

# London's postgrad loan start-up Prodigy Finance raises \$750m from investment giants

A [London](#)-based [startup](#) providing international postgraduate [student loans](#) has secured \$750 million in financing from investment giants to help it expand into key [markets](#) including [China](#).

Prodigy Finance, launched in 2007 after founder Cameron Stevens struggled to get a [loan](#) for his MBA, netted the [funding](#) in a round led by Canadian private equity fund CPP Investments, which has pledged up to \$500 million in financing.

US development bank the DFC has agreed to give a \$250 million facility aimed at granting loans to women and [students](#) from lower-income countries. The [taxpayer](#) is already an investor via the Chancellor's Future Fund, alongside venture capital firms [Balderton Capital](#) and Index Ventures.

The fintech, which raised \$240 million in 2017, has provided over \$1billion in cross-border loans to more than 20,000 students from over 100 countries on a "Future Earning Potential credit model". It has partnered with institutions including Harvard, Oxford and the Wharton School.

New cash will be used for expansion into "key regions" including China – which sends more than 100,000 students to the UK each year – South Korea and Singapore.

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The company recorded a 2020 pre-tax loss of £50.1 million, but Stevens told the Standard the firm was hit by the economic crash of March-July 2020 and its "financial performance in 2021 will paint a totally different story".

He revealed Prodigy is "on-track to turn a full-year profit for the first time in the company's history".

International student numbers were severely hit by Covid. Applications for the fintech's loans jumped 50% year-on-year, however, and the company said it is currently benefitting from the jobs boom being seen across tech and professional services as its clients secure roles.

Stevens said: "This \$750m raise, which is one of the largest of the year for a UK-based firm and more than we've raised in 10 years of being in business, showcases the levels of trust and faith in our business model that our investors have in us.

"The further education market is growing apace again, and Prodigy Finance has a huge role to play in ensuring that students from everywhere can access the best schools in the world."

CPP Investments' Derek Jackson said the giant's financial commitment to Prodigy fits well with its "credit strategy of investing our patient capital with leading partner organizations".