



BANKERS HEALTHCARE GROUP





A G E N D A

Introductions

BHG History & Strategy

Financials

Bank Network

Analytics-Driven Business Model

Marketing

Pinnacle & BHG Partnership

Future Synergies & Opportunities

BHG LEADERSHIP



Al Crawford Chairman / CEO & Original Founder

Al Crawford is a co-founder of BHG and currently serves as Chairman and Chief Executive Officer. He is responsible for overseeing all facets of the company and its operations.

For 30 years, Al has expertly coordinated loan/lease sales and financing between community banks and companies. His unique passion and excitement for creating financial solutions shines at BHG. He has facilitated over \$5 billion with financial institutions, including more than 1,000 banks nationwide.

Al provides guidance and mentoring to his Leadership Team, who he meets with daily. These 13 direct reports are leading their respective teams, and running the day-to-day operations of the company alongside Al. Because of his hands-on, inclusive management style and thirst for knowledge, his presence in all locations and departments is evident.

In 2012, Al, along with co-founders Bob and Eric Castro, was named an Ernst & Young Entrepreneur of the Year for Financial Services. And in 2009, he was one of an elite 10 selected from hundreds of the nation's top CEOs to be a member of the Inc. magazine CEO Project.

Al earned his bachelor's degree from Gettysburg College. He has held licenses as both a commodities broker (Series 3) and a stockbroker (Series 7).



Eric Castro Original Founder

Eric Castro co-founded BHG with a deep passion for effective leadership and execution. A veteran of the U.S. Marine Corps, he quickly learned the importance of a strong leader to guide a motivated group toward significant accomplishments. Eric has leveraged his experience and his knowledge to do just that—guide the team at BHG to break barriers and reach new heights.

Always intrigued by the idea that success is directly correlated to meaningful human interactions and trust, Eric is driven to help people realize their full potential, achieve their goals, and find success in and out of the boardroom.

Having built and led exceptional teams within corporations, Eric thrives on mentoring young entrepreneurs and aspiring business leaders. His fierce belief in putting quality into every aspect of life has not only helped shape his perspective and his approach, but also has skyrocketed BHG into the industry leader that it is today.

BHG LEADERSHIP



Dan McSherry
Chief Financial Officer

As Chief Financial Officer at BHG, Dan McSherry leads BHG's corporate finance and investor relations. He focuses on financial strategy, corporate investments, and driving company growth.

Dan joined BHG in 2013 as Senior Vice President of Analytics, responsible for driving growth and profitability into the production channel through enhanced data analysis. He has also served in management roles for reporting and business intelligence.

Prior to joining BHG, Dan spent four years as an Analyst at Lockheed Martin Corporation. He has also worked in the financial services industry, where he spent time with UBS Financial and Charles Schwab & Co. Dan's well-rounded experience also spans sales forecasting, variance and trend analysis, program budgeting and risk management.

Dan earned both his bachelor's degree in Finance and Economics and his MBA from Syracuse University.



Juan Carlos Ortigosa
Chief Revenue Officer

As the Chief Revenue Officer, Juan Carlos Ortigosa defines and maintains the revenue strategy, architects and integrates the revenue system, and designs and launches new revenue programs for BHG. Juan's passion for excellence drives the company's growth strategies — and is underscored by his commitment to creating a culture of accountability.

Before assuming his current role, Juan served as Chief Credit Officer and Vice President of Risk Management at BHG. His contributions during this time include successfully revamping the company's credit model and building the analytics department from the ground up.

Prior to joining BHG, Juan was Assistant Vice President of Credit Analytics at BankAtlantic, where he developed predictive models to estimate delinquency and loan loss, and managed risk for a \$5 billion portfolio.

Juan earned his bachelor's degree in finance and management from Florida Atlantic University.

BHG LEADERSHIP



Chris Panebianco Chief Marketing Officer

As Chief Marketing Officer for BHG, Chris Panebianco has strategically developed a full-service in-house ad agency originating more than 110,000 loan requests resulting in over \$5 billion in funded transactions to healthcare and other licensed professionals across the United States.

Prior to joining BHG in 2009, Chris worked at MindComet with clients such as Disney, Florida Hospital, ADT, and Peachtree. He has also served as Director of Marketing for PMC Lending and Marketing Manager for RideNow Powersports Florida. Chris started his advertising career with Price McNabb, now Mower, in Charlotte, NC.

Chris was named to Central New York's 40 Under 40 list, recognizing leadership in both the workplace and community. Additionally, he was selected to join Leadership Greater Syracuse and is a recipient of the CNY Sales and Marketing Excellence Award.

With social responsibility top of mind, Chris has helped forge partnerships with nonprofit organizations to further BHG's corporate mission of giving back. These organizations include Operation Smile, Upstate Golisano Children's Hospital, In My Father's Kitchen, American Cancer Society, David's Refuge, and Vera House.

Chris earned his bachelor's degree from the University of North Carolina at Greensboro.



Edmund Durant Chief Accounting & Risk Officer

As Chief Accounting & Risk Officer at BHG, Ed Durant oversees the company's Accounting, Finance, and Credit Risk Management and Risk Modeling. He leads BHG's accounting department and policies, and is focused on growing its internal risk division.

An integral member of BHG since 2003, Ed has held positions in accounting, documentation, loan placements, credit underwriting, IT and most prior to his current position—Chief Financial Officer. He created the original credit matrix scoring system, the first aggregated loan amortization tracking system, and the margin calculation—a model to estimate lifetime net revenue on each individual loan transaction.

Ed was named to Central New York's 2018 40 Under 40 list, recognizing leadership in both the workplace and community. He also received an award from the Business Journal News Network recognizing private company CFOs.

A contributor to his church and Pass 'Da Rock, a Syracuse-based non-profit giving inner-city youth a safe place for sporting activities, Ed is passionate about charity.

Ed graduated from Colgate University with a bachelor's degree in economics.

BHG LEADERSHIP



Thomas Davis SVP of Placements

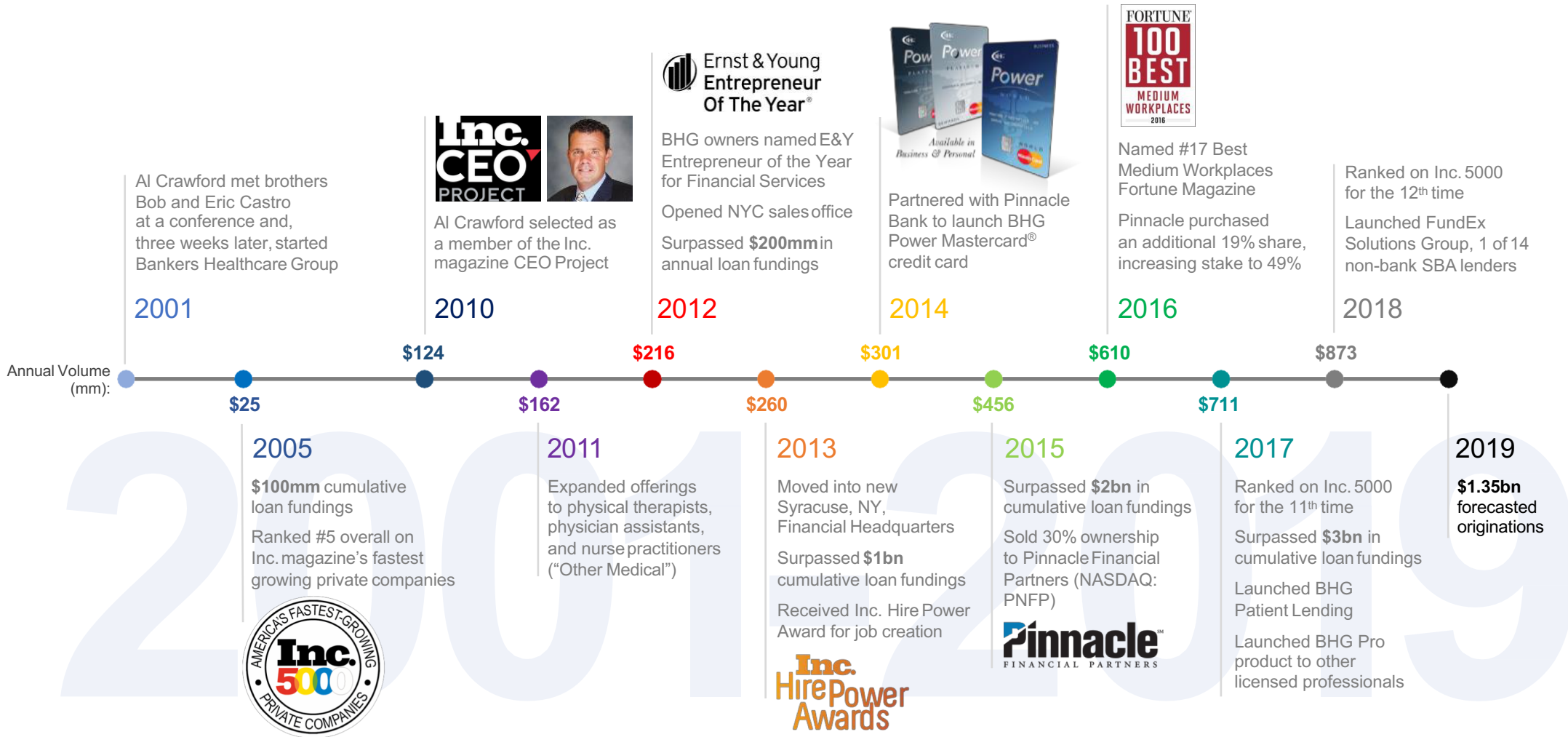
Tom Davis is BHG's Senior Vice President of Placements (2015-current). In this role, he has managed BHG's global cost of funds and revenue derived from \$4.5 billion in loan sales to a network of more than 1,000 banks. He also manages the institutional sales force, operations team and serves as PM for complex sales events. Prior to this position, Tom served as Lead Analyst for the Placements department, providing insight into loan sale methodology, cost, auction trends, bank industry trends and institutional marketing.

Before joining BHG, Tom was a Senior Analyst at National Grid providing analysis and contract management for D-Line construction and service contracts under the PM&CC group. Prior to National Grid, Tom was Vice President of Sedgwick Capital Corporation, where he managed operations related to providing construction and receivables financing for the resort timeshare industry. At Sedgwick, he managed accounting, analysis, reporting and contract management for borrower and source bank financing.

Tom is a veteran of the NY Air National Guard (2002-08) and received a Bachelor's from Le Moyne College.

MILESTONES & HISTORY

Demonstrated ability to navigate a competitive and robust market while nurturing a growing and highly profitable platform



STRATEGY

Provide loans (primarily working capital) to highly-skilled professionals, with a concentration in healthcare, emphasizing fast, efficient, and responsive customer service

- Marketing platform key to producing lead flow, *based on analytics and data*
- Direct mail and multiple web-based advertising disciplines
- Trade association involvement
- 25% – 30% of originations are repeat borrowers (trailing 18 months)
- Dynamic sales force and culture

Underwrite loans pursuant to strict standards using automation to the fullest extent possible

- Multiple credit models – annualized loss rate last 5 years approximates 2.42%
- State-of-the-art loan origination platform
- Risk-based pricing

Sell loans to financial institutions seeking improved yields and commercial/consumer loan growth

- Loans sold via auction platform and direct sales channels

BHG TODAY

Over \$5 billion in financial solutions provided since inception

- ~\$2.58 billion outstanding loan portfolio as of 6/30/2019
- On pace to originate \$1.35 billion in 2019
- Annualized default/charge off ratio of 2.42% of total portfolio (2014 – 2018)
 - 2018 default/charge off ratio of 2.10%, anticipate 2019 to be 1.98% to 2.57%

Diverse financing network, having sold loans to over 1,000 U.S. banks

- To date, in 2019, sold loans to 461 different banks
- In 2018, sold loans to 460 different banks

Over 500 employees in 3 major locations (Syracuse, Manhattan, Fort Lauderdale)

- Experienced leadership team – average tenure of key leaders 10 years

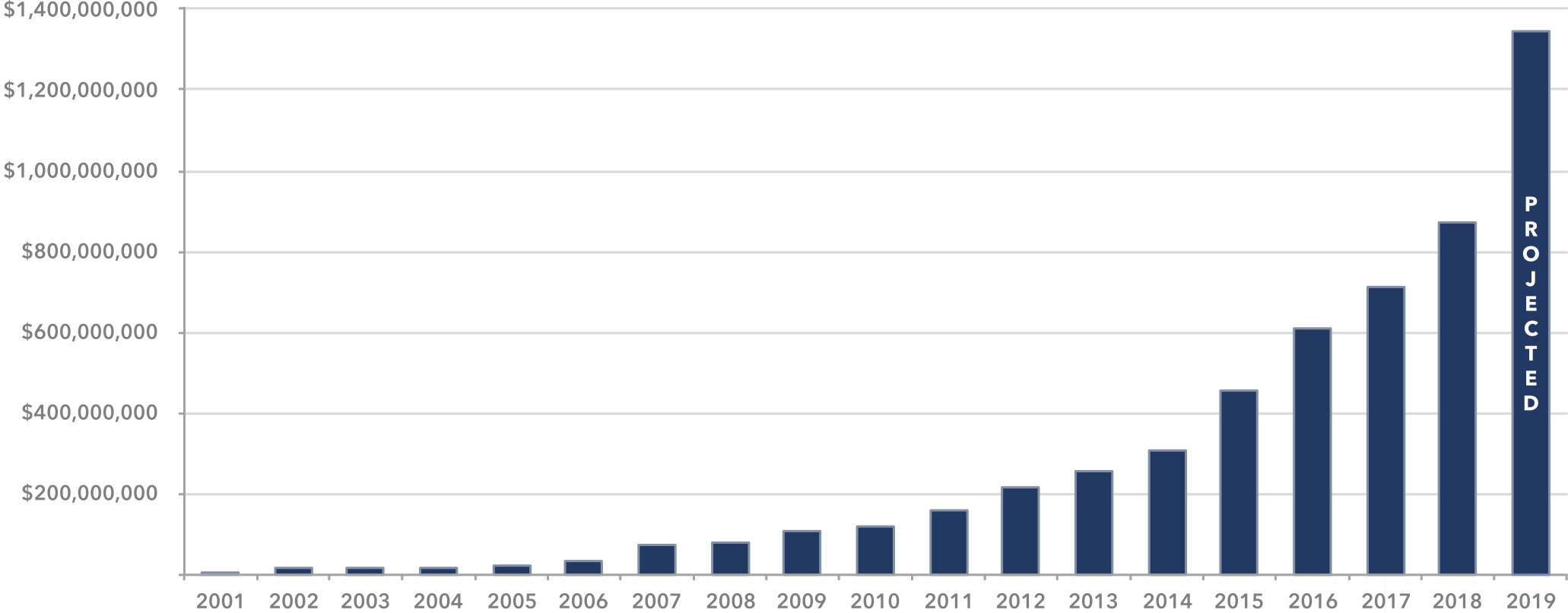
Key areas of growth for BHG

- 35+ analysts on staff with significant depth of experience amongst Fortune 500 companies implanting performance, production and data analytics
- Continual expansion customer universe – non-medical, highly-skilled professionals
- Diversification of funding channels
- Less reliance on Gain-on-Sale (GOS) model going forward, creating less volatile revenue via interest income
- Patient Lending



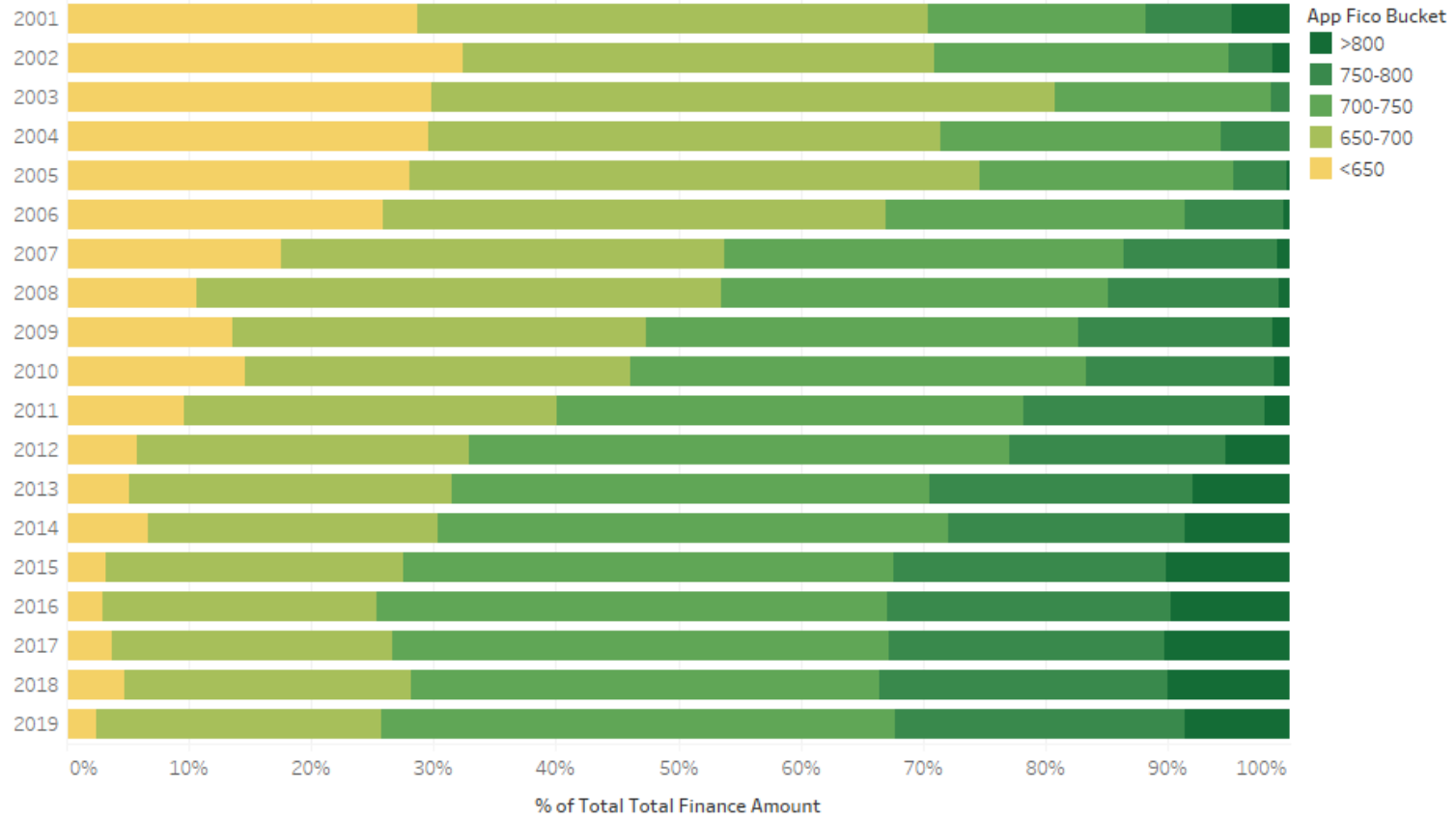
ORIGINATIONS

VOLUME BY YEAR



ORIGINATIONS

FICO BY YEAR



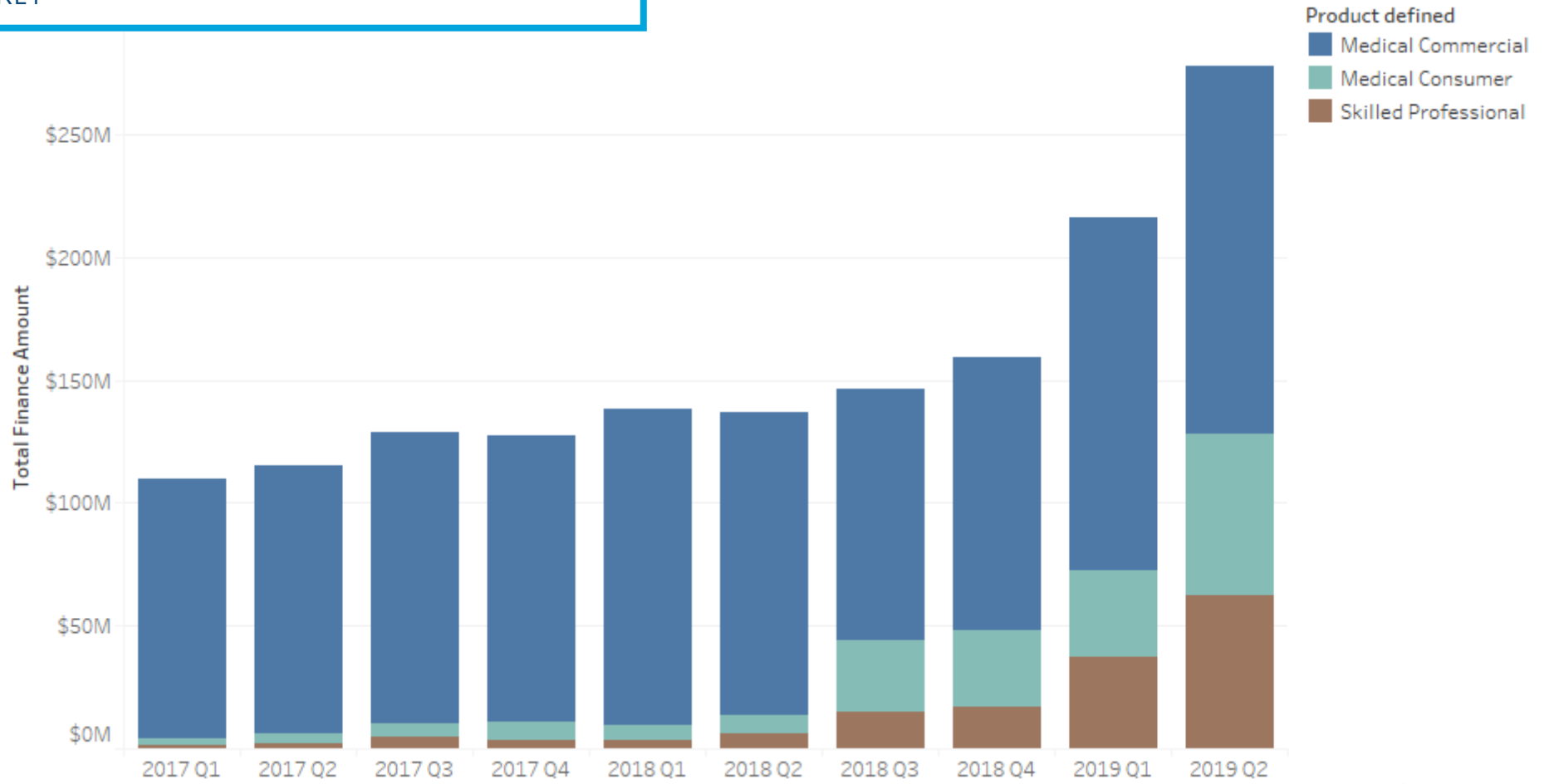


BHG FINANCIALS

DAN MCSHERRY, Chief Financial Officer

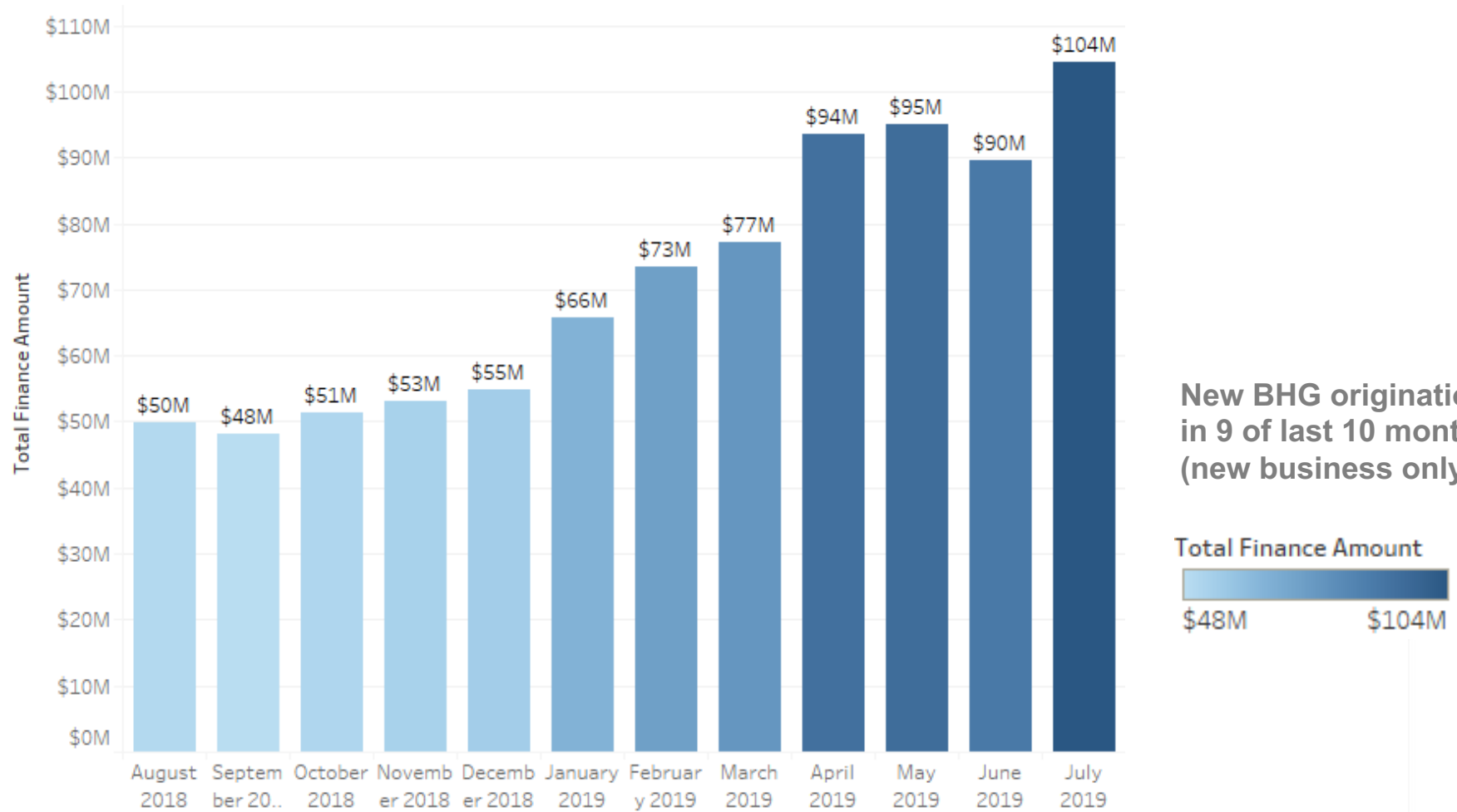
ORIGINATION VOLUME

QUARTERLY



TRAILING 24 MONTHS

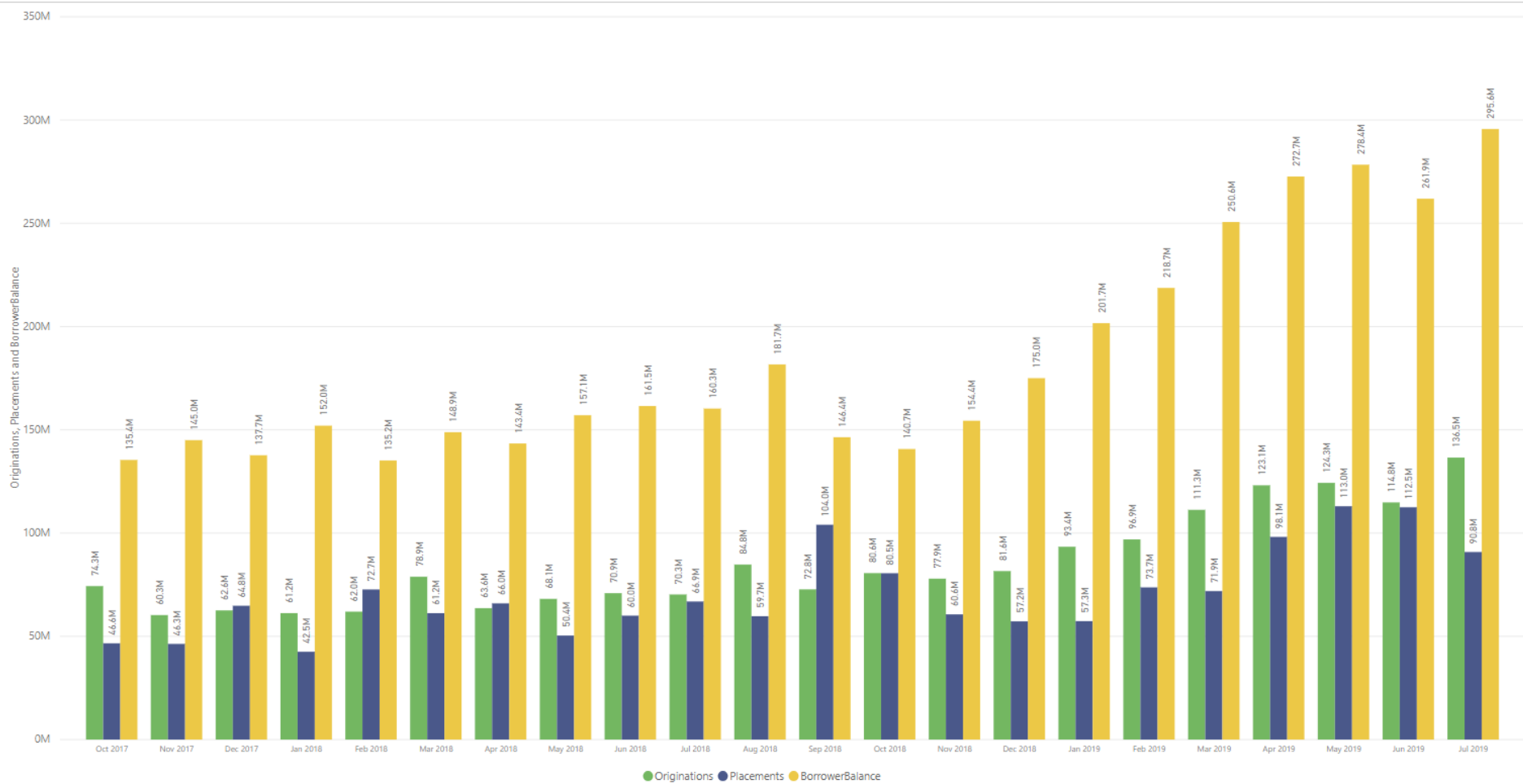
NEW BUSINESS ORIGINATION GROWTH



New BHG origination record in 9 of last 10 months (new business only)

BALANCE SHEET REPORT

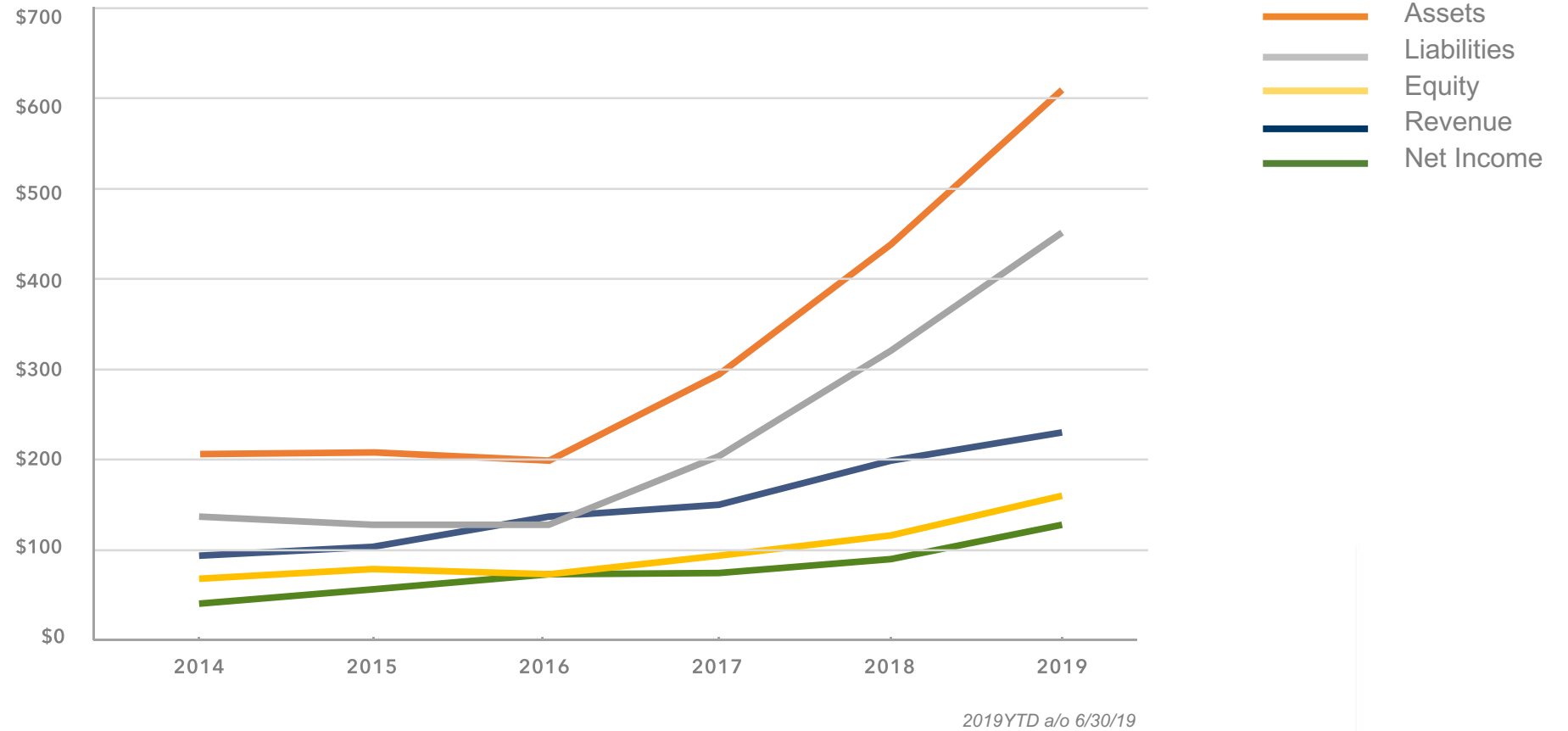
MONTHLY – ROLLING 24 MONTHS



2014 – 2019 RESULTS

FISCAL YEAR (MILLIONS)

2014 – 2019 YTD performance in \$millions



STATEMENT OF INCOME

JUNE 30, 2019 FISCAL YTD

REVENUES	6/30/19 (Millions)
Loan Sales	\$152
Loan origination fees	\$42
Interest and dividend income	\$34
Other income	\$10
Total revenue	\$239

EXPENSES	6/30/19 (Millions)
Salaries and employee benefits	\$51
Advertising expense	\$22
Amortization expense	\$3
Secured borrowing and portfolio expense	\$10
Provision for loan losses	\$4
Others	\$19
Total expenses	\$109
Total net income	\$130



STATEMENT OF INCOME

JUNE 30, 2019 FISCAL YTD

ASSETS	6/30/19 (Millions)
Cash and cash equivalents	\$105
Interest receivables at fair value	\$5
Loans, net of allowance for losses	\$269
Loans held for sale	\$196
Premises and equipment	\$8
Accounts receivable	\$12
Other Assets	\$12
Total assets	\$607

LIABILITIES	6/30/19 (Millions)
Recourse obligation	\$100
Borrower reimbursable fee	\$46
Secured borrowing	\$218
Notes payable	\$47
Accrued stockholders' distribution	\$5
Accrued compensation	\$12
Accrued expenses and other liabilities	\$23
Total liabilities	\$451
Total stockholders equity	\$155

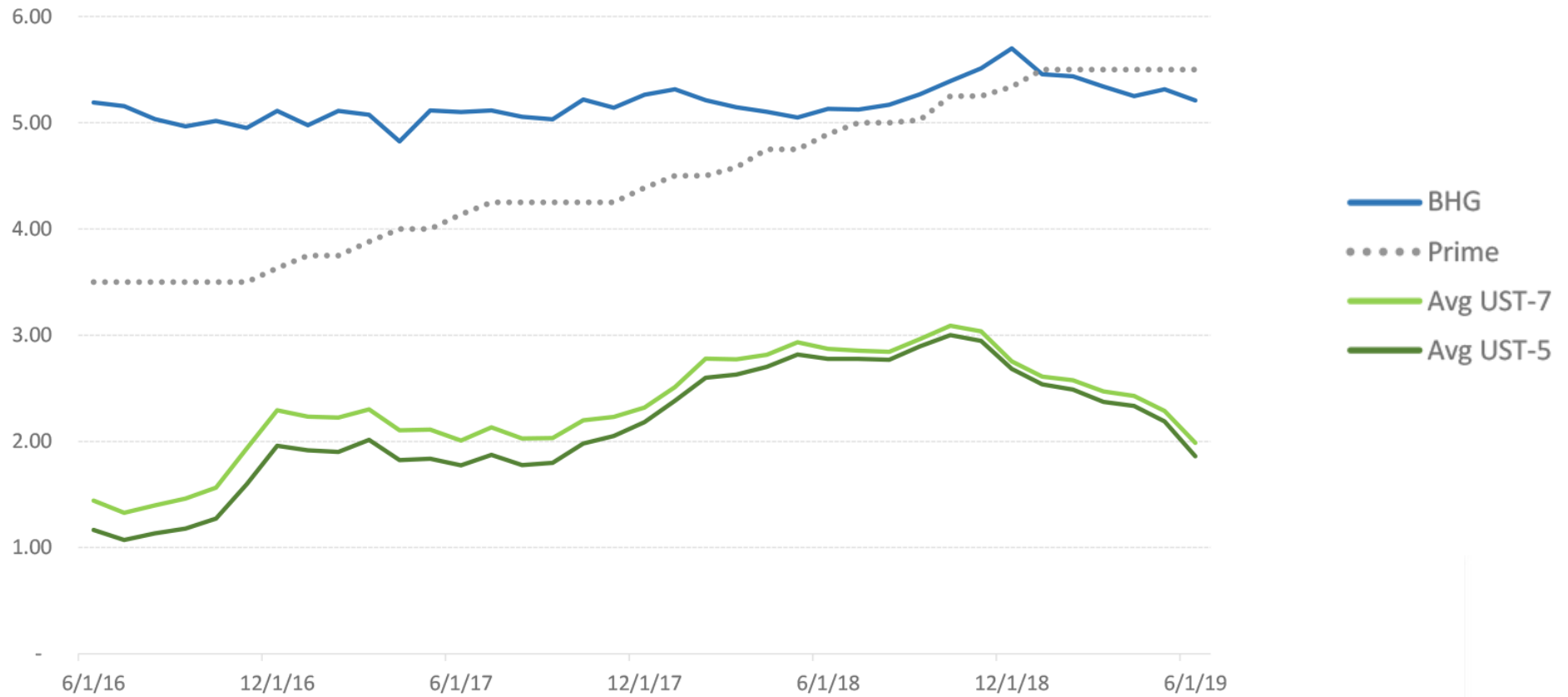


BHG BANK NETWORK

DAN MCSHERRY / AL CRAWFORD

BANK SALES

MARKET TREND VS PRIME & UST 5 & 7



1,020+ BANKS

- 1,020+ customer banks as of August 2019
- Banks from every year of BHG's business ('01-'19) are buying from BHG today
- Exceptional purchase depth
- Appetite for new product and concepts
- BHG is a consistent loan source with average daily loan sales:

2016 | \$2,500,000

2017 | \$2,900,000

2018 | \$3,900,000

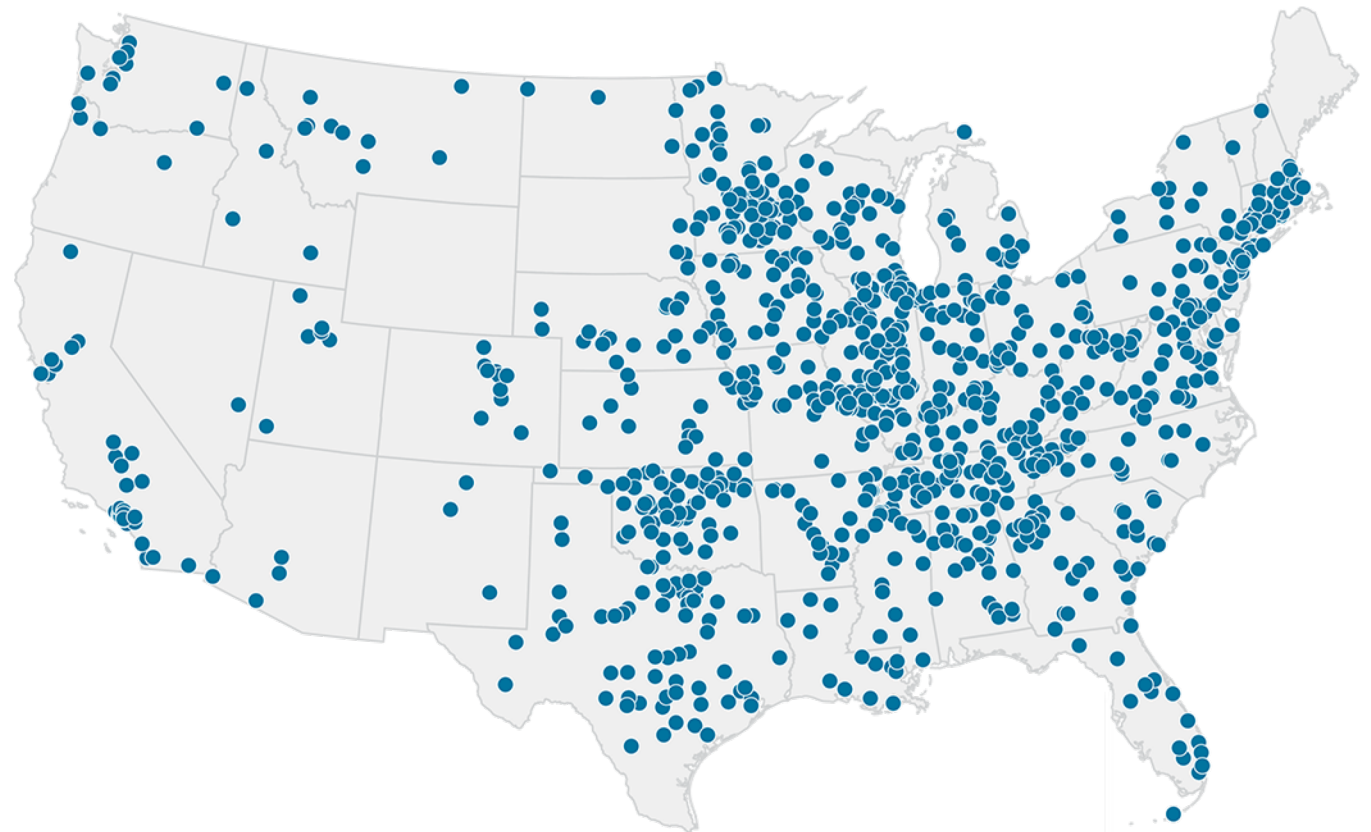
2019 | \$5,900,000

Immediate BHG support team:

Sales Representatives (8)

Portfolio Managers & Associates (7)

Placements (9)



LOAN PURCHASING

- Executed Master Agreement = Order
- **\$5.9MM AVERAGE** daily sales pace via auction & direct offers
- Auction 'win' provides **SAME-DAY** closing docs
- **DIRECT OFFER** typically allows for 48-72 hour review
- Purchase wires expected **< 48 HOURS** from signed closing
- **SECURE** websites utilized for review and sale documentation
 - BHGBanks.com & DocuSign.com

	2017	2018	2019
Number of banks in network	802	905	1,026
Current year buyers	367	402	461
Average buyer assets ¹ <i>(in millions)</i>	\$1,085	\$1,095	\$983
Sale rate <i>(bank yield)</i> ²	5.04	5.16	5.37
BHG team <i>(bank sales & ops)</i>	19	21	23

¹FDIC financial data dated 3/31/19

²Loans sold at a premium



BHGBANKS.COM

All loan sales conducted through online platform

The screenshot displays the BHGBANKS.COM auction platform interface. On the left is a dark blue sidebar with navigation options: "BHG Internal Funding", "Bank Name", "Logout", "BHG", "Auction 14", "Speed", "Silent 0", "Overtime 0", "Monitor", "Marketplace 9", "Portfolio", "Offers 0", "FundEx", "Auction 0", "Marketplace 0", "Portfolio", and "Offers 0". At the bottom of the sidebar, it says "Bankers Healthcare Group © 2018" and "Contact Support Ask Credit".

The main content area is titled "Auction - Standard". It features a "Customer Name" section with a timer "00:05:37:38" and a "Current Bid" of "6.00". Below this is a bid adjustment control showing "+ 5.90 -" and a thumbs-up icon. A "Customer Name" dropdown is set to "Medical specialty City & State". A table of loan metrics is displayed:

Term	FICO	DTI	CFC	CMS	Amount
84	714	58%	1.7	786	\$165,980.15

Below the metrics is a "REVIEW DOCUMENTS" section. To the right, there is a table of active auctions categorized by "TODAY 14", "UPCOMING 0", and "WON 0".

TODAY 14		UPCOMING 0		WON 0	
Customer - App #	6.00	Customer - App #	6.00	Customer - App #	6.00
Morgantown, WV	in 6 hours	Tampa, FL	in 6 hours	Tampa, FL	in 6 hours
Customer - App #	5.90	Customer - App #	6.00	Customer - App #	6.00
Jackson, MS	in 6 hours	Huntingdon, TN	in 6 hours	Huntingdon, TN	in 6 hours
Customer - App #	6.00	Customer - App #	6.00	Customer - App #	6.00
Tampa, FL	in 6 hours	Scottsdale, AZ	in 6 hours	Scottsdale, AZ	in 6 hours
Customer - App #	6.50	Customer - App #	6.50	Customer - App #	6.50
White Oak, TX	in 6 ho...	Cherry Valley, CA	in 6 hours	Cherry Valley, CA	in 6 hours
Customer - App #	5.90	Customer - App #	6.00	Customer - App #	6.00
Jackson, MS	in 6 hours	Jobstown, NJ	in 6 hours	Jobstown, NJ	in 6 hours



CORPORATE

BANK SALES

BHG NAME	DAILY AUCTION	MARKETPLACE	SILENT AUCTION	DIRECT PLACEMENT	JOINT VENTURE (JV)	SPECIAL PURPOSE VEHICLE (SPV)
Concept	Typically 15 – 20 loans auctioned per day. Banks are given ~30 hours to review loans. Banks can bid as many times as needed.	“Buy Now” option.	SA’s often run weekly. Submit “best bid” concept with 3 – 4 days to review. Generally 3 – 5 loans that are ~\$300 – \$800k in size.	Sale reps call bank directly and offer terms. Option for banks who are not successful on the auction or to walk a bank through first purchase.	Shared risk and shared yield structure that is negotiated. Volume delivery \$5 – \$25mm+.	Bankruptcy-remote special purpose vehicle that is wholly owned (directly or indirectly) by BHG — allowing for Bank participation into a pool of loans
Loan sold at	Premium	Premium	Premium	Premium	Par	90 – 95% Advance Rate
Time	Ends at 3:00pm EST	Opens at 3:01pm EST	Ends at 12:00pm EST	48 – 72 hour review	Flexible given loan pool size	Flexible
% of 2019 sales	33%	19%	5%	32%	11%	TBD / in design

SUBSTITUTIONS & COLLECTIONS

The key to keeping liquidity in the bank network

At BHG's option and upon appropriate notification and BHG Board approval – BHG may opt to (BHG's decision, not bank's) substitute a delinquent loan from purchasing bank after the loan reaches 90 days past due

BHG COLLECTIONS

- Extremely fast collections process
- 85% of kickbacks/missed payments collected in first 30 days
- Initial collections performed by in-house team
 - **1st Day:** Contact borrower
 - **5th Day:** Certified mail demand letter sent to debtor
 - **15th Day:** Fed-Ex lawsuit
 - **60th Day:** Lawsuit is filed or file is transferred to a third-party collections company



BHG ANALYTICS
JUAN CARLOS ORTIGOSA, Chief Revenue Officer

DATA & ANALYTICS

The Data & Analytics team supports the entire BHG funding platform from start to finish, and has been the recipient of repeated positive feedback from bank examiners / regulators who say BHG's analytics are far superior to that of traditional lenders.

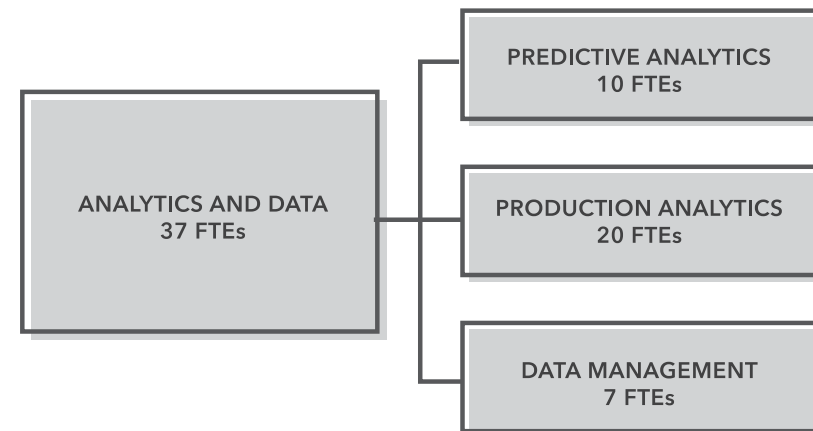
EDUCATION



PREVIOUS AFFILIATIONS



EXTENSIVE TRAINING & EXPERIENCE
4 PhDs



DATA-DRIVEN DECISION-MAKING



PREDICTIVE ANALYTICS

Marketing Acquisition Model
Lead Distribution Model
Credit Underwriting Model
Margin Model



PRODUCTION ANALYTICS

Marketing
Sales
Closing
Funding
Collections
Other products



DATA MANAGEMENT

External data
(demographic, geographic, credit profile)

Multiple data vendors
Data warehouse

MITIGATE RISK



**MONTHLY
PERFORMANCE
REVIEW**



**STAY ON TOP
OF TRENDS**



**PERFORMANCE
TRACKING**



**RISK-BASED
PRICING**

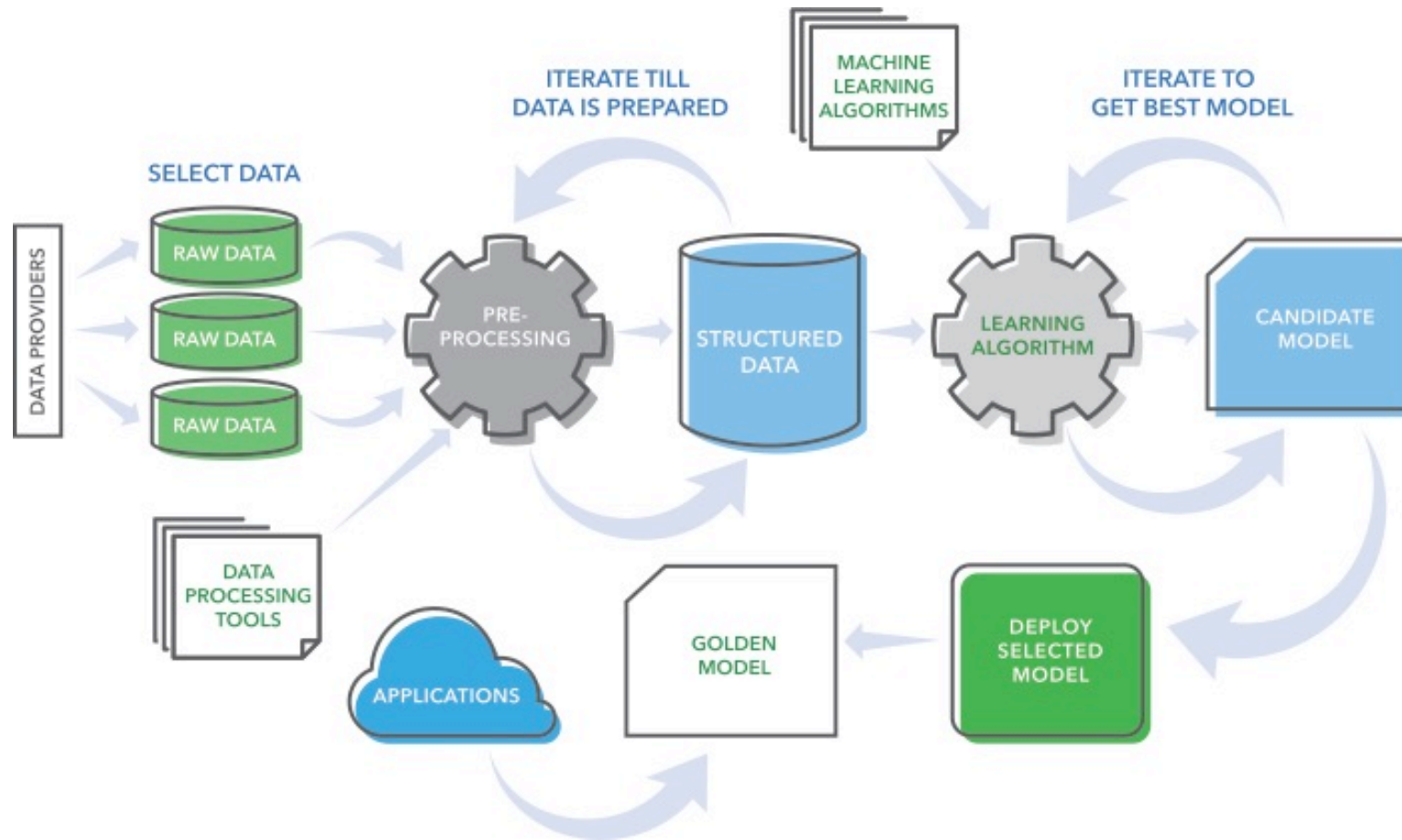


**ADJUSTMENTS TO
CREDIT MODEL**



**COACHING &
DEVELOPMENT**

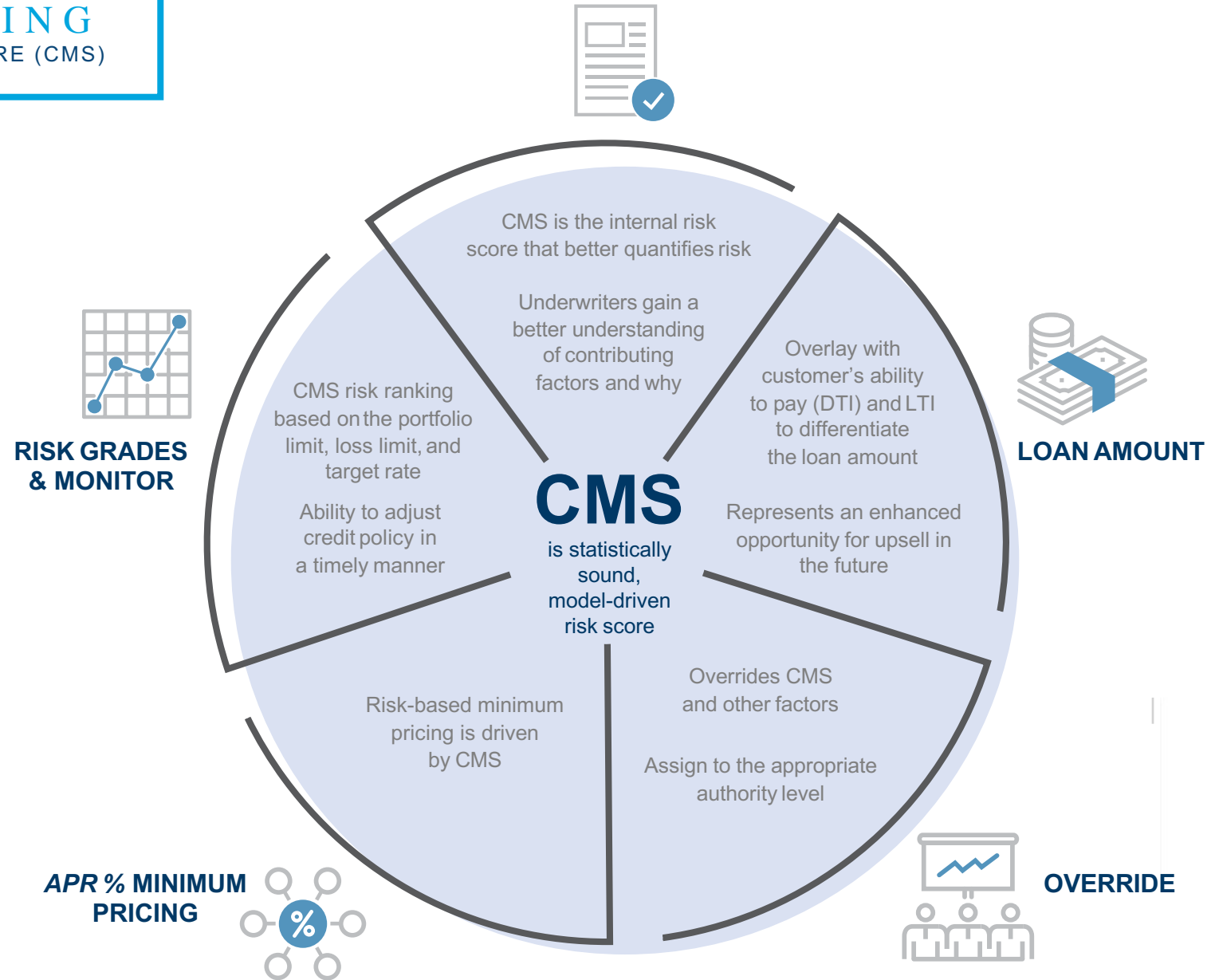
SCORECARD DEVELOPMENT PROCESS



UNDERWRITING

BHG CREDIT MATRIX SCORE (CMS)

UNDERWRITING DECISIONS



LOSS RATIOS

BY RISK GRADE

Red cells indicate where annual loss targets were exceeded

Ratio of annualized charge off to annual loss target

RISK GRADE	2012	2013	2014	2015	2016	2017	2018	2019	2012 – 2017
A	Below loss target	Below loss target	At loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target
B	At loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target
C	Below loss target	Below loss target	At loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target
D	Below loss target	Below loss target	At loss target	At loss target	Below loss target	At loss target	Below loss target	Below loss target	At loss target
E	Below loss target	Below loss target	Below loss target	At loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target
F	Below loss target	Below loss target	Below loss target	At loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target
TOTAL	Below loss target	Below loss target	Below loss target	At loss target	Below loss target	Below loss target	Below loss target	Below loss target	Below loss target



Below loss target

At loss target

Above loss target



BHG MARKETING
CHRIS PANEBIANCO, Chief Marketing Officer

ORIGINATION & HISTORICAL PERFORMANCE

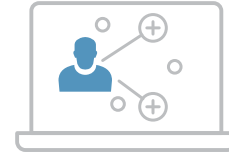


**14 MILLION
MARKETABLE
UNIVERSE**



VENDOR REFRESH

Credit profile info prescreen
Address quality
Customer info update



**MARKETING
ACQUISITION
MODEL**



MAIL PLAN

MKT – POINT IN TIME LEAD FLOW

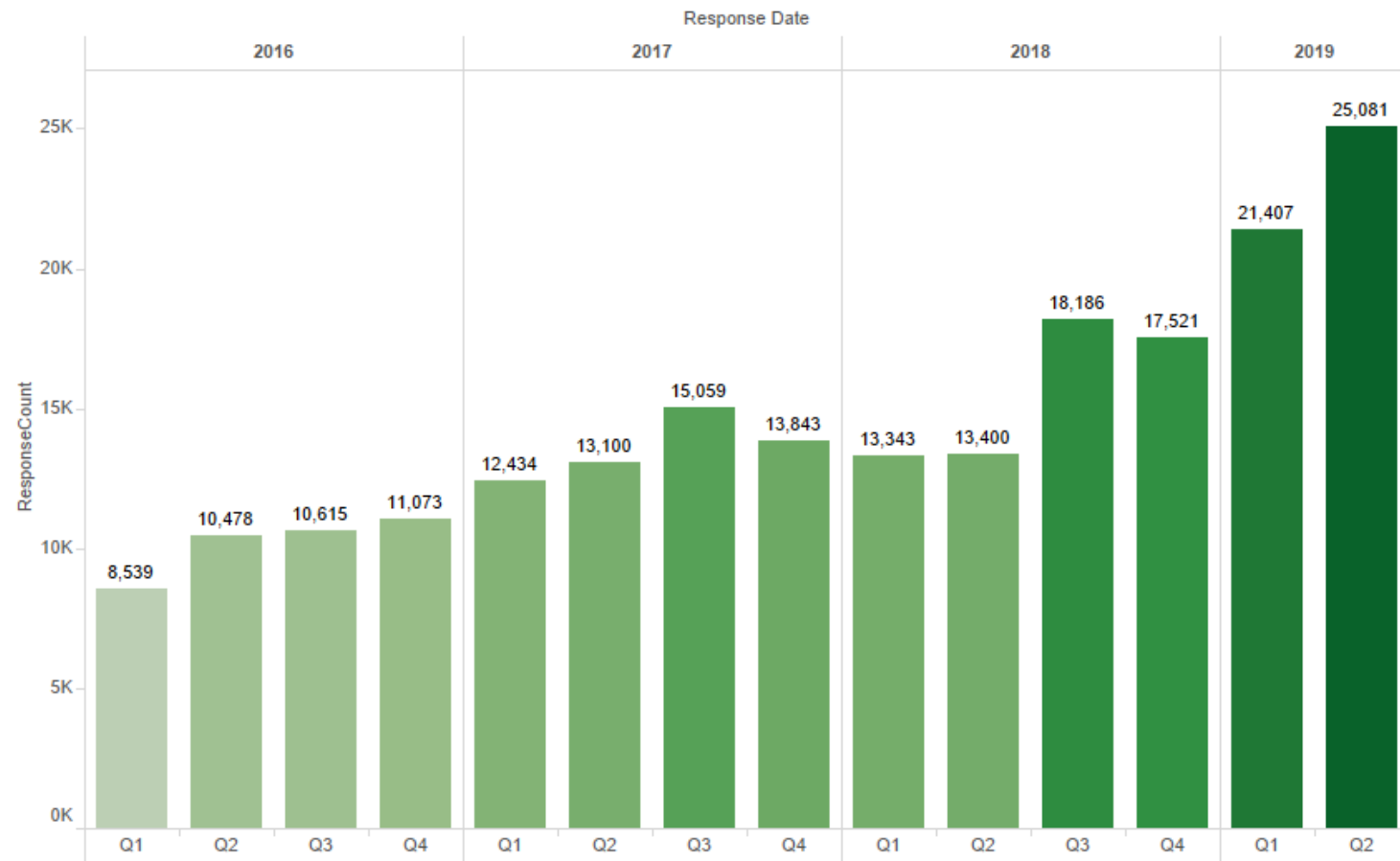
JANUARY TO JULY

By marketing method year over year

Marketing Method	2017	2018	2019	2019 vs 2018 VAR%
Mail	24,774	26,117	42,051	61%
Digital Marketing	3,550	3,779	9,987	164%
Others	2,468	3,186	3,953	24%
Grand total	30,792	33,082	55,991	69%

Q1 2019 PERFORMANCE

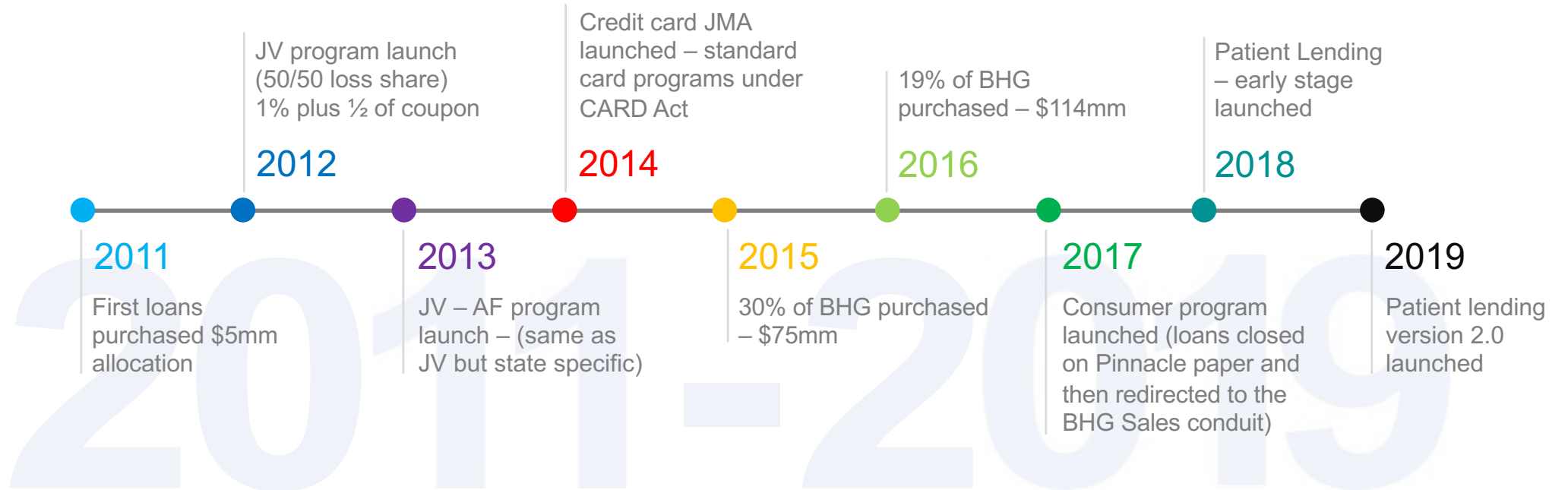
QUARTER OVER QUARTER LEAD FLOW



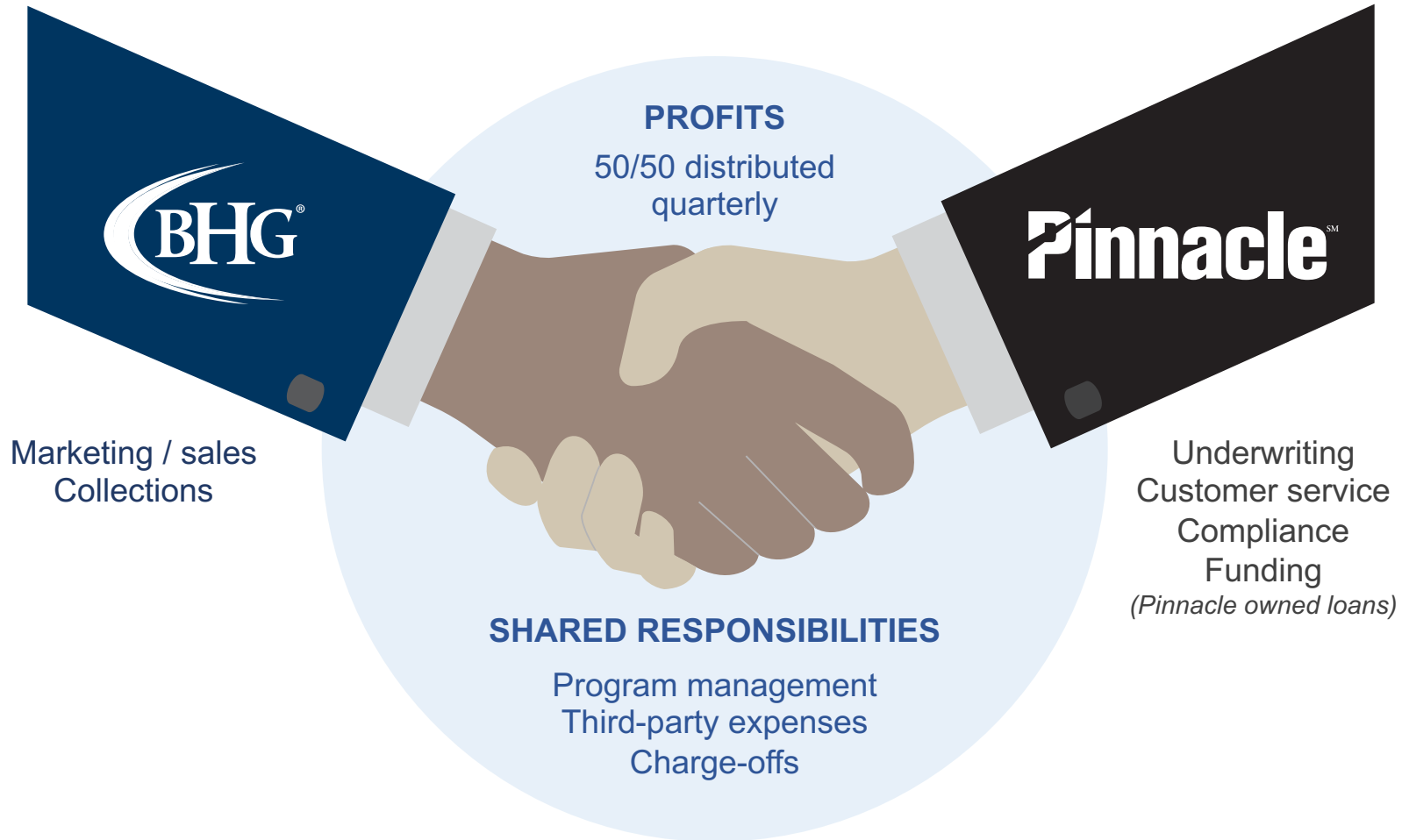


PINNACLE & BHG

HISTORY OF PARTNERSHIP

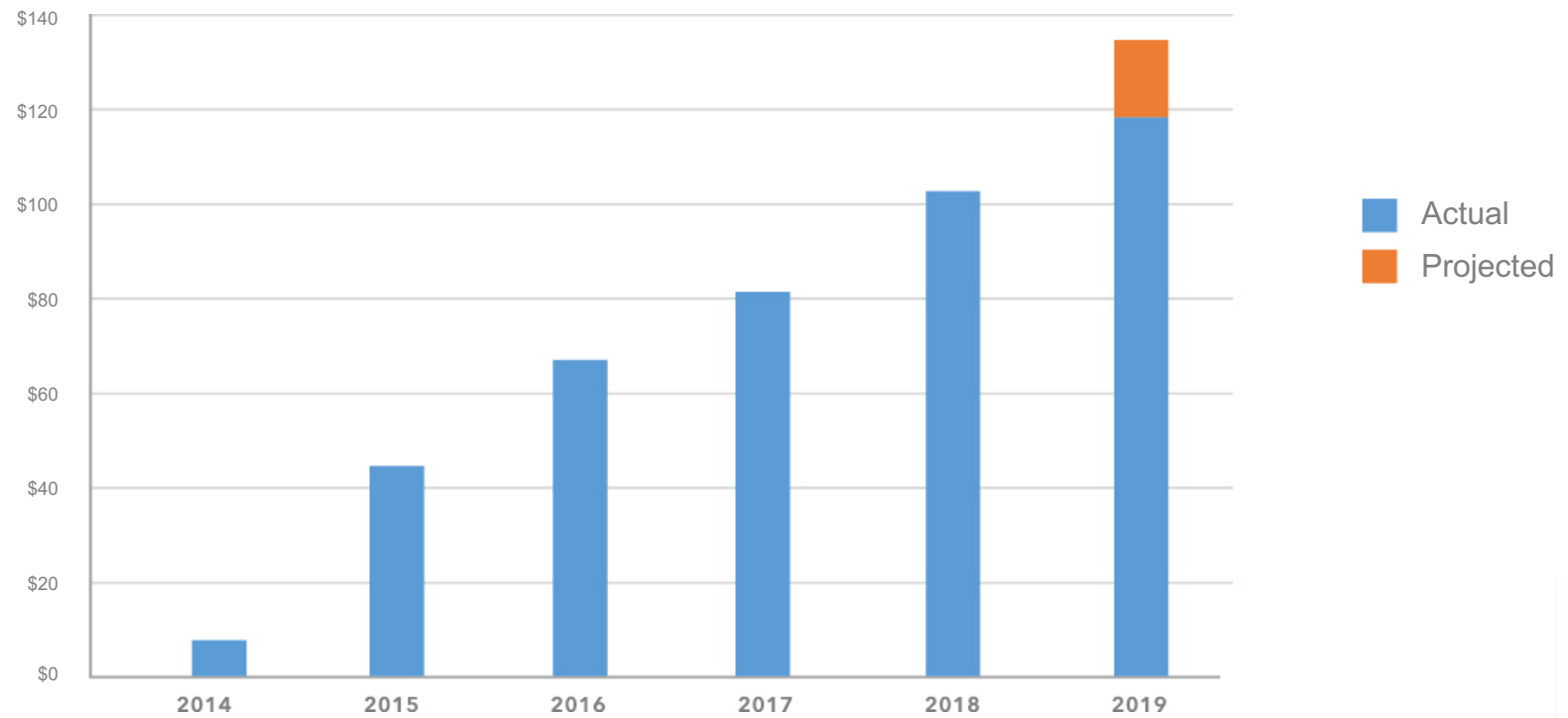


JOINT MARKETING CREDIT CARD



JOINT MARKETING CREDIT CARD

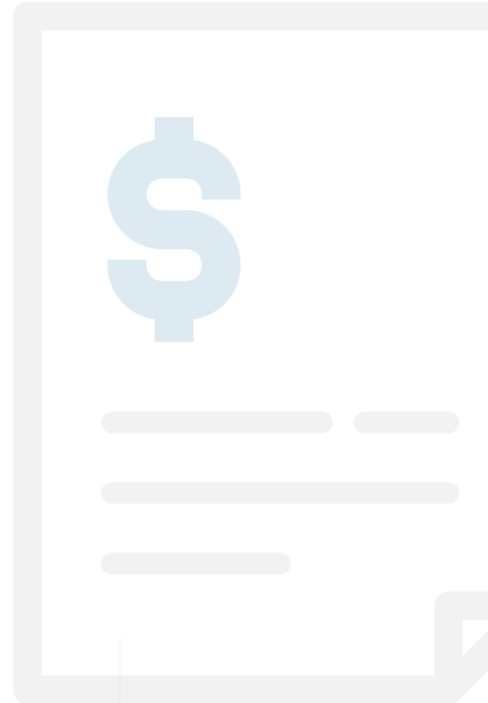
End of period balances (in millions)



FUTURE SYNERGIES & OPPORTUNITIES

LOAN PROGRAM EXPANSION

- Patient lending opportunities with Pinnacle providing clearing services to participating banks (projected 2019)
- Credit card program expanded to white label and clearing services to other banks (potentially 2020)
- Agent bank programs white label with revenue shares (potentially 2020)



FUTURE SYNERGIES & OPPORTUNITIES

BHG BANKING

Powered by Pinnacle

Leverage loan relationships to provide full suite of banking products to healthcare professionals (under review 6 – 12 month ramp up)

- Funding account for new loans
- Operating account bundled product
- Personal account services
- Money market and savings account
- Health Savings Account

 **Pinnacle**SM

FUTURE SYNERGIES & OPPORTUNITIES

BHG BANKING v2

Offer a suite of wealth management product and services

- Brokerage services
- Insurance services
- Practice valuation services
- More complex retirement offerings
- Trust services



CLOSING REMARKS

TERRY TURNER, President & CEO, PNF