



FINTECH PLATFORM PRODIGY FINANCE RAISES \$240M TO SUPPORT FAST-GROWING COMMUNITY OF INTERNATIONAL STUDENTS

- *The fundraising includes a \$40 million Series C equity round led by international venture capital firm Index Ventures, and a \$200 million debt facility led by a global investment bank.*
- *Funding will support increased mobility of international talent from China, Brazil and India at top postgraduate schools, with the number of international students forecast to reach 8 million by 2025¹.*

05:00, London, 21 August, 2017 – [Prodigy Finance](#), a global fintech platform that provides postgraduate loans to international students with no alternative access to finance, today announces a \$240 million fundraising. This includes a \$40 million Series C equity round led by international venture capital firm Index Ventures, with participation from Balderton Capital and AlphaCode; and a \$200 million debt facility led by a global investment bank.

Prodigy Finance's unique global credit model assesses applicants based on projected earnings rather than historical credit, allowing the company to provide funding to students without collateral, a cosigner or guarantor. To date, more than 80 per cent of its borrowers have had no alternative access to financing. It also enables qualified investors, and the alumni of top schools, to assist students from their alma mater or home country, while earning a financial return.

This fundraising will help the company increase its operational expansion and provide additional funding for students taking postgraduate degrees in business, engineering, law and public policy at the world's top 100 universities including INSEAD, London Business School, Cambridge Judge Business School, Stanford University and Harvard University.

The fundraising also marks Prodigy Finance's ten-year anniversary, during which time the company has provided more than \$325 million in funding to over 7,100 students, 78 per cent of whom come from emerging markets. The firm is currently increasing its US footprint, where international students contributed \$32.8 billion and 400,000 jobs to the US economy during the 2015-2016 academic year².

Cameron Stevens, Founder and CEO of Prodigy Finance, said: *"Students from emerging economies such as China, Brazil and India face challenges in accessing financing for education, even with high credentials and excellent credit quality. This investment will help us double the size of our student portfolio. We believe in financial inclusion and talent mobility, and look forward to continuing to help international students break the funding barrier and further their education at a top international university."*

"International students play a key role in the graduate school ecosystem by contributing to revenue and improving the institution's overall diversity; a determining factor when it comes to league tables and global rankings. We saw a market failure in international lending and have spent the last decade rectifying this problem. We're excited about this investment as it will allow us to continue to grow and ensure there are no barriers to achieving academic potential."

Neil Rimer, Partner at Index Ventures, said: *"Prodigy Finance is opening the doors of the world's top universities to students who were previously shut out, because they couldn't fund their education. Prodigy Finance is an example of an entrepreneurial financial services company using an innovative model to offer something of great value that is not available from traditional lenders. Every decade, the number of international students doubles and our hope is that Prodigy Finance will help accelerate that growth. Our planet sorely needs more educated citizens of the world."*

Ilian Mihov, Dean of INSEAD, said: *"Prodigy Finance has worked with INSEAD for almost ten years now. About 25% of our students are funded by Prodigy Finance loans and they come from all over the world, many from countries where it would be difficult to get a bank loan or other forms of financing. It's an important source of funding at INSEAD and helps contribute to diversity, as we have over 90 different nationalities represented. Diversity is essential to our DNA, as it's a source of creativity and understanding."*

Orgil Sedvanchig, a Prodigy Finance student borrower, said: *"Prodigy Finance was essential in financing my degree at Columbia Business School. It was the backbone to what I built financing around. In*

time, I would also like to return to Mongolia and apply the concepts that I learnt through an MBA to the developing frontier markets in South East Asia.”

Prodigy Finance’s business model derives from the inability of banks and traditional financiers to lend internationally, as they are not structured to assess foreign risk, nor enforce international loan repayment. It also enables the alumni of top schools to help fund students from their alma mater or home country, while earning a financial return. To date, more than 80 per cent of its borrowers have had no alternative access to financing.

Many graduate schools have caps on the charge for domestic students to undertake postgraduate degrees, which leaves the schools even more reliant on higher financial contributions from international applicants for the same courses. Over 127,000 non-EU students currently attend universities in the UK, and the number of international students has risen worldwide, forecast to reach 8 million by 2025¹.

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Notes to editors:

¹ OECD (2012), “Assessment of Higher Education Learning Outcomes: Feasibility Study Report”, www.oecd.org/education/skills-beyond-school/AHELOFSReportVolume1.pdf, p24.

² NAFSA International Student Economic Value Tool, http://www.nafsa.org/Policy_and_Advocacy/Policy_Resources/Policy_Trends_and_Data/NAFSA_International_Student_Economic_Value_Tool/

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About Prodigy Finance:

Prodigy Finance is a lending platform that provides postgraduate loans to international students from 150 countries attending the world’s top universities, who would otherwise have no alternative access to finance. The loans are collectively funded by a community of alumni, institutional investors and qualified private investors who receive both a financial and social return. Since 2007, Prodigy Finance has provided more than US\$325 million in funding to over 7,100 students, without ever having to write off a loan. Funding shouldn’t be a barrier to education.

About Index Ventures:

[Index Ventures](#) is a London and San Francisco-based international venture capital firm that helps the most ambitious entrepreneurs turn bold ideas into transformative global businesses. In addition to Prodigy Finance, Index has backed entrepreneurs who started two dozen [fintech companies](#), including Adyen, Funding Circle, Robinhood and TransferWise.

