

July 25, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



acquires



for

£700 million (~\$920 million)

Courtesy of:



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

www.ftpartners.com



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MasterCard Acquires VocaLink for \$920 million

Transaction Summary

- On July 21, 2016, MasterCard announced that it had entered into a definitive agreement to acquire 92.4% of VocaLink for £700 mm (approximately \$920 mm)
 - The transaction includes the potential for an earn-out of up to an additional £169 mm (approximately \$220 mm) for VocaLink shareholders
 - The agreement would also require the majority of VocaLink's shareholders to retain 7.6% ownership of the Company for at least three years
- When the acquisition closes, David Yates, current CEO of VocaLink will join MasterCard's management committee
- MasterCard expects the transaction to dilute 2017 and 2018 EPS by about 5 cents (or about 1.2%)
 - The dilution will be due to continued amounts of new product investment, transaction and integration costs and the amortization of intangibles

Transaction Rationale

- The acquisition helps to accelerate MasterCard's effort to actively participate in electronic payments and payment flows
- VocaLink will expand the products and services that MasterCard offers, becoming a combination of the traditional person-to-merchant cards business and a clearing business
 - This will also allow MasterCard to enter the UK payment ecosystem in a more strategic role and leverage VocaLink's existing relationships

Transaction Commentary

"Today's announcement is positive news for our partners, customers and employees. We will continue to focus on ensuring that the UK systems perform seamlessly, maintaining the highest levels of quality. At the same time, we'll invest in further innovation to power competitive payments solutions for consumers and businesses around the globe."



David Yates
Chief Executive Officer



"We're excited about the opportunity to play a bigger role in payments in the UK, a very strategic market for us. VocaLink is a unique company with outstanding technology, assets and people. We look forward to investing in and maximizing the technology, and embedding it in our products and solutions, both in the UK and around the world."



Ajay Banga
President and CEO



Transaction Multiples ⁽¹⁾

EV /
Revenue

4.2x

EV / Core
Profitability ⁽²⁾

16.6x

EV /
EBITDA

27.3x

MasterCard Acquires VocaLink for \$920 million

VocaLink Overview



Company Overview

CEO:	David Yates
Headquarters:	London, UK
Founded:	2007

- In 2007, a new holding company named VocaLink Holdings was formed to acquire Voca and LINK Interchange Network
- VocaLink designs, builds and operates payment systems and platforms, providing the UK national payments infrastructure
 - The Company offers services for all players in the UK banking system: ATM deployers, financial institutions, government and corporations

Key Statistics

- In the UK, VocaLink processes over **90% of salaries**, more than **70% of household bills** and almost all state benefits
- Last year, the Company processed over **11 billion transactions** with a value of **£6 trillion** (approximately \$7.9 trillion)
- A consortium of **18 banks** and building societies initially owned VocaLink Holdings, including Barclays Bank, Royal Bank of Scotland, Lloyds Banking Group, HSBC and Santander

VocaLink operates three key payment systems in the UK:

- **Bacs**
- **LINK ATM switch**
- **UK Faster Payments**

Products & Services Overview



- ✓ Provides and operates the central payments processing infrastructures for the UK economy
- ✓ Provider of three principal UK transaction services: Bacs, Faster Payments Service and the LINK ATM Service



- ✓ Powers an ATM network and provides transaction switching, clearing and settlement
- ✓ Current Account Switch Service that allows customers to switch banks easily and for free



- ✓ PayPort by VocaLink helps manage interactions with the Faster Payments Scheme's central infrastructure
- ✓ Ideal for challenger banks, PSPs, money transfer businesses and more



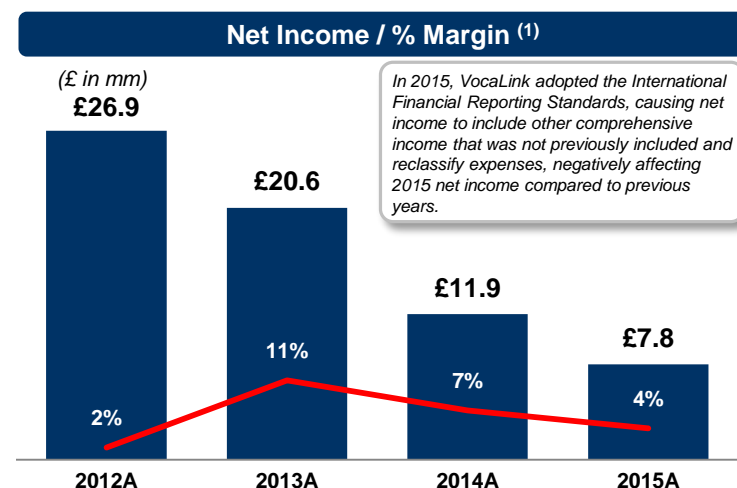
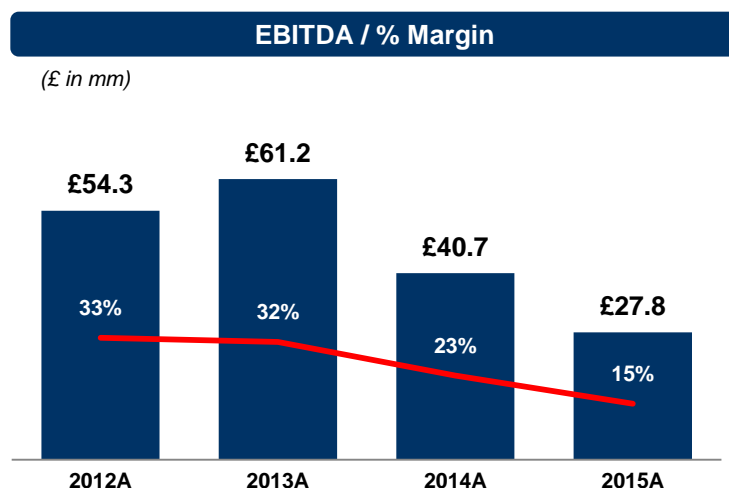
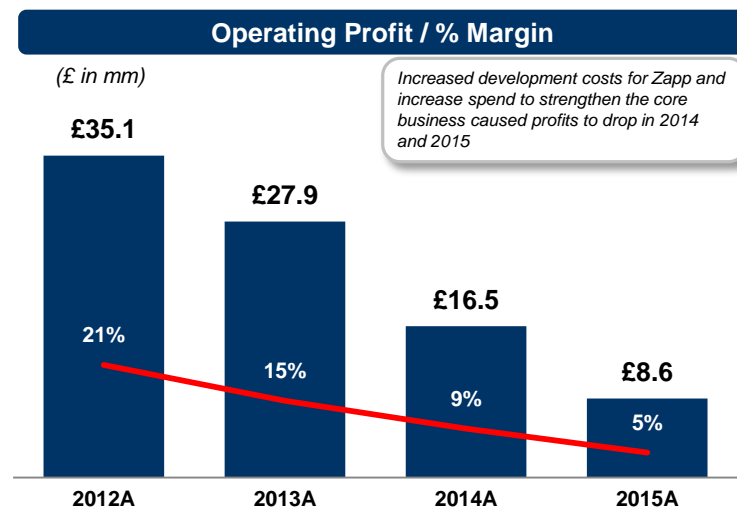
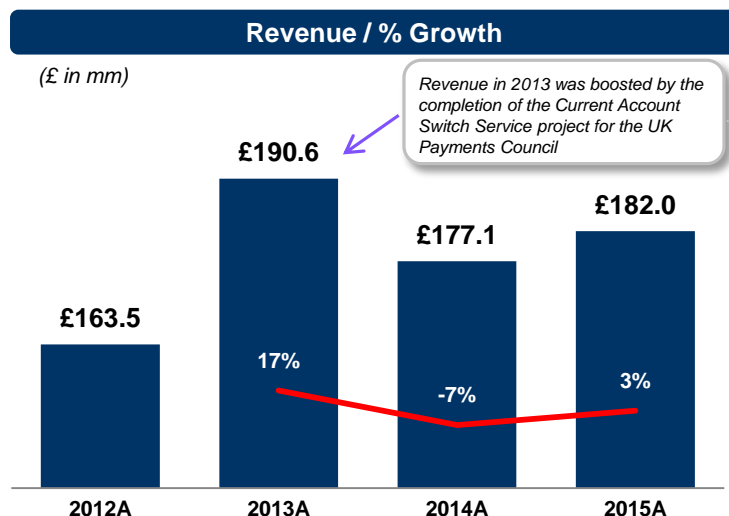
- ✓ Immediate payment solution tailored for international markets
- ✓ Implement immediate bank transfers and debit requests with FAST
- ✓ Payment processing for Bankgirot, an automated clearing house



- ✓ Send or receive money directly with a mobile phone number using Paym
- ✓ Use Zapp's Pay by Bank app to pay retailers directly from a bank app

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VocaLink Overview (cont.)



Source: Company website, Capital IQ.

(1) In 2015, VocaLink adopted the International Financial Reporting Standards, causing net income to include other comprehensive income that was not previously included and reclassify expenses, negatively affecting 2015 net income compared to previous years.

MasterCard Acquires VocaLink for \$920 million

MasterCard Overview

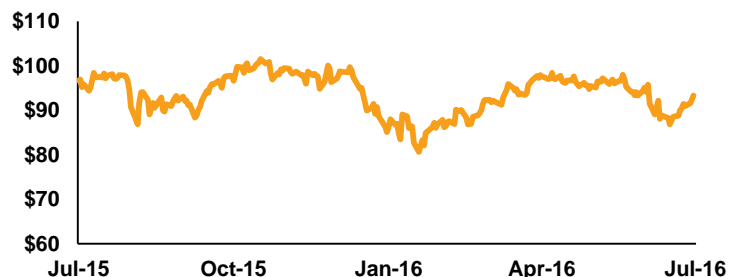


Company Overview

CEO:	Ajay Banga
Market Cap:	\$101.6 bn ⁽¹⁾
Headquarters:	Purchase, NY
Founded:	1966

- MasterCard operates a global payments processing network, connecting consumers, financial institutions, merchants, governments and businesses
- Services include payment authorization, clearing and settlement, loyalty and rewards programs, prepaid card services, fraud detection / protection and information consulting services
- Payment solutions and services are provided under the MasterCard, Maestro and Cirrus brand names
- The Company operates in over 210 countries and territories

Stock Performance



Selected Recent Acquisitions

Date	Size (\$ mm)	Target
04/27/15	\$600	 APT A MasterCard Company
11/06/14	na	 TNS Payment Gateway Business
11/04/14	na	 5NE
05/19/14	na	 ecs
04/17/14	na	 pinpoint
02/24/14	na	 c-sam

Financial Snapshot

(\$ in mm)	Revenue	Revenue Growth	EBITDA	EBITDA Margin	EPS	EPS Growth
2015A	\$9,667	2.4%	\$5,584	57.8%	\$3.35	8.1%
2016E	10,499	8.6%	5,997	57.1%	3.54	3.3%
2017E	11,639	10.9%	6,790	58.3%	4.13	16.6%

Source: Company website, Capital IQ, FT Partners' proprietary transaction database.

(1) As of July 21, 2016.

Overview of FT Partners

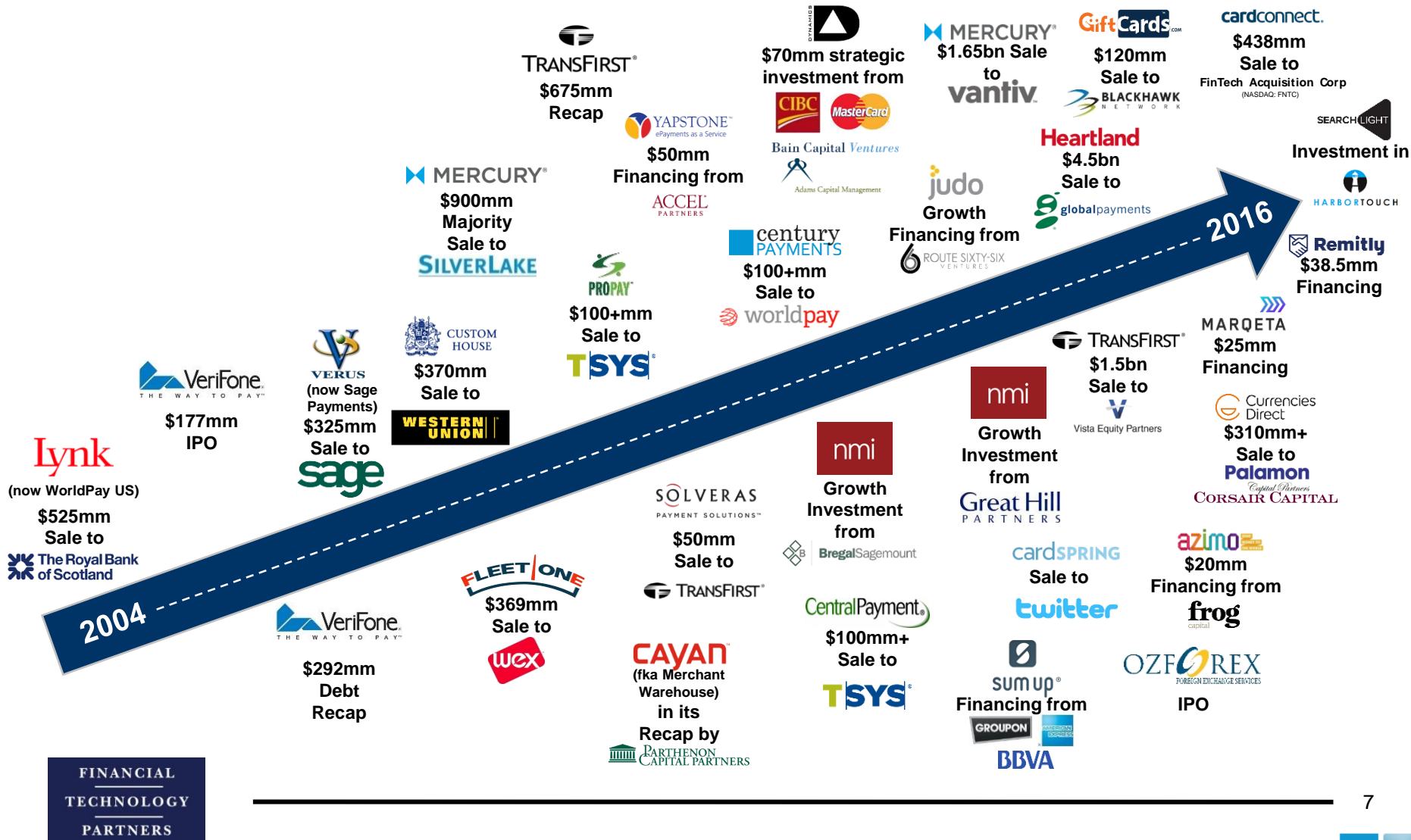
FT Partners is the Leader in Financial Technology Investment Banking

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>Heartland</p> <p>in its sale to</p> <p>globalpayments</p> <p>for total consideration of</p> <p>\$ 4,500,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>MERCURY[®]</p> <p>in its cash sale to</p> <p>vantiv[™]</p> <p>for total consideration of</p> <p>\$ 1,650,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>TRANSFIRST[™]</p> <p>in its sale to</p> <p>Vista Equity Partners from WCAS</p> <p>for total consideration of</p> <p>\$ 1,500,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>GiftCards.com</p> <p>in its sale to</p> <p>BLACKHAWK NETWORK</p> <p>for total consideration of</p> <p>\$ 120,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>Merchant Warehouse</p> <p>in its Significant Growth Recapitalization by</p> <p>PARthenon CAPITAL PARTNERS</p> <p>for total consideration of</p> <p>\$100,000,000+</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>MERCURY[®]</p> <p>in its approximately 60% Growth Investment by</p> <p>SILVERLAKE</p> <p>for a value up to</p> <p>\$ 900,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>cardsPRING</p> <p>in its sale to</p> <p>twitter</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as strategic and financial advisor to</p> <p>century PAYMENTS</p> <p>in its sale to</p> <p>WorldPay</p> <p>a portfolio company of Bain Capital</p> <p>for total consideration of</p> <p>\$ 100,000,000+</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>MARQETA</p> <p>in its Series C minority financing from</p> <p>COMMERZ VENTURES Commerzbank Group</p> <p>83NORTH LA CAPITAL GROUP</p> <p>for total consideration of</p> <p>\$ 25,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>YAPSTONE[™]</p> <p>in its minority investment led by</p> <p>ACCEL PARTNERS</p> <p>for total consideration of approximately</p> <p>\$ 50,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>VERUS</p> <p>in its sale to</p> <p>sage</p> <p>for cash consideration of approximately</p> <p>\$ 325,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>SOLVERAS PAYMENT SOLUTIONS[™]</p> <p>in its sale to</p> <p>TRANSFIRST[™]</p> <p>valued at approximately</p> <p>\$ 51,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>lynk</p> <p>in its sale to</p> <p>The Royal Bank of Scotland</p> <p>for cash consideration of approximately</p> <p>\$ 525,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>PROPAY[™]</p> <p>in its sale to</p> <p>TSYS[™]</p> <p>for total consideration of approximately</p> <p>\$ 135,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>nmi</p> <p>in its growth investment by</p> <p>BregalSagmount</p> <p>for a total valuation of nearly</p> <p>\$200,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>

Unparalleled experience in Payment Processing across the entire spectrum of transaction types and dynamics, with extremely strong execution and outcomes

Overview of FT Partners

Timeline of Selected FT Partners Payment Processing Transactions



Overview of FT Partners

Ground-Breaking Transactions Pioneered by FT Partners

<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as sole strategic and financial advisor to</i></p> <p>lynk</p> <p><i>in its sale to</i></p> <p>The Royal Bank of Scotland</p> <p><i>for cash consideration of approximately</i></p> <p>\$ 525,000,000</p> <p><small>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as sole strategic and financial advisor to</i></p> <p>VERUS</p> <p><i>in its sale to</i></p> <p>sage</p> <p><i>for cash consideration of approximately</i></p> <p>\$ 325,000,000</p> <p><small>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as sole strategic and financial advisor to</i></p> <p>CUSTOM HOUSE</p> <p><i>in its sale to</i></p> <p>WESTERN UNION</p> <p><i>for total cash consideration of approximately</i></p> <p>\$ 370,000,000</p> <p><small>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as sole strategic and financial advisor to</i></p> <p>MERCURY[®]</p> <p><i>in its approximately 60% Growth</i></p> <p>SILVERLAKE</p> <p><i>for a value up to</i></p> <p>\$ 900,000,000</p> <p><small>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as sole strategic and financial advisor to</i></p> <p>cardsPRING</p> <p><i>in its sale to</i></p> <p>twitter</p> <p><small>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its role as strategic and financial advisor to</i></p> <p>Heartland</p> <p><i>in its sale to</i></p> <p>globalpayments</p> <p><i>for total consideration of</i></p> <p>\$ 4,500,000,000</p> <p><small>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its role as strategic and financial advisor to</i></p> <p>cardconnect.</p> <p><i>in its sale to</i></p> <p>FinTech Acquisition Corp (NASDAQ: FNTC)</p> <p><i>for total consideration of</i></p> <p>\$ 438,000,000</p> <p><small>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</small></p>
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First sale of a U.S. merchant acquirer to a large international financial institution; became Worldpay U.S.

First sale of a U.S. merchant acquirer to an international software company; became Sage Payments

First sale of an "International Payments Specialist" to a pure-play consumer remittance provider

First large-scale transaction for an integrated merchant acquirer

First sale of a payments company to an established social media company

Largest U.S. strategic merchant acquiring acquisition in over the last decade

Sale of a payment processor to a SPAC vehicle

Transactions demonstrate success breaking new ground across the Payment Processing sector

Overview of FT Partners

Selected FT Partners' Research (click to view)



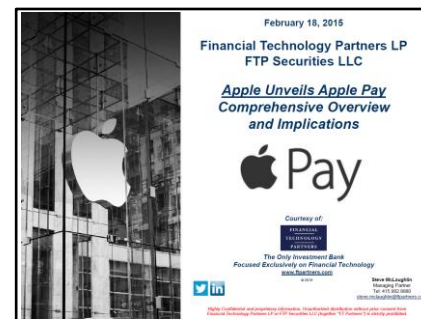
Research Report: Transaction Security



Research Report: PayPal Spin-off Overview



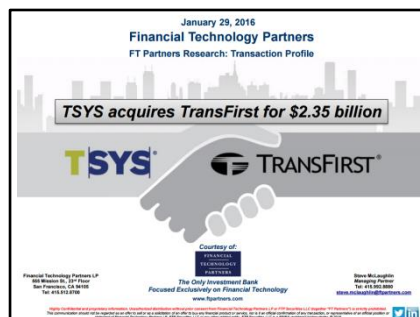
Research Report: Global Money Transfer



Research Report: Apple Unveils Apple Pay



Heartland's Sale to Global Payments



TransFirst's Sale to TSYS



Square Completes its IPO



First Data: Post Quiet Period Review

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.

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

2016	<ul style="list-style-type: none"> ■ Investment Banking Firm of the Year ■ Cross Border Deal of the Year
2015	<ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Technology Deal of the Year
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 \$100mm
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



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









Middle Market Financing Awards

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>

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

Overview of FT Partners

The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> 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 <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> 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 <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with J.P. Morgan and UBS Formerly Global Head of Strategy at First Data 	18
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners beginning in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10