



PRESS RELEASE

Prodigy Finance secures \$750 million funding to expand into new markets as it sees applications jump 50% year-on-year

Backed by the likes of Index Ventures, Balderton Capital and RMIH - Prodigy Finance is giving even more students access to international education

- Prodigy Finance is built on the idea that access to financing for international graduate education should be borderless, and based on future potential rather than current circumstance
- This inclusive approach has seen Prodigy Finance fund over \$1 billion in loans to more than 20,000 high-potential students from over 100 countries who would otherwise struggle to find funding
- The funding deal, led by CPP Investments, through its wholly owned subsidiary CPPIB Credit Investments Inc., enables Prodigy Finance to expand into a greater number of markets - including key regions such as China, South Korea and Singapore
- Not only will this help support the ambitions of thousands more students, but it will help revitalise the global higher education sector following significant drops in intake due to Covid restrictions
- Applications to Prodigy Finance are up 50% year-on-year and it has seen portfolio performance improve significantly as its highly-qualified postgraduate borrowers benefit from a resurgence in hiring in business, tech and professional sectors

LONDON, 15 September 2021: Prodigy Finance – the fintech pioneer of cross-border lending for postgraduate international students – has secured a funding deal from CPP Investments which will see the institutional investor provide up to US\$500mn of financing through its wholly owned subsidiary CPPIB Credit Investments Inc..

The deal not only enables Prodigy Finance to continue to meet the growing demand for international student loans – with applications up 50% year-on-year – but it now means it can accept applications from students from a number of markets that were previously excluded due to funding eligibility restrictions in 2020. These regions include China, Australia, Bangladesh, South Korea, Spain, Chile, Singapore, France, Germany, Italy, Japan and most of South America, and their addition means Prodigy Finance can now support the ambitions of students and organisations from more than 120 countries.

The latest investment comes on top of a \$250m facility Prodigy Finance agreed last year with America's development bank, the U.S. International Development Finance Corporation (DFC), which partners with the private sector to finance solutions to critical challenges facing the developing world today. These DFC funds will be used to grant loans to postgraduate students with a primary focus on low-income and lower-middle-income countries (minimum 50%) and women (minimum 30%).

Being able to offer international loans to students from these key regions – China alone sends more than 100,000 students to the UK each year and more than 300,000 to the US, while US and Canadian schools see 57% and 35% respectively of students coming from these additional markets – will allow Prodigy Finance to significantly increase how many students it supports. The expanded market will also align Prodigy Finance even better with the 800+ global schools on its platform and their strategic plans to attract diverse classes. Schools' ability to attract the very best diverse talent was dramatically hindered by travel and visa restrictions in the wake of Covid. These global schools are looking to reverse the reduced Fall enrollments, after a 43% decrease last year in new international students in the US alone.

Prodigy Finance's business model is built on the idea that access to financing for international graduate education should be borderless and based on future potential rather than current circumstance. It shouldn't matter where a student has been born or lives, or how wealthy their family is, and is instead based on them being able to access the education needed to fulfil their potential. Whilst lending to students from all over the world under UK consumer credit regulation, Prodigy Finance's payment solutions enable it to engage with and collect from borrowers wherever they are resident post-study.

To date, Prodigy Finance has funded over \$1billion in graduate education loans, to more than 20,000 high-potential students from over 100 countries. Prodigy Finance underwrites its loans based on its proprietary Future Earning Potential credit model, helping those without traditional sources of finance or guarantors to study at the world's best universities. According to its Impact Report, 89% of those borrowers say they had limited or no other options to fund their degree, 99.77% of them successfully graduated their courses and 72% say their postgraduate degree has allowed them to pursue their dream career.

The company has seen portfolio performance improve significantly as its highly-qualified postgraduate borrowers benefit from a resurgence in hiring in business, tech and professional sectors. Prodigy Finance has also had a milestone start to 2021 following the issuance of the first-of-its-kind, investment-grade Student Loan Asset-Backed Securitisation (SL ABS). This issuance and inaugural social bond, which was the first to be made under Prodigy Finance's Social Bond Framework, introduced major public market investors and asset managers to Prodigy Finance for the first time.

Joel Frisch, Head of Global Acquisition at Prodigy Finance, said, "We have always believed that talent is borderless and finance should be too, so we're thrilled to now be able to support students from all these additional countries. In total we can now help students from over 120 countries worldwide and want to keep being a leader in helping global talent achieve its true potential."

Head of Capital Markets Neha Sethi added, "Achieving this important funding milestone is another step towards achieving our goal of helping over 25,000 students every year."

Derek Jackson, Managing Director, Head of European Credit, CPP Investments, said, "This financial commitment to Prodigy Finance is a great example of our ability to provide flexible funding solutions to complex business needs and fits well with CPP Investments' credit strategy of investing our patient capital with leading partner organizations."

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About Prodigy Finance: Prodigy Finance is revolutionising the way students and investors see student loans. Fuelled by a community of funders, our student borrower base is given the chance to attend the world's top universities. Over the last decade, our investors have received both a financial and social return, while thousands of students have gained access to higher education through our loans. We ranked 33rd in The Sunday Times Hiscox Tech Track 100, the league table which ranks Britain's fastest-growing private technology companies. Investors in Prodigy Finance include Index Ventures, Balderton Capital and Credit Suisse.

Editor's Notes:

1. Adding to the global markets which Prodigy Finance already supported, the full list of additional countries they can now fund thanks to the deal with CPP Investments is: Andorra, Antigua and Barbuda, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Bermuda, Bhutan, Bolivia, Brunei Darussalam, Canada, Cayman Islands, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, French Polynesia, Germany, Gibraltar, Greece, Greenland, Guadeloupe, Guam, Holy See (Vatican City State), Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Israel, Italy, Japan, Republic of Korea, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Martinique, Mauritius, Monaco, Netherlands, New Caledonia, New Zealand, Northern Mariana Islands, Norway, Oman, Palau, Panama, Poland, Portugal, Puerto Rico, Qatar, Romania, Russian Federation, Saint Barthélemy, Saint Martin, San Marino, Saudi Arabia, Seychelles, Singapore, Slovakia, Slovenia, Spain, Switzerland, United Arab Emirates, United Kingdom, United States, Uruguay, Venezuela, Virgin Islands.

