



## Upstart Raises \$32.5M

It's been three years since we launched the Upstart lending platform, and today we're pleased to announce we've raised \$32.5M to take our business to the next level. The funding round was lead by Rakuten, a global leader in internet services and global innovation headquartered in Japan, and by a large US-based asset manager. Existing investors Third Point Ventures, Khosla Ventures, and First Round Capital also participated. We're particularly excited to have Oskar Mielczarek de la Miel, Oskar Miel, Managing Partner of the Rakuten FinTech Fund join Upstart's Board of Directors.

With more than 50,000 loans originated, Upstart has the highest consumer ratings in the industry, has Net Promoter Scores (NPS) in excess of 80, and has delivered industry-leading returns to loan investors.

### Leaders in Technology and Data Science for Lending

Upstart was the first platform to leverage modern data science and technology to power credit decisions, automate verification, and deliver a superior borrower experience. In 2014, we were first to launch [next-day funding](#). In the last year, we virtually eliminated loan stacking on the Upstart platform, a central cause of credit issues in online lending. Today, more than 20% of our loans are fully automated, helping us attract the best quality borrowers with a superior experience.

As a result of our efforts, we've seen unparalleled credit performance, with 2016 cohorts our strongest yet. Upstart loans are funded in four distinct ways: 1) whole loan sales to institutions, 2) retention by Upstart's originating bank partner, 3) sales to Upstart itself, and 4) via individuals in our fractional market. Furthermore, we expect our first loan securitization transaction within a few months.

### 2017 and Beyond!

We've focused considerable effort on our credit quality and loan economics, and the results speak for themselves. We aim to originate more than \$1B in loans in 2017, and expect to reach cash flow profitability this year.

But that's not all. We're also thrilled to announce that Sanjay Datta has joined Upstart as CFO. Sanjay was formerly VP of Global Advertising Finance at Google, having spent a decade to help build and internationally expand Google's \$80B core economic engine.



## Introducing the first SaaS lending platform

Those that know my history at Google will understand why I'm excited to tell you about "Powered by Upstart", a Software-as-a-Service offering derived from Upstart's top-rated consumer lending platform. From rate requests through servicing and collections, this new service brings modern technology and data science to the entire lending lifecycle.

### Our beginnings

Anna, Paul, and I founded Upstart to bring the best of Google to consumer lending. Upstart was the first platform to leverage modern data science and technology to power credit decisions, automate verification, and deliver a superior borrower experience. In 2014, we were first to launch [next-day funding](#). As of today, more than 20% of our loans are fully automated and we expect this percentage to increase significantly through 2017. With more than 50,000 Upstart loans originated, we have the highest consumer ratings in the industry and have delivered industry-leading returns to loan investors. With Net Promoter Scores (NPS) in excess of 80, we're excited about the impact we're having.

### Technology partner

FinTech is disrupting all areas of financial services. As a leading tech platform in marketplace lending, Upstart aims to partner with financial institutions rather than compete with them. Given the pace of change in lending, technology partnerships will be critical in the years to come, and Upstart aims to be a partner the industry can rely on.

But "Powered by Upstart" is not just software - it's a turnkey solution that provides all necessary document review, verification phone calls, fraud analysis, and (optionally) customer service, loan servicing and collections.

### Software-as-a-Service in lending

SaaS has grown exponentially in the last decade because of its obvious virtues: rather than buying, installing, configuring, hosting, and supporting software yourself, the software is delivered over the cloud. It's more reliable and always up to date. Delivering cloud software can be challenging in any industry. Usability, reliability, and performance are the minimum to play, and effective change management is critical to success. As the team that delivered Google's SaaS platform before it was called "cloud", we understand these challenges.

Of course, the regulatory environment in lending raises the bar even higher. We've long demonstrated our commitment to [trustful and compliant](#) lending, and we're likewise committed to delivering robust and compliant lending software.