focus on the international growth and expansion of its current product line
- The transaction is expected to close in 1Q15; terms of the transaction were not disclosed
- *This is the second major deal in the credit rating space during the month of December as Hearst Corporation just announced that it raised its stake in Fitch from 50% to 80% in a deal valued at nearly \$2 billion*

Transaction Commentary



“I am delighted to partner with such high quality and internationally known investment houses as Warburg Pincus and Carlyle. While our Canadian franchise and culture will continue to be at the core of DBRS’s operations, the breadth and depth of both Warburg Pincus and Carlyle’s international presence will be invaluable to DBRS as it seeks to capitalize upon its growing platforms in the United States and Europe.”

– Walter Schroeder, Founder and CEO, DBRS



“DBRS is the market leader in Canada and is recognized around the world for its high-quality insight and analysis. We look forward to partnering with Dan and the rest of the management team in the next phase of the company’s evolution.”

– Michael Martin, Managing Director and Head of Financial Services, Warburg Pincus



“The world needs more global ratings franchises that issuers and investors alike can count on to provide timely and insightful ratings on a consistent and impartial basis. As the world’s fourth largest agency, we believe DBRS is ideally suited to fill that void.”

– Oliver Sarkozy, Managing Director and Head of Financial Services Investment, Carlyle



Carlyle Group and Warburg Pincus Agree to Acquire DBRS

DBRS Overview

DBRS Overview



CEO: Walter Schroeder

Headquarters: Toronto, Ontario, Canada

Founded: 1976

Employees: ~300

- **DBRS is a credit and debt rating agency that provides credit rating insights to financial institutions, corporate entities, government bodies and various finance product groups**

- The Company currently rates more than 1,000 companies
- Rates various companies and single-purpose vehicles that issue commercial paper, term debt and preferred shares in the global capital markets
- Provides web subscriptions to investors that include surveillance reports, company reports and industry studies
- Ratings are distributed publicly online at no cost

- **The Company was formerly known as Dominion Bond Rating Service – DBRS rebranded to its current name in 2007**

Products Overview

Web Subscriptions

- **Provides investors with detailed surveillance reports, in-depth company reports, industry studies, commentaries and peer group assessments**
- **Allows access into all global corporate, structured finance, financial institutions and public finance ratings and research**
- **Offers data models and analytics, which include the Canadian RMBS model**

RatingsNow

- **Provides automated delivery of ratings – users are able to integrate the data from RatingsNow with their internal databases**
- **Covers the corporate finance, financial institutions, public finance, sovereigns and structured finance universe**
- **DBRS ratings are available via Bloomberg, BlackRock Aladdin, Thomson Reuters and SIX Telekurs**



Carlyle Group and Warburg Pincus Agree to Acquire DBRS

The Carlyle Group Overview

Carlyle Group Overview

THE CARLYLE GROUP

CEO: William E. Conway

Market Cap: \$8.7 billion

Headquarters: Washington, DC

Founded: 1987

- **The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$203 billion of assets under management across 129 funds and 141 fund of funds**
 - Carlyle has invested \$18.9 bn of equity in technology, media, telecommunications and business services transactions around the globe since inception
 - Employs over 1,700 people in 40 offices across six continents
- **Has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media and transportation**
- **The Company invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies and Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America**

Selected Investments

Company	Description
	Provides data and analytics, market intelligence and capital markets software solutions for investment banks and financial institutions
	Family of companies provides on-premise and cloud-based business and e-commerce solutions
	Full-service provider of market data and applications for private banking, retail banking, asset management and wealth management
	Offers a SaaS-based technology solution that automates the collection, storage, collaboration, analysis and reporting for portfolio data
	Provides investment and financial software-enabled services and software focused on the global financial services industry
	Developer of cross asset trading, risk management and operations processing software solutions



Carlyle Group and Warburg Pincus Agree to Acquire DBRS

Warburg Pincus Overview

Warburg Pincus Overview

WARBURG PINCUS

CEO: Joseph P. Landy

Headquarters: New York, NY

Founded: 1971

- **Warburg Pincus is a private equity firm based in New York, NY with over \$37 billion in assets under management**

- Professionals focus on consumer, industrial and services, energy, financial services, healthcare, real estate and technology, media and telecommunications sectors
- Since inception, Warburg Pincus has invested over \$50 billion in over 720 companies in more than 35 countries around the world

- **The Company has more than \$5 billion in financial services and related investments**

- Within this sector, its investments fall into the following verticals: Asset / wealth management, banks and depository institutions, exchanges, financial technology, insurance companies, payment and transaction processing companies, private banking and specialty and consumer finance companies in the Americas, Europe and Asia

Selected Investments

Company	Description
 Avalara	Helps businesses of all sizes achieve compliance with sales tax, excise tax and other transactional tax requirements by delivering comprehensive, automated, cloud-based solutions
 PayScale	Provides an immediate and precise snapshot of current market salaries through its online tools and software
 EFS <small>electronic funds source</small>	Offers customized corporate payment technology solutions designed specifically to help its customers drive efficiencies and improve bottom line performance
 Incomm	Focuses on providing prepaid products, services and transaction technologies to retailers, brands and consumer retail locations in prepaid card destinations
 THE MUTUAL FUND STORE	Delivers independent fee-only investment advice to clients in company-owned and franchised stores in the United States and its nationally syndicated radio program
 Benchmark Solutions	Provides fixed income and derivatives markets with pricing transparency and analytic solutions

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on the most prominent M&A and financing transactions in the Financial Technology space

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

ShareholderInSite

in its sale to

IPREO

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L2C inc

in its sale to

TransUnion

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INSURANCE TECHNOLOGIES

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WebEquity solutions

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Moody's

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in its sale to

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MERCURY

in its cash sale to

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for total consideration of

\$ 1,650,000,000

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Financial Technology Partners LP
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is pleased to announce its exclusive role as sole strategic and financial advisor to

Alpha

in its acquisition by

TMX Maple Group

valued at approximately

\$ 175,000,000

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

THE MARKETS.com

in its sale to

Capital IQ

A Division of Standard & Poor's

for total consideration of approximately

\$ 300,000,000

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Financial Technology Partners LP
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Zephyr ASSOCIATES, INC.

in its sale to

informa

for total cash consideration of

\$ 62,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

MERGENT

in the sale of its index Business to

NASDAQ OMX

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

liquidnet

in its financing for approximately

\$ 250,000,000

valued at approximately

\$ 1,800,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

ENVESTNET

in its

\$69,000,000
Initial Public Offering

valuing the equity at approximately

\$ 300,000,000

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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

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



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| 2006-2008 | <ul style="list-style-type: none"> ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
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Middle Market Financing Awards

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