June 24, 2016 **Financial Technology Partners**

FT Partners Research - Transaction Profile



raises

\$40 million

in Series B financing led by



Courtesy of:



The Only Investment Bank Focused Exclusively on Financial Technology

www.ftpartners.com



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Number26 Raises \$40 Million in Series B Financing Round

Transaction Summary

Number26 is among a crop of "challenger" banks targeting Europe's traditional financial institutions; others include Tandem, Atom, Starling and Holvi

Transaction Summary

- On June 21, 2016, Number26 announced that it had raised \$40 million in a Series B financing round led by Horizons Ventures
 - Battery Ventures, Valar Venutres, Earlybird Ventures and Redalpine Ventures also participated in the round
 - The funding will be used to accelerate additional geographic expansion and integrate new products such as savings, investments and credit into the Company's platform
- Number26 has over 200,000 customers 40,000 of which were acquired in the last two months
- The Company currently operates in Germany, Austria, France, Greece, Ireland, Italy, Slovakia and Spain
- Number26 has partnered with Wirecard Bank AG, a
 German regulated bank, to provide its banking services
- Horizons Ventures is the investment arm of Mr. Li Kashing, a leading investor in innovative and disruptive technology companies such as Facebook, Spotify and Siri

Selected Previous Equity Financings

Date	Size (\$ mm) Lead Investor(s)	
04/16/15	\$10.6	VALAR
06/19/14	2.6	EARLYBIRD

Deal Commentary

"This financing round brings together some of the world's leading investors. They provide the substantial financial resources and networks to accelerate our transformation of the banking landscape over the coming years ... Even given our success to date, we believe we are only at the beginning of our journey to bring better mobile banking to millions of customers across Europe, transparently and at much fairer prices."



Valentin Stalf
Founder & CEO at Number26

"We are excited to join Number26 to lead the innovation in retail banking and play an important role to create the bank of tomorrow. Bringing transparency and focusing on an intuitive banking experience will set them apart, so we look forward to their success and to being part of their global growth in the future."



Frances Kang
Director at Horizons Ventures

"Number26 has fundamentally transformed the traditional banking model ... We selectively partner with some of the best FinTech companies around the world to offer a platform of products within a seamless, mobile-centric experience. We've also built a highly scalable technology base using an extremely lean organizational structure. This combination means we can offer significantly better products at much lower prices."



Maximiliam Tayenthal Founder & CFO at Number26





Number26 Raises \$40 Million in Series B Financing Round

Number26 Overview

Number 26 Overview

Co-Founder & CEO

Valentin Stalf

Headquarters:

NUMBER26

Berlin, DE

Founded:

2013

140

Employees:

- Number26 is the first modern bank account in Europe that can be managed entirely from a smartphone
- The Company has 200,000 clients spread across eight countries in Europe
- The Number26 mobile app and MasterCard allow customers to make fee-free payments and free cash withdrawals all across the world

Management Team



Valentin Stalf, Founder and CEO

 Previous experience in Strategy Consulting and Investment Banking



Maximilian Tayenthal, Founder, COO and CFO

 Previousl experience as a Strategy Consultant with Booz & Company and assistant to the CFO of Austria's largest insurance company



Christian Rebernik, CTO

 Previously worked as the CTO for Zanox and founded his own company

Number26 App and MasterCard Services



Ready to Use – Accepted at 36 mm locations worldwide, the MasterCard allows customer to pay conveniently through its Integrated NFC functionality



Transparency – Real time notifications of all account activity and easy to modify account settings



All Currencies on One Card – Customers can pay with their MasterCard regardless of currency – the amount will be converted at the current exchange rate without foreign currency fees



Cash – Cash withdrawals from any MasterCard ATM completely free of charge



No Costs – The MasterCard comes with no annual fees, no international services fees and no foreign currency withdrawal fees



Security – Customers can customize their security settings from the mobile app determining when and where their MasterCard can be used

FINANCIAL
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Number26 Raises \$40 Million in Series B Financing Round

Selected Challenger Bank Financing and M&A Activity

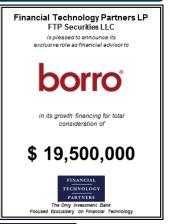
Date	Company	Country	Buyer / Investor	Transaction Type	Deal Amt. (\$ in mm)
11/24/2015	Atom	UK	BBVA Group; Polar Capital; Toscafund Asset Management; Marathon Asset Management; Woodford Investment Management	Financing	\$128
2/20/2014	NUMBER26	Germany	BBVA Group	M&A	117
1/11/2016	STARLING	UK	Undisclosed Investors	Financing	70
1/6/2016	M y bank	Brazil	Founders Fund; Kaszek Ventures; Sequoia Capital; Tiger Global Management	Financing	52
6/21/2016	NUMBER26	Germany	Valar Ventures; Earlybird Venture Capital; Redalpine Venture Partner; Battery Ventures; Horizons Ventures; Undisclosed Investors	Financing	40
4/5/2016	TANDEM	UK	Omidyar Network	Financing	32
12/4/2014	Atom	UK	Polar Capital; Undisclosed Investors	Financing	31
6/2/2015	MU bank	Brazil	Tiger Global Management; QED Investors; Sequoia Capital; Kaszek Ventures	Financing	30
9/25/2014	MY bank	Brazil	Kaszek Ventures; Sequoia Capital; Undisclosed Investors	Financing	14
10/13/2015	Moven.	USA	Route 66 Ventures	Financing	12
4/16/2015	NUMBER26	Germany	Valar Ventures; Earlybird Venture Capital; Redalpine Venture Partner; Undisclosed Investors	Financing	11
03/7/2016	HOLVI.	Finland	BBVA Group	M&A	na

FT Partners' Track Record of Success in the Banking / Lending Technology Space

Student / Personal Loan



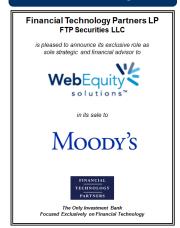
Asset Backed Loans Financing



Consumer Home Improvement Financing



SaaS-based Loan Origination



Consumer Marketing / Credit Lead Generation



SMB Financing



Contractor Financing

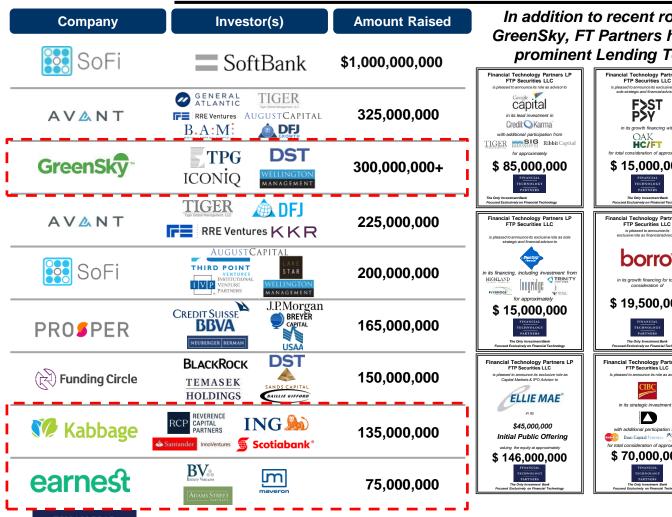


Supplier Finance Solutions





FT Partners Advised on Three of the Largest Alternative Lending Transactions



In addition to recent rounds for Earnest, Kabbage and GreenSky, FT Partners has advised on a number of other prominent Lending Tech / Alt Lending transactions





FTP Securities LLC



it gleased to announce its exclusive role as francis' advisor t **taulia**









FT Partners has Significant Experience Advising Large Financing Rounds

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space

Representing numerous **FinTech** "Unicorns" above \$1 billion valuations

	<u> </u>
Company	Amount Raised
MERCURY®	\$420,000,000+
GreenSky **	300,000,000+
liquidnet.***	250,000,000
square trade protection plans	238,000,000
∑avid xchange	225,000,000
nmi	150,000,000+
Kabbage	135,000,000
Tradingscreen SIMPLIFYING GLOBAL MARKETS*	110,000,000+
CHROMERIVER	100,000,000
Credit Karma	85,000,000
earnest	75,000,000
taulia	60,000,000
O YAPSTONE	50,000,000





Selected Prominent Investors in FT Partners Led Rounds













BainCapital Ventures





















ING (A)







khosla ventures











Selected FT Partners' FinTech Research (click to view)



Kabbage Raises \$135 million in its Series C Financing



LendUp Raises \$150 million in Equity and Debt Financing



WeLab Raises \$160 million



NuBank Secures \$52 million in Financing Led by Founders Fund



Starling Raises \$70 million in Financing



Atom Secures \$128 million in Financing Led by BBVA



FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 13 years of exclusive focus on Financial Technology. Please visit our subscription form to subscribe to our exclusive monthly newsletter and receive our research reports.

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

	2016	 Investment Banking Firm of the Year Cross Border Deal of the Year 	
	2015	■ Dealmaker of the Year ■ Technology Deal of the Year	
2015 -2004	2014	■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm	
ANNUAL AWARDS	2012	 Dealmaker of the Year Professional Services Deal of the Year, Above \$100mm 	
WINNER M&A Advisor	2011	 Boutique Investment Bank of the Year Deal of the Decade 10 Deal of the Year Nominations Across 9 Categories 	
Awards	2010	■ 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	 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 	
Institutional	2015	■ Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List	
Institutional Investor Annual Ranking	2006-2008	■ Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology	
	2008	 Equity Financing Dealmaker of the Year – Steve McLaughlin Information Technology Deal of the Year Financial Services Deal of the Year 	
Middle Market Financing Awards	2006	 Financing Professional of the Year - Steve McLaughlin Financing Deal of the Year - Equity Financing Deal of the Year - Debt 	- 9



The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin Founder, CEO and Managing Partner	Goldman Sachs	 Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
Larry Furlong Managing Director	Goldman Sachs	 Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	21
Greg Smith Managing Director	Merrill Lynch J.P.Morgan	 Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, TSS, GPN, HPY DST, ENV, FISV, FIS, JKHY, WU & EEFT, among others 	20
Steve Stout Managing Director	J.P.Morgan	Formerly with J.P. Morgan and UBSFormerly Global Head of Strategy at First Data	18
Tim Wolfe Managing Director	Goldman Sachs	 Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
Andrew McLaughlin Managing Director	Deloitte.	 Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10

