

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **September 30, 2022**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number **001-39606**

SoFi Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

**234 1st Street
San Francisco, California**

(Address of principal executive offices)

98-1547291

(I.R.S. Employer Identification No.)

94105

(Zip Code)

(855) 456-7634

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	SOFI	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock, par value \$0.0001 per share, outstanding as of October 31, 2022 was 927,938,294 shares.

SOFI TECHNOLOGIES, INC.
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SoFi Technologies, Inc.

As used in this Quarterly Report on Form 10-Q, unless the context requires otherwise, references to “SoFi”, the “Company”, “we”, “us”, and “our”, and similar references refer to SoFi Technologies, Inc. and its wholly-owned subsidiaries following the Business Combination (as defined herein) and to Social Finance, Inc. prior to the Business Combination.

Social Finance, Inc. (“Social Finance”) entered into a merger agreement (the “Agreement”) with Social Capital Hedosophia Holdings Corp. V (“SCH”) on January 7, 2021. The transactions contemplated by the terms of the Agreement were completed on May 28, 2021 (the “Closing”), in conjunction with which SCH changed its name to SoFi Technologies, Inc. (hereafter referred to, collectively with its subsidiaries, as “SoFi”, the “Company”, “we”, “us” or “our”, unless the context otherwise requires). The transactions contemplated in the Agreement are collectively referred to as the “Business Combination”. As a result of the Business Combination, which was completed on May 28, 2021, share and per share amounts for periods prior to the Business Combination for Social Finance, Inc. have been retroactively converted by application of the exchange ratio of 1.7428.

In March 2021, we entered into an agreement to acquire Golden Pacific Bancorp, Inc. (“Golden Pacific”), a bank holding company, and its wholly-owned subsidiary, Golden Pacific Bank, National Association, a national bank (the “Bank Merger”). The Bank Merger closed in February 2022, after which we became a bank holding company and renamed Golden Pacific Bank as SoFi Bank, National Association (“SoFi Bank”).

In February 2022, we entered into an agreement to acquire Technisys S.A. (“Technisys”), a Luxembourg *société anonyme* and a cloud-native digital multi-product core banking platform (the “Technisys Merger”). The Technisys Merger closed in March 2022.

See Note 2 to the Notes to Unaudited Condensed Consolidated Financial Statements for information on our business combinations.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that are forward-looking and as such are not historical facts. This includes, without limitation, statements regarding the financial position, business strategy and the plans and objectives of management for our future operations; anticipated trends and prospects in the industries in which our business operates; new products, services and related strategies; and macroeconomic conditions. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report on Form 10-Q, words such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “might”, “opportunity”, “plan”, “possible”, “potential”, “predict”, “project”, “should”, “strive”, “will”, “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements are subject to risks, uncertainties, and other factors described in Item II, Part 1A. “*Risk Factors*” and elsewhere in this Quarterly Report on Form 10-Q and our filings with the Securities and Exchange Commission (“SEC”) and include, among other things:

- our ability to achieve and maintain profitability in the future;
- the impact on our business of the regulatory environment and complexities with compliance;
- the effect and impact of the expiration of the federal student loan payment moratorium and loan forgiveness, and the potential impact and magnitude of any other governmental actions taken related to student loans;
- our ability to manage our growth effectively and our expectations regarding the development and expansion of our business;
- our ability to access sources of capital on favorable terms, if at all, including debt financing, deposits and other sources of capital to finance operations and growth;
- the impact of and our ability to respond to general economic conditions and other macroeconomic and geopolitical factors, such as increasing interest rates, inflationary pressures, counterparty risk, changing customer demand, capital markets volatility and domestic or international conflicts or disputes;
- the success of our marketing efforts and our ability to expand our member base;
- our ability to grow market share in existing markets or any new markets we may enter;
- our ability to develop new products, features and functionality that are competitive and meet market needs;
- our ability to diversify our business and broaden our suite of financial services offerings;

- our ability to realize the benefits of our strategy, including what we refer to as our Financial Services Productivity Loop, and achieve scale in our Financial Services segment;
- our ability to successfully operate as a bank holding company, and to operate SoFi Bank;
- our ability to make accurate credit and pricing decisions or effectively forecast our loss rates;
- our ability to establish and maintain an effective system of internal controls over financial reporting;
- our ability to maintain the listing of our securities on The Nasdaq Global Select Market (“Nasdaq”);
- our ability to realize the anticipated benefits of the Bank Merger and the Technisys Merger;
- our ability to successfully expand our operations into foreign jurisdictions, including compliance with a variety of foreign laws; and
- the outcome of any legal or governmental proceedings that may be instituted against us.

Forward-looking statements are based on information available as of the date of this Quarterly Report on Form 10-Q and reflect current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

TRADEMARKS

This document contains references to trademarks, service marks and trade names owned by us or belonging to other entities. Solely for convenience, trademarks, service marks and trade names referred to in this document may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we or the applicable licensor will not assert, to the fullest extent under applicable law, our or its rights to these trademarks, service marks and trade names. SoFi Technologies does not intend its use or display of other companies’ trademarks, service marks or trade names to imply a relationship with, or endorsement or sponsorship of it by, any other companies. All trademarks, service marks and trade names included in this document are the property of their respective owners.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

SoFi Technologies, Inc.
Unaudited Condensed Consolidated Balance Sheets
(In Thousands, Except for Share Data)

	September 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 935,159	\$ 494,711
Restricted cash and restricted cash equivalents ⁽¹⁾	326,274	273,726
Investments in available-for-sale securities (amortized cost of \$204,359 and \$195,796, respectively)	195,133	194,907
Loans, less allowance for credit losses on loans at amortized cost of \$34,370 and \$7,037, respectively ⁽¹⁾⁽²⁾	11,204,403	6,068,884
Servicing rights	168,438	168,259
Securitization investments	261,672	374,688
Equity method investments	—	19,739
Property, equipment and software	164,421	111,873
Goodwill	1,622,951	898,527
Intangible assets	456,771	284,579
Operating lease right-of-use assets	100,411	115,191
Other assets, less allowance for credit losses of \$1,791 and \$2,292, respectively	399,270	171,242
Total assets	<u>\$ 15,834,903</u>	<u>\$ 9,176,326</u>
Liabilities, temporary equity and permanent equity		
Liabilities:		
Deposits:		
Noninterest-bearing deposits	\$ 89,761	\$ —
Interest-bearing deposits	4,941,869	—
Total deposits	5,031,630	—
Accounts payable, accruals and other liabilities ⁽¹⁾	565,910	298,164
Operating lease liabilities	121,729	138,794
Debt ⁽¹⁾	4,568,523	3,947,983
Residual interests classified as debt ⁽¹⁾	45,734	93,682
Total liabilities	<u>10,333,526</u>	<u>4,478,623</u>
Commitments, guarantees, concentrations and contingencies (Note 15)		
Temporary equity⁽³⁾:		
Redeemable preferred stock, \$0.00 par value: 100,000,000 shares authorized; 3,234,000 shares issued and outstanding as of September 30, 2022 and December 31, 2021	320,374	320,374
Permanent equity:		
Common stock, \$0.00 par value: 3,100,000,000 and 3,100,000,000 shares authorized; 927,345,977 and 828,154,462 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively ⁽⁴⁾	92	83
Additional paid-in capital	6,654,026	5,561,831
Accumulated other comprehensive loss	(9,600)	(1,471)
Accumulated deficit	(1,463,515)	(1,183,114)
Total permanent equity	<u>5,181,003</u>	<u>4,377,329</u>
Total liabilities, temporary equity and permanent equity	<u>\$ 15,834,903</u>	<u>\$ 9,176,326</u>

(1) Financial statement line items include amounts in consolidated variable interest entities (“VIEs”). See Note 5.

(2) As of September 30, 2022 and December 31, 2021, includes loans held for sale measured at fair value of \$10,924,056 and \$5,952,972, respectively.

(3) Redemption amount is \$323,400 as of September 30, 2022 and December 31, 2021.

(4) Includes 100,000,000 non-voting common shares authorized and no non-voting common shares issued and outstanding as of September 30, 2022 and December 31, 2021. See Note 11 for additional information.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SoFi Technologies, Inc.
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
(In Thousands, Except for Share and Per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Interest income				
Loans	\$ 191,525	\$ 89,844	\$ 451,247	\$ 246,743
Securitizations	2,633	2,999	7,958	11,260
Related party notes	—	—	—	211
Other	3,881	758	6,758	2,023
Total interest income	198,039	93,601	465,963	260,237
Interest expense				
Securitizations and warehouses	20,653	19,360	59,158	75,418
Deposits	14,149	—	19,123	—
Corporate borrowings	5,270	1,366	11,369	7,752
Other	117	500	801	1,400
Total interest expense	40,189	21,226	90,451	84,570
Net interest income	157,850	72,375	375,512	175,667
Noninterest income				
Loan origination and sales	163,697	142,147	465,815	362,211
Securitizations	(8,772)	(4,551)	(31,790)	(6,613)
Servicing	7,296	458	30,003	(11,875)
Technology products and solutions	82,035	49,951	223,562	140,560
Other	21,879	11,626	53,754	39,314
Total noninterest income	266,135	199,631	741,344	523,597
Total net revenue	423,985	272,006	1,116,856	699,264
Noninterest expense				
Technology and product development	110,702	74,434	291,976	209,771
Sales and marketing	162,129	114,985	444,121	297,170
Cost of operations	83,083	69,591	232,611	187,785
General and administrative	126,199	40,461	388,533	373,374
Provision for credit losses	16,323	2,401	39,387	2,887
Total noninterest expense	498,436	301,872	1,396,628	1,070,987
Loss before income taxes	(74,451)	(29,866)	(279,772)	(371,723)
Income tax benefit (expense)	242	(181)	(629)	(1,202)
Net loss	\$ (74,209)	\$ (30,047)	\$ (280,401)	\$ (372,925)
Other comprehensive loss				
Unrealized losses on available-for-sale securities, net	(1,914)	(150)	(8,360)	(150)
Foreign currency translation adjustments, net	325	204	231	(142)
Total other comprehensive income (loss)	(1,589)	54	(8,129)	(292)
Comprehensive loss	\$ (75,798)	\$ (29,993)	\$ (288,530)	\$ (373,217)
Loss per share (Note 16)				
Loss per share – basic	\$ (0.09)	\$ (0.05)	\$ (0.35)	\$ (0.94)
Loss per share – diluted	\$ (0.09)	\$ (0.05)	\$ (0.35)	\$ (0.94)
Weighted average common stock outstanding – basic	916,762,973	800,565,830	893,455,206	429,750,486
Weighted average common stock outstanding – diluted	916,762,973	800,565,830	893,455,206	429,750,486

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SoFi Technologies, Inc.
Unaudited Condensed Consolidated Statements of Changes in Temporary Equity and Permanent Equity
(In Thousands, Except for Share Data)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Permanent Equity	Temporary Equity	
	Shares	Amount					Shares	Amount
Balance at June 30, 2022	922,103,100	\$ 92	\$ 6,583,405	\$ (8,011)	\$ (1,389,306)	\$ 5,186,180	3,234,000	\$ 320,374
Share-based compensation expense	—	—	83,676	—	—	83,676	—	—
Vesting of RSUs	5,434,536	—	—	—	—	—	—	—
Stock withheld related to taxes on vested RSUs	(270,487)	—	(1,630)	—	—	(1,630)	—	—
Exercise of common stock options	234,622	—	429	—	—	429	—	—
Issuance of common stock in acquisition	(155,794)	—	(1,665)	—	—	(1,665)	—	—
Redeemable preferred stock dividends	—	—	(10,189)	—	—	(10,189)	—	—
Net loss	—	—	—	—	(74,209)	(74,209)	—	—
Other comprehensive loss, net of taxes	—	—	—	(1,589)	—	(1,589)	—	—
Balance at September 30, 2022	927,345,977	\$ 92	\$ 6,654,026	\$ (9,600)	\$ (1,463,515)	\$ 5,181,003	3,234,000	\$ 320,374

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Permanent Equity	Temporary Equity	
	Shares	Amount					Shares	Amount
Balance at January 1, 2022	828,154,462	\$ 83	\$ 5,561,831	\$ (1,471)	\$ (1,183,114)	\$ 4,377,329	3,234,000	\$ 320,374
Share-based compensation expense	—	—	251,195	—	—	251,195	—	—
Vesting of RSUs	16,746,634	1	(1)	—	—	—	—	—
Stock withheld related to taxes on vested RSUs	(932,949)	—	(7,476)	—	—	(7,476)	—	—
Exercise of common stock options	1,677,512	—	2,489	—	—	2,489	—	—
Issuance of common stock in acquisition	81,700,318	8	873,369	—	—	873,377	—	—
Vested awards assumed in acquisition	—	—	2,855	—	—	2,855	—	—
Redeemable preferred stock dividends	—	—	(30,236)	—	—	(30,236)	—	—
Net loss	—	—	—	—	(280,401)	(280,401)	—	—
Other comprehensive loss, net of taxes	—	—	—	(8,129)	—	(8,129)	—	—
Balance at September 30, 2022	927,345,977	\$ 92	\$ 6,654,026	\$ (9,600)	\$ (1,463,515)	\$ 5,181,003	3,234,000	\$ 320,374

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SoFi Technologies, Inc.
Unaudited Condensed Consolidated Statements of Changes in Temporary Equity and Permanent Equity (Continued)
(In Thousands, Except for Share Data)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Permanent Equity	Temporary Equity	
	Shares	Amount					Shares	Amount
Balance at June 30, 2021	794,692,813	\$ 79	\$ 5,249,878	\$ (512)	\$ (1,042,055)	\$ 4,207,390	3,234,000	\$ 320,374
Share-based compensation expense	—	—	72,681	—	—	72,681	—	—
Vesting of RSUs	8,081,148	1	(1)	—	—	—	—	—
Stock withheld related to taxes on vested RSUs	(555,031)	—	(8,637)	—	—	(8,637)	—	—
Exercise of common stock options	3,448,984	—	17,277	—	—	17,277	—	—
Redeemable preferred stock dividends	—	—	(10,189)	—	—	(10,189)	—	—
Net loss	—	—	—	—	(30,047)	(30,047)	—	—
Other comprehensive income, net of taxes	—	—	—	54	—	54	—	—
Balance at September 30, 2021	805,667,914	\$ 80	\$ 5,321,009	\$ (458)	\$ (1,072,102)	\$ 4,248,529	3,234,000	\$ 320,374

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Permanent Equity (Deficit)	Temporary Equity	
	Shares	Amount					Shares	Amount
Balance at January 1, 2021	115,084,358	\$ —	\$ 579,228	\$ (166)	\$ (699,177)	\$ (120,115)	469,150,522	\$ 3,173,686
Share-based compensation expense	—	—	162,289	—	—	162,289	—	—
Vesting of RSUs	12,026,846	1	(1)	—	—	—	—	—
Stock withheld related to taxes on vested RSUs	(2,088,755)	—	(37,240)	—	—	(37,240)	—	—
Exercise of common stock options	5,652,778	—	20,642	—	—	20,642	—	—
Redeemable preferred stock dividends	—	—	(30,236)	—	—	(30,236)	—	—
Issuance of contingently issuable stock	1,281,132	—	—	—	—	—	—	—
Cancellation of redeemable preferred stock related to a business combination	—	—	—	—	—	—	(83,856)	(743)
Conversion of redeemable preferred stock warrants into permanent equity	—	—	161,775	—	—	161,775	—	—
Conversion of redeemable preferred stock to common stock	450,832,666	45	2,702,524	—	—	2,702,569	(450,832,666)	(2,702,569)
Issuance of common stock in connection with Business Combination and PIPE Investment	222,878,889	22	1,789,579	—	—	1,789,601	—	—
Costs directly attributable to the issuance of common stock in connection with Business Combination and PIPE Investment	—	—	(27,539)	—	—	(27,539)	—	—
Repurchase of redeemable common stock	—	—	—	—	—	—	(15,000,000)	(150,000)
Change in par for historical SoFi common stock	—	12	(12)	—	—	—	—	—
Net loss	—	—	—	—	(372,925)	(372,925)	—	—
Other comprehensive loss, net of taxes	—	—	—	(292)	—	(292)	—	—
Balance at September 30, 2021	805,667,914	\$ 80	\$ 5,321,009	\$ (458)	\$ (1,072,102)	\$ 4,248,529	3,234,000	\$ 320,374

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SoFi Technologies, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(In Thousands)

	Nine Months Ended September 30,	
	2022	2021
Operating activities		
Net loss	\$ (280,401)	\$ (372,925)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	235,018	162,289
Depreciation and amortization	109,007	75,041
Deferred debt issuance and discount expense	12,106	14,228
Provision for credit losses	39,387	2,887
Deferred income taxes	(4,420)	699
Fair value changes in residual interests classified as debt	7,078	19,261
Fair value changes in securitization investments	13,256	(7,106)
Fair value changes in warrant liabilities	—	96,504
Other	11,635	(7,275)
Changes in operating assets and liabilities:		
Originations and purchases of loans	(11,635,939)	(9,375,583)
Proceeds from sales and repayments of loans	6,654,289	9,297,238
Other changes in loans	10,566	2,138
Servicing assets	(179)	(13,877)
Related party notes receivable interest income	—	1,399
Other assets	(36,691)	(26,883)
Accounts payable, accruals and other liabilities	28,265	18,037
Net cash used in operating activities	<u>\$ (4,837,023)</u>	<u>\$ (113,928)</u>
Investing activities		
Purchases of property, equipment, software and intangible assets	\$ (75,976)	\$ (38,445)
Purchases of available-for-sale investments	(44,974)	(205,128)
Proceeds from sales of available-for-sale investments	23,497	15,789
Proceeds from maturities and paydowns of available-for-sale investments	14,327	—
Changes in loans, net	(130,100)	—
Proceeds from securitization investments	99,760	201,093
Purchases of non-securitization investments	—	(20,000)
Proceeds from non-securitization investments	—	109,534
Acquisition of businesses, net of cash acquired	58,540	—
Proceeds from repayment of related party notes receivable	—	16,693
Net cash provided by (used in) investing activities	<u>\$ (54,926)</u>	<u>\$ 79,536</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SoFi Technologies, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows (Continued)
(In Thousands)

	Nine Months Ended September 30,	
	2022	2021
Financing activities		
Proceeds from debt issuances	\$ 7,861,804	\$ 6,296,901
Repayment of debt	(7,306,856)	(8,368,904)
Payment of debt issuance costs	(4,076)	(5,136)
Net change in deposits	4,859,240	—
Taxes paid related to net share settlement of share-based awards	(7,476)	(37,240)
Proceeds from stock option exercises	2,489	20,642
Payment of redeemable preferred stock dividends	(20,047)	(20,047)
Finance lease principal payments	(364)	(397)
Purchases of common stock	—	(526)
Redemptions of redeemable common and preferred stock	—	(282,859)
Proceeds from Business Combination and PIPE Investment	—	1,989,851
Payment of costs directly attributable to the issuance of common stock in connection with Business Combination and PIPE Investment	—	(26,951)
Net cash provided by (used in) financing activities	<u>\$ 5,384,714</u>	<u>\$ (434,666)</u>
Effect of exchange rates on cash and cash equivalents	231	(142)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	<u>\$ 492,996</u>	<u>\$ (469,200)</u>
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	768,437	1,323,428
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	<u><u>\$ 1,261,433</u></u>	<u><u>\$ 854,228</u></u>
Reconciliation to amounts on unaudited condensed consolidated balance sheets (as of period end)		
Cash and cash equivalents	\$ 935,159	\$ 533,523
Restricted cash and restricted cash equivalents	<u>326,274</u>	<u>320,705</u>
Total cash, cash equivalents, restricted cash and restricted cash equivalents	<u><u>\$ 1,261,433</u></u>	<u><u>\$ 854,228</u></u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SoFi Technologies, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows (Continued)
(In Thousands)

	Nine Months Ended September 30,	
	2022	2021
Supplemental non-cash investing and financing activities		
Issuance of common stock in acquisition	\$ 873,377	\$ —
Vested awards assumed in acquisition	2,855	—
Loans received in acquisition	84,485	—
Debt assumed in acquisition	2,000	—
Deposits assumed in acquisition	158,016	—
Deposits credited but not yet received in cash	14,374	—
Available-for-sale securities received in acquisition	10,014	—
Property, equipment and software received in acquisition	3,192	—
Non-cash loan reduction	1,386	—
Share-based compensation capitalized related to internally-developed software	16,177	—
Redeemable preferred stock dividends accrued but unpaid	10,189	10,189
Non-cash property, equipment, software and intangible asset additions	—	859
Deferred debt issuance costs accrued but unpaid	—	850
Securitization investments acquired via loan transfers	—	89,111
Available-for-sale investment securities purchased but unpaid	—	7,712
Costs directly attributable to the issuance of common stock paid in 2020	—	588
Reduction to temporary equity associated with purchase price adjustments	—	743
Warrant liabilities recognized in conjunction with the Business Combination	—	200,250
Series H warrant liabilities conversion to common stock warrants	—	39,959
Conversion of temporary equity into permanent equity in conjunction with the Business Combination	—	2,702,569

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

Note 1. Organization, Summary of Significant Accounting Policies and New Accounting Standards

Organization

Social Finance entered into the Agreement with SCH on January 7, 2021. The transactions contemplated by the terms of the Agreement were completed on May 28, 2021, in conjunction with which SCH changed its name to SoFi Technologies, Inc. (hereafter referred to, collectively with its subsidiaries, as “SoFi”, the “Company”, “we”, “us” or “our”, unless the context otherwise requires). The transactions contemplated in the Agreement are collectively referred to as the “Business Combination.”

Upon the closing of the Business Combination, holders of Social Finance common stock received shares of SoFi Technologies common stock in an amount determined by application of the exchange ratio of 1.7428 (“Exchange Ratio”), which was based on Social Finance’s implied price per share prior to the Business Combination. Additionally, holders of Social Finance preferred stock (with the exception of the holders of our Series 1 Redeemable Preferred Stock, as defined in Note 10) received shares of SoFi Technologies common stock in amounts determined by application of either the Exchange Ratio or a multiplier of the Exchange Ratio, as provided by the Agreement.

SoFi is a financial services platform that was founded in 2011 to offer an innovative approach to the private student loan market by providing student loan refinancing options. The Company conducts its business through three reportable segments: Lending, Technology Platform and Financial Services. Since its founding, SoFi has expanded its lending strategy to offer home loans, personal loans and credit cards. The Company also developed non-lending financial products, such as money management and investment product offerings, and has also leveraged its financial services platform to empower other businesses. The Company has continued to expand its product offerings through strategic acquisitions. During 2020, the Company expanded its investment product offerings into Hong Kong through the acquisition of 8 Limited, and also began to operate as a platform-as-a-service for a variety of financial service providers, providing the infrastructure to facilitate core client-facing and back-end capabilities, such as account setup, account funding, direct deposit, authorizations and processing, payments functionality and check account balance features through the acquisition of Galileo. During 2022, the Company became a bank holding company and began operating as SoFi Bank, National Association, through its acquisition of Golden Pacific Bancorp, Inc., and expanded its platform to include a cloud-native digital and core banking platform with customers in Latin America through its acquisition of Technisys S.A., allowing the Company to expand its technology platform services to a broader international market. For additional information on our recent business combinations, see Note 2. For additional information on our reportable segments, see Note 17.

Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of the Company, its wholly-owned and majority-owned subsidiaries and certain consolidated VIEs. All intercompany accounts were eliminated in consolidation. The unaudited condensed consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States (“GAAP”) and in accordance with the rules and regulations of the SEC. We condensed or omitted certain notes and other financial information from the interim financial statements presented herein.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated statements included in our annual filing on Form 10-K filed with the SEC on March 1, 2022. In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair statement of the Company’s financial condition and results of operations and cash flows for the interim periods presented. The results for the three and nine months ended September 30, 2022 are not necessarily indicative of the results to be expected for the full year ending December 31, 2022.

In our unaudited condensed consolidated statements of operations and comprehensive income (loss), we renamed the financial statement line item for *noninterest income—technology platform fees* to *noninterest income—technology products and solutions* in the first quarter of 2022 to accommodate noninterest income earned from Technisys. See Note 1 for our presentation of disaggregated revenue and Note 2 for our discussion of business combinations. In our unaudited condensed consolidated statements of cash flows, in the third quarter of 2022 we reclassified amounts related to the provision for credit losses to a separate financial statement line item from *other* within the adjustments to reconcile net loss to net cash used in

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

operating activities. The prior period amount was recast to conform to the current period presentation. There was no impact to *net cash used in operating activities*.

Use of Judgments, Assumptions and Estimates

The preparation of our unaudited condensed consolidated financial statements and related disclosures in conformity with GAAP requires management to make assumptions and estimates that affect the reported amounts of assets, liabilities, revenue, expenses, and the disclosures of contingent assets and liabilities. These estimates and assumptions are inherently subjective in nature and, therefore, actual results may differ from our estimates and assumptions, and the differences could be material. Management bases its estimates on historical experience and on various other factors it believes to be reasonable under the circumstances. These assumptions and estimates include, but are not limited to, the following: (i) fair value measurements; (ii) share-based compensation expense; (iii) consolidation of variable interest entities; and (v) business combinations.

Cash and Cash Equivalents

Cash and cash equivalents primarily include unrestricted deposits with financial institutions in checking, money market and short-term certificate of deposit accounts and certain short-term commercial paper. We consider all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

Restricted Cash and Restricted Cash Equivalents

Restricted cash and restricted cash equivalents primarily include cash deposits, certificate of deposit accounts held on reserve, money market funds held by consolidated VIEs, and collection balances. These accounts are earmarked as restricted because the balances are either member balances held in our custody, cash segregated for regulatory purposes associated with brokerage activities, escrow requirements for certain debt facilities and derivative agreements, deposits required by various bank holding companies we partner with ("Member Banks") that support one or more of our products, loan collection balances awaiting disbursement, consolidated VIE cash balances that we cannot use for general operating purposes, or other legally restricted balances.

Loans

Our loan portfolio consists of (i) personal loans, student loans and home loans, which are held for sale and measured at fair value, and (ii) credit card loans, and commercial and consumer banking loans, which are measured at amortized cost. The commercial and consumer banking portfolio is primarily inclusive of commercial real estate loans, commercial and industrial loans and residential real estate and other consumer loans.

Loans Measured at Fair Value

Loans that we intend to sell to third-party purchasers or for which we do not have the ability and intent to hold for the foreseeable future are classified as held for sale. We elected the fair value option to measure our personal loans, student loans and home loans, as we believe that fair value best reflects the expected economic performance of the loans, as well as our intentions given our primary gain-on-sale origination model. Therefore, these loans are carried at fair value on a recurring basis. All direct fees and costs related to the origination process are recognized in earnings as earned or incurred. We record the initial fair value measurement and subsequent measurement changes in fair value in the period in which the changes occur within *noninterest income—loan origination and sales* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). We record cash flows related to loans held for sale within *cash flows from operating activities* in the unaudited condensed consolidated statements of cash flows.

Securitized loans are assets held by consolidated special purpose entities ("SPE") as collateral for bonds issued, for which fair value changes are recorded within *noninterest income—securitizations* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). Gains or losses recognized upon deconsolidation of a VIE are also recorded within *noninterest income—securitizations*.

Loans Measured at Amortized Cost

For our loans measured at amortized cost, direct loan origination costs are deferred and amortized on a straight-line basis over the privilege period (12 months) for credit card loans and amortized using the effective interest method over the

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

contractual term of the loans for commercial and consumer banking loans, within *interest income—loans* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). During the three and nine months ended September 30, 2022, we amortized \$2,150 and \$5,835, respectively, of deferred costs into interest income and had a remaining balance of deferred costs of \$3,974 as of September 30, 2022.

Commercial and consumer banking loans are reported as delinquent when they become 30 or more days past due. For all commercial and consumer banking loans, we stop accruing interest and reverse all accrued but unpaid interest after 90 days of delinquency. For consumer banking loans, delinquent loans are charged off after 120 days of delinquency or on the date of confirmed loss. For commercial loans, performance is monitored on an individual loan basis and delinquent loans are charged off when collectability of interest and principal on the loan is not reasonably assured.

Purchased Credit Deteriorated Assets

In connection with the Bank Merger, as further discussed in Note 2, we obtained purchased credit deteriorated (“PCD”) loans. PCD loans are acquired financial assets (or groups of financial assets with similar risk characteristics) that, as of the date of acquisition, have experienced a more-than-insignificant deterioration in credit quality since origination. Indicators that an acquired asset may meet the definition of a PCD asset include days past due status, nonaccrual status, troubled debt restructuring status and other loan agreement violations. We were required to record an allowance for the acquired PCD loans, with a corresponding increase to the amortized cost basis as of the acquisition date. Recognition of the initial allowance for credit losses upon the acquisition of PCD loans does not impact net income. Changes in estimates of expected credit losses after acquisition are recognized through the provision for credit losses. See Note 7 for the rollforward of our allowance for credit losses.

Troubled Debt Restructuring

In connection with the Bank Merger, as further discussed in Note 2, we obtained troubled debt restructuring (“TDR”) loans. TDR loans are those for which the contractual terms have been restructured to grant one or more concessions to a borrower who is experiencing financial difficulty. Concessions may include several types of assistance to aid customers and maximize payments received, and vary by borrower-specific characteristics. Loans with short-term and other insignificant modifications that are not considered concessions are not TDRs. TDRs identified by Golden Pacific prior to the acquisition were recorded at fair value with a new accounting basis established as of the date of acquisition.

Allowance for Credit Losses

As of September 30, 2022, we applied ASC 326, *Financial Instruments—Credit Losses* (“ASC 326”), to the following: (i) cash equivalents and restricted cash equivalents, (ii) accounts receivable from contracts with customers, inclusive of servicing related receivables, (iii) margin receivables, which were attributable to our activities at 8 Limited, (iv) certain loan repurchase reserves representing guarantees of credit exposure, (v) loans measured at amortized cost, including credit card, and commercial and consumer banking loans acquired during the first quarter of 2022, and (vi) investments in available-for-sale debt securities. Our approaches to measuring the allowance for credit losses are disclosed in our Annual Report on Form 10-K. See Note 7 for a rollforward of the allowance for credit losses.

Investments in Available-For-Sale Debt Securities

An allowance for credit losses on our investments in available-for-sale (“AFS”) debt securities is required for any portion of impaired securities that is attributable to credit-related factors. As of September 30, 2022, we concluded that the credit-related impairment was immaterial.

Investments in Equity Securities

Our investments in equity securities consist of investments for which fair values are not readily determinable, which we elect to measure using the alternative method of accounting, under which they are measured at cost less any impairment and adjusted for changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuers. Our investments in equity securities are presented within *other assets* in our unaudited condensed consolidated balance sheets. Adjustments to the carrying values of our investments in equity securities, such as impairments and unrealized gains, are recognized within *noninterest income—other* in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

In August 2021, we purchased a 5% interest in Lower Holding Company (“Lower”) for \$20,000 and were granted a seat on Lower’s board of directors. We accounted for the investment under the equity method of accounting. In January 2022, we relinquished our seat on Lower’s board of directors, and have no further rights to a seat on Lower’s board of directors. As such, we no longer have significant influence over the investee, and we ceased recognizing Lower equity investment income subsequent to that date. Our equity method investment income for the nine months ended September 30, 2022 was immaterial. Additionally, we did not receive any distributions during the nine months ended September 30, 2022. As of September 30, 2022, our investment was presented within *other assets* in the unaudited condensed consolidated balance sheets and was measured using the measurement alternative method of accounting.

Restricted Investments

Subsequent to operating SoFi Bank, we have investments in Federal Reserve Bank (“FRB”) stock and Federal Home Loan Bank (“FHLB”) stock, which are restricted investment securities that are not marketable. These investments are presented within *other assets* in our unaudited condensed consolidated balance sheets and are carried at cost and reviewed for impairment if indicators of impairment exist at the reporting date.

Goodwill and Intangible Assets

Goodwill represents the fair value of an acquired business in excess of the fair value of the identified net assets acquired. Goodwill is tested for impairment annually or whenever indicators of impairment exist. We apply the provisions of Accounting Standards Update (“ASU”) 2017-04, *Simplifying the Test for Goodwill Impairment*, to calculate goodwill impairment (if any) on at least an annual basis, which provides for an unconditional option to bypass the qualitative assessment.

Impairment of goodwill is the condition that exists when the carrying amount of a reporting unit that includes goodwill exceeds its fair value. A goodwill impairment loss is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. Therefore, if the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired. Our annual impairment testing date is October 1.

Definite-lived intangible assets are straight-line amortized over their useful lives and reviewed for impairment annually and whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. We do not have any indefinite-lived intangible assets.

As of September 30, 2022, we did not identify any indicators of goodwill impairment nor any indicators that the carrying amounts of our intangible assets may not be recoverable. See Note 2 for further discussion of goodwill and intangible assets recognized in connection with recent business acquisitions.

Deposits

We commenced offering deposit accounts (referred to as “SoFi Checking and Savings” accounts) to our members through SoFi Bank in the first quarter of 2022. Our interest-bearing deposits primarily consist of demand deposits, savings deposits and, to a lesser extent, time deposits. We also have noninterest-bearing deposits.

The following table presents a detail of interest-bearing deposits:

	September 30, 2022
Demand deposits ⁽¹⁾⁽²⁾	\$ 2,544,043
Savings deposits ⁽¹⁾	1,885,311
Time deposits ⁽²⁾⁽³⁾	512,515
Total interest-bearing deposits	\$ 4,941,869

(1) For deposit liabilities with no defined maturities, the fair value of the liabilities reflects the amount payable on demand at the reporting date.

(2) Includes brokered deposits of \$593,903, of which \$493,525 are time deposits and \$100,378 are demand deposits.

(3) The amount of time deposits that exceeded the insured limit (referred to as “uninsured deposits”) totaled \$11,695.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

As of September 30, 2022, future maturities of our total time deposits were as follows:

Remainder of 2022	\$ 431,759
2023	77,998
2024	2,443
2025	33
2026	282
Total	<u>\$ 512,515</u>

Derivative Financial Instruments

The following table presents the gains (losses) recognized on our derivative instruments:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Derivative contracts to manage future loan sale execution risk ⁽¹⁾	\$ 106,240	\$ 1,305	\$ 336,382	\$ 23,439
Derivative contracts to manage securitization investment interest rate risk	5,119	—	14,187	—
Interest rate lock commitments (“IRLCs”) ⁽¹⁾	(2,027)	(3,191)	(4,666)	(11,051)
Interest rate caps ⁽¹⁾	(4,112)	—	(7,139)	—
Purchase price earn-out ⁽¹⁾	52	7,165	1,094	7,165
Special payment ⁽²⁾	—	—	—	(21,181)
Third-party warrants ⁽³⁾	81	—	(88)	—
Total	<u>\$ 105,353</u>	<u>\$ 5,279</u>	<u>\$ 339,770</u>	<u>\$ (1,628)</u>

- (1) Recorded within *noninterest income—loan origination and sales* in the unaudited condensed consolidated statements of operations and comprehensive income (loss).
- (2) In conjunction with the Business Combination, we made a one-time special payment of \$21.2 million to the holders of Series 1 Redeemable Preferred Stock, which was paid from the proceeds of the Business Combination and settled contemporaneously with the Business Combination in 2021. The special payment was recognized within *noninterest expense—general and administrative* in the unaudited condensed consolidated statements of operations and comprehensive income (loss), as this feature was accounted for as an embedded derivative that was not clearly and closely related to the host contract, and will not have a subsequent impact on our consolidated financial results. The Series 1 Redeemable Preferred Stock has no stated maturity.
- (3) For the three and nine months ended September 30, 2022, includes \$(4) and \$(607), respectively, recorded within *noninterest income—other*, \$217 and \$651, respectively, recorded within *noninterest expense—general and administrative*, and \$(132) and \$(132), respectively, recorded within *noninterest expense—cost of operations* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). The amount recorded to *—general and administrative* represents the amortization of a deferred liability recognized at the initial fair value of the third party warrants acquired of \$964, as we are also a customer of the third party.

The following table presents information about derivative instruments subject to enforceable master netting arrangements:

	September 30, 2022		December 31, 2021	
	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities
Interest rate swaps	\$ —	\$ (13,781)	\$ 5,444	\$ —
Interest rate caps	—	(7,807)	—	(668)
Home loan pipeline hedges	5,953	(158)	117	(313)
Total, gross	\$ 5,953	\$ (21,746)	\$ 5,561	\$ (981)
Derivative netting	(1,657)	1,657	(117)	117
Total, net ⁽¹⁾	<u>\$ 4,296</u>	<u>\$ (20,089)</u>	<u>\$ 5,444</u>	<u>\$ (864)</u>

- (1) As of September 30, 2022 and December 31, 2021, we had a cash collateral requirement of \$13,781 and \$299, respectively, related to these instruments.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

The following table presents the notional amounts of derivative contracts outstanding:

	September 30, 2022	December 31, 2021
Derivative contracts to manage future loan sale execution risk:		
Interest rate swaps	\$ 5,010,250	\$ 4,210,000
Home loan pipeline hedges	172,000	421,000
Interest rate caps	405,000	405,000
Interest rate swaps ⁽¹⁾	254,750	—
IRLCs ⁽²⁾	130,312	357,529
Interest rate caps ⁽³⁾	405,000	405,000
Total	<u>\$ 6,377,312</u>	<u>\$ 5,798,529</u>

(1) Represents interest rate swaps utilized to manage interest rate risk associated with certain of our securitization investments.

(2) Amounts correspond with home loan funding commitments subject to IRLC agreements.

(3) We sold an interest rate cap that was subject to master netting to offset an interest rate cap purchase made in conjunction with a contract to manage future loan sale execution risk.

While the notional amounts of derivative instruments give an indication of the volume of our derivative activity, they do not necessarily represent amounts exchanged by parties and are not a direct measure of our financial exposure. See Note 8 for additional information on our derivative assets and liabilities.

Safeguarding Asset and Liability

Through our SoFi Invest product (via our wholly-owned subsidiary, SoFi Digital Assets, LLC, a licensed money transmitter), our members can invest in digital assets. We engage third parties to provide custodial services for our digital assets offering, which includes holding the cryptographic key information and working to protect the digital assets from loss or theft. The third-party custodians hold digital assets as custodial assets in an account in SoFi's name for the benefit of our members. We maintain the internal recordkeeping of our members' digital assets, including the amount and type of digital assets owned by each of our members in the custodial accounts. We currently utilize two third-party custodians. Therefore, we have concentration risk in the event the custodian is not able to perform in accordance with our agreement.

In accordance with Staff Accounting Bulletin No. 121 ("SAB 121"), which is further discussed under "Recently Adopted Accounting Standards" in this Note 1, we recognize a digital assets safeguarding liability within *accounts payable, accruals and other liabilities* in our unaudited condensed consolidated balance sheets reflecting our obligation to safeguard the digital assets held by third-party custodians for the benefit of our members. We also recognize a corresponding safeguarding asset within *other assets* in our unaudited condensed consolidated balance sheets. The safeguarding liability and corresponding safeguarding asset are measured and recorded at the fair value of the digital assets held by the custodians at each reporting date, as measured in accordance with ASC 820, *Fair Value Measurement* ("ASC 820"). Subsequent changes to the fair value measure are reflected as equal and offsetting adjustments to the carrying values of the safeguarding liability and corresponding safeguarding asset. We evaluate any potential loss events, such as theft, loss or destruction of the cryptographic keys, that may affect the measurement of the safeguarding asset, which would be reflected in our results of operations in the period the loss occurs. Measurement changes do not impact our unaudited condensed consolidated statements of operations and comprehensive income (loss) unless such a loss event is identified. As of September 30, 2022, we did not identify any loss events. See Note 8 for additional information on the fair value measurement of the safeguarding liability and corresponding safeguarding asset.

Foreign Currency Translation Adjustments

We revalue assets, liabilities, income and expense denominated in non-United States currencies into United States dollars using applicable exchange rates. For foreign subsidiaries in which the functional currency is the subsidiary's local currency, gains and losses relating to foreign currency translation adjustments are included in *accumulated other comprehensive loss* in our unaudited condensed consolidated balance sheets. For foreign subsidiaries in which the functional currency is the United States Dollar, gains and losses relating to foreign currency transaction adjustments are included within earnings in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

Due to the highly inflationary economic environment in Argentina, we use the United States Dollar as the functional currency of our Argentinian operations in accordance with ASC 830, *Foreign Currency Matters*. Our activities in Argentina are related to our Technology Platform segment and commenced in the first quarter of 2022 with the Technisys Merger.

Revenue Recognition

In accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), in each of our revenue arrangements, revenue is recognized when control of the promised goods or services is transferred to the customer in an amount that reflects our expected consideration in exchange for those goods or services. Our arrangements accounted for under ASC 606 are discussed in our Annual Report on Form 10-K, with notable updates provided herein.

Technology Products and Solutions

We earn fees for providing an integrated platform as a service for financial and non-financial institutions. Within our technology products and solutions fee arrangements, certain contracts contain a provision for a fixed, upfront implementation fee related to setup activities, which represents an advance payment for future technology platform services. In these arrangements, our implementation fees are recognized ratably over the contract life, as we consider the implementation fee partially earned each month that we meet our performance obligation over the life of the contract.

Commencing in March 2022 with the Technisys Merger, we earn subscription and service fees for providing software licenses and associated services. Software license and service arrangements comprise one or more software licenses, implementation, maintenance, and other software-related services. We recognize revenue related to software licenses upon delivery of the license, as we consider the license to be satisfied at a point in time. Software is considered delivered when control passes to the customer following the user-acceptance testing period.

We charge a recurring subscription fee for the software license and related maintenance services. Other software-related services are billed on a periodic basis as the services are provided. Certain arrangements for software and related services contain a provision for a fixed upfront payment, which in some cases may provide a material right to the customer with respect to the start and renewal of the subscription. Fees charged are part of the transaction price and are allocated to the performance obligations on a relative standalone selling price basis, as follows:

- The standalone selling price of maintenance varies in proportion with the standalone selling price of the underlying license. We allocate the subscription fee between the license and maintenance based upon this proportion. We recognize the maintenance fees ratably over the maintenance period, as we stand ready to provide maintenance services during the period.
- Non-maintenance software-related services fees are recognized over the period during which the services are provided, as we consider these services to be satisfied over time. We use an input model based on hours incurred to provide the services, which directly correspond with the value to which the customer is entitled.
- If a contract contains a substantive upfront payment that creates a material right to subscribe or renew a subscription, the upfront payment is allocated to the material right and is recognized over the period of benefit associated with the right to subscribe or renew a subscription, typically the product life.

We had deferred revenues of \$6,057 and \$2,553 as of September 30, 2022 and December 31, 2021, respectively, which are presented within *accounts payable, accruals and other liabilities* in the unaudited condensed consolidated balance sheets. During the three and nine months ended September 30, 2022, we recognized revenue of \$3,925 and \$6,699, respectively, associated with deferred revenues within *noninterest income—technology products and solutions* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). During the three and nine months ended September 30, 2021, we recognized revenue of \$176 and \$514, respectively, associated with deferred revenues.

Sales commissions: Capitalized sales commissions presented within *other assets* in the unaudited condensed consolidated balance sheets, which are incurred in connection with obtaining our technology products and solutions, were \$1,248 and \$678 as of September 30, 2022 and December 31, 2021, respectively. Additionally, we incur ongoing monthly commissions, which are expensed as incurred, as the benefit of such sales efforts are realized only in the period in which the commissions are earned. During the three and nine months ended September 30, 2022, commissions recorded within *noninterest expense—sales and marketing* in the unaudited condensed consolidated statements of operations and comprehensive income (loss) were \$871 and \$3,088, respectively, of which \$57 and \$246, respectively, represented amortization of capitalized

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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sales commissions. During the three and nine months ended September 30, 2021, commissions were \$637 and \$2,407, respectively, of which \$60 and \$203, respectively, represented amortization of capitalized sales commissions.

Referrals

We earn specified referral fees in connection with referral activities we facilitate through our platform. This arrangement contains variable consideration that is constrained due to the potential reversal of referral fulfillment fees. We recognize a liability within *accounts payable, accruals and other liabilities* in the unaudited condensed consolidated balance sheets for the estimated referral fulfillment fee penalty, which represents the amount of consideration received that we estimate will reverse. The liability was \$703 and \$118 as of September 30, 2022 and December 31, 2021, respectively.

Contract Balances

As of September 30, 2022 and December 31, 2021, accounts receivable, net associated with revenue from contracts with customers were \$59,095 and \$33,748, respectively, which were reported within *other assets* in the unaudited condensed consolidated balance sheets. The increase in contract balances during the current period includes the effect of the Technisys Merger, which contributed \$16,496 to the balance as of September 30, 2022.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

Disaggregated Revenue

The table below presents revenue from contracts with customers disaggregated by type of service, which best depicts how the revenue and cash flows are affected by economic factors, and by the reportable segment to which each revenue stream relates, as well as a reconciliation of total revenue from contracts with customers to *total noninterest income*. Revenues from contracts with customers are presented within *noninterest income—technology products and solutions* and *noninterest income—other* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). There were no revenues from contracts with customers attributable to our Lending segment for any of the periods presented.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Financial Services				
Referrals	\$ 10,210	\$ 4,378	\$ 26,783	\$ 9,772
Brokerage	3,854	4,298	12,740	15,964
Payment network	4,225	1,975	11,518	4,650
Equity capital markets services	1,322	288	1,322	2,048
Enterprise services	240	63	668	2,817
Total financial services	<u>\$ 19,851</u>	<u>\$ 11,002</u>	<u>\$ 53,031</u>	<u>\$ 35,251</u>
Technology Platform				
Technology services	\$ 81,474	\$ 49,951	\$ 221,742	\$ 140,560
Software licenses	561	—	1,820	—
Payment network	118	235	854	1,056
Total technology platform	<u>\$ 82,153</u>	<u>\$ 50,186</u>	<u>\$ 224,416</u>	<u>\$ 141,616</u>
Total Revenue from Contracts with Customers				
Technology services	\$ 81,474	\$ 49,951	\$ 221,742	\$ 140,560
Software licenses	561	—	1,820	—
Referrals	10,210	4,378	26,783	9,772
Brokerage	3,854	4,298	12,740	15,964
Payment network	4,343	2,210	12,372	5,706
Equity capital markets services	1,322	288	1,322	2,048
Enterprise services	240	63	668	2,817
Total revenue from contracts with customers	<u><u>\$ 102,004</u></u>	<u><u>\$ 61,188</u></u>	<u><u>\$ 277,447</u></u>	<u><u>\$ 176,867</u></u>
Other Sources of Revenue				
Loan origination and sales	\$ 163,697	\$ 142,147	\$ 465,815	\$ 362,211
Securitizations	(8,772)	(4,551)	(31,790)	(6,613)
Servicing	7,296	458	30,003	(11,875)
Other	1,910	389	(131)	3,007
Total other sources of revenue	<u>164,131</u>	<u>138,443</u>	<u>463,897</u>	<u>346,730</u>
Total noninterest income	<u><u>\$ 266,135</u></u>	<u><u>\$ 199,631</u></u>	<u><u>\$ 741,344</u></u>	<u><u>\$ 523,597</u></u>

Recently Adopted Accounting Standards

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The ASU requires entities to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606, rather than at fair value. The standard should be applied prospectively to business combinations occurring on or after the effective date of the amendments. We early adopted the standard effective January 1, 2022 and applied its provisions to our acquisitions in 2022. The adoption of this standard did not have a material impact on our consolidated financial statements.

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In March 2022, the SEC released SAB 121, which provides interpretive guidance for an entity to consider when it has obligations to safeguard crypto-assets held for its platform users, whether directly or through an agent or another third party acting on its behalf. SAB 121 requires an entity to record a liability to reflect its obligation to safeguard the crypto-assets, as well as a corresponding safeguarding asset, both of which should be measured at the fair value of the crypto-assets being safeguarded for the entity's users. Entities should evaluate any potential loss events, such as theft, loss or destruction of the cryptographic keys, that may affect the measurement of the asset. SAB 121 also requires financial statement disclosure, including the nature and amount of crypto-assets that the entity holds for its users, any vulnerabilities that may arise as a result of any concentration in crypto-assets, and information about who is responsible for the record-keeping of the crypto-assets, the holding of the cryptographic keys and safeguarding the crypto-assets, among other disclosure considerations. Disclosures must also be made in accordance with ASC 820. SAB 121 was effective for us for the interim period ending June 30, 2022. We applied the guidance through retrospective application as of January 1, 2022, at which time the value of our members' digital assets was \$266,014. As of June 30, 2022, the adoption date, the value of our members' digital assets was \$112,010. At each reporting date subsequent to adoption, we determine the value of our members' digital assets and remeasure our digital assets safeguarding liability and corresponding digital assets safeguarding asset. Our application of this guidance did not impact our results of operations. We also enhanced our disclosures around our digital assets arrangements and our role in safeguarding them. See Note 1 and Note 8 for the applicable disclosures.

Recent Accounting Standards Issued, But Not Yet Adopted

In March 2022, the FASB issued ASU 2022-02, *Financial Instruments — Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*. The ASU addresses two topics: (i) TDR by creditors, and (ii) vintage disclosures for gross write offs. Under the TDR provisions, the ASU eliminates the recognition and measurement guidance under ASC 310-40, *Receivables — Troubled Debt Restructurings by Creditors*, and instead requires that an entity evaluate whether the modification represents a new loan or a continuation of an existing loan, consistent with the accounting for other loan modifications. Additionally, the ASU enhances existing disclosure requirements around TDRs and introduces new requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. Under the vintage disclosure provisions, the ASU requires the entity to disclose current period gross write offs by year of origination for financing receivables and net investments in leases within the scope of ASC 326-20, *Financial Instruments — Credit Losses — Measured at Amortized Cost*. The standard is effective for fiscal years and interim periods beginning after December 15, 2022. Early adoption is permitted. If an entity elects to early adopt this standard in an interim period, the guidance should be applied as of the beginning of the fiscal year that includes the interim period. An entity may elect to early adopt either of the two topics separately, or both. The standard should be applied prospectively; however, for the TDR provisions, an entity has the option to apply a modified retrospective transition method. We are currently evaluating the effect of adopting this standard on our consolidated financial statements and related disclosures.

Note 2. Business Combinations

Acquisition of Golden Pacific Bancorp, Inc.

On February 2, 2022, we acquired Golden Pacific, pursuant to an Agreement and Plan of Merger dated as of March 8, 2021 by and among the Company, a wholly-owned subsidiary of the Company, and Golden Pacific. In the business combination, we acquired all of the outstanding equity interests in Golden Pacific for total cash purchase consideration of \$22.3 million (the "Bank Merger"). After closing the Bank Merger, we became a bank holding company and Golden Pacific began operating as SoFi Bank. We are duly registered as a bank holding company with the Board of Governors of the Federal Reserve System (the "Federal Reserve"). SoFi Bank is a national banking association whose primary federal regulator is the Office of the Comptroller of the Currency (the "OCC"). Deposit accounts of SoFi Bank are insured by the Federal Deposit Insurance Corporation (the "FDIC") through the Deposit Insurance Fund to the fullest extent permitted by law.

The closing of the Bank Merger was subject to regulatory approval. On January 18, 2022, we received approval from the Federal Reserve of our application to become a bank holding company under the Bank Holding Company Act, and we received conditional approval from the OCC to close the Bank Merger. The OCC also approved our application to change the composition of Golden Pacific's assets in connection with the Bank Merger. The OCC conditional approval imposed a number of conditions, including that SoFi Bank have initial paid-in capital of no less than \$750 million and adhere to an operating agreement. Golden Pacific's community bank business continues to operate as a division of SoFi Bank.

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A portion of the total cash purchase consideration (\$0.6 million) was held back by the Company to satisfy any indemnification or certain other obligations (“Holdback Amount”), as certain legal proceedings with which Golden Pacific is involved as a plaintiff were not resolved at the time the Bank Merger closed. Through the third quarter of 2022, we incurred costs associated with the litigation involving Golden Pacific as a plaintiff in excess of the Holdback Amount. Therefore, none of the Holdback Amount will be released to the Golden Pacific shareholders. Additionally, we held back a \$3.3 million payable to a dissenting Golden Pacific shareholder pending resolution of the shareholder’s appraisal claim, which could possibly result in a lower or higher amount paid to the dissenting shareholder once a ruling is made regarding the appraisal claim.

The Bank Merger was accounted for as a business combination. The preliminary purchase consideration was allocated to the tangible and intangible assets acquired and liabilities assumed based on the estimated fair values as of the acquisition date, which were measured in accordance with the principles outlined in ASC 820. The excess of the total purchase consideration over the fair value of the net assets acquired of \$11.2 million was allocated to goodwill, none of which is expected to be deductible for tax purposes, and which is allocated to our Financial Services segment. Goodwill is primarily attributable to the expected benefits of operating a national bank. The results of operations of Golden Pacific subsequent to the date of acquisition are included in SoFi’s consolidated financial statements as of and for the three and nine months ended September 30, 2022. As the acquisition was not determined to be a significant acquisition under ASC 805, *Business Combinations*, we do not disclose the pro forma impact of this acquisition to the results of operations in our interim and annual filings with the SEC.

Identifiable intangible net assets at the date of acquisition included finite-lived intangible assets for core deposits with an aggregate fair value of \$1.0 million. The intangible assets are being amortized over a period of 7.3 years based on the estimated economic life of the underlying assets.

We incurred total acquisition-related costs related to the Bank Merger of \$2.2 million, which were incurred during the three months ended March 31, 2021, and are presented within *noninterest expense—general and administrative* in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

Acquisition of Technisys S.A.

On March 3, 2022, we acquired Technisys, pursuant to an Agreement and Plan of Merger dated as of February 19, 2022 and amended as of March 3, 2022, by and among the Company, Technisys, Atom New Delaware, Inc., a Delaware corporation and a wholly owned subsidiary of Atom, and Atom Merger Sub Corporation, a Delaware corporation and wholly owned subsidiary of SoFi Technologies (“Technisys Merger”). In the business combination, we acquired all of the outstanding equity interests in Technisys. Technisys is a cloud-native digital and core banking platform with an existing footprint of financial services customers in Latin America. The Technisys Merger was accounted for as a business combination.

The following table presents the components of the purchase consideration to acquire Technisys as of September 30, 2022:

Fair value of common stock issued ⁽¹⁾	\$ 873,377
Fair value of awards assumed ⁽²⁾	2,855
Amounts payable to settle vested employee performance awards ⁽³⁾	37,297
Settlement of pre-combination transactions between acquirer and acquiree	235
Total purchase consideration	\$ 913,764

(1) Reflects the shares of SoFi common stock issued in the acquisition of 81,700,318, which were adjusted in the third quarter of 2022 based on a finalized working capital calculation, as further discussed below, multiplied by the closing stock price of SoFi common stock on the closing date of the Technisys Merger. Additionally, these shares are inclusive of 6,305,595 shares that remain held in escrow.

(2) We contemporaneously converted outstanding performance awards into restricted stock units (“RSUs”) to acquire common stock of SoFi (“Replacement Awards”). The fair value of awards assumed in the purchase consideration was based on the closing stock price of SoFi common stock on the closing date of the Technisys Merger. Refer to Note 12 for additional information on our RSUs, including the Replacement Awards.

(3) We made payments of \$17,641 related to this component of purchase consideration during the nine months ended September 30, 2022.

During the third quarter of 2022, we finalized the closing net working capital calculation specified in the merger agreement, which resulted in a reduction to the equity consideration of 155,794 shares, representing an adjustment to the total purchase consideration of \$1,665, and a corresponding reduction to the carrying value of recognized goodwill. The remaining

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442,274 shares that were held in escrow associated with the working capital calculation were released to the former Technisys shareholders. The finalized closing net working capital calculation did not impact the estimated fair values of the assets acquired and liabilities assumed in conjunction with the transaction.

The following table presents the allocation of the total purchase consideration to the estimated fair values of the identified assets acquired and liabilities assumed of Technisys as of the date of acquisition. The table reflects measurement period adjustments made in the second and third quarters of 2022, as well as an adjustment to the purchase consideration in the third quarter of 2022 associated with the finalized working capital calculation, each of which also impacted the amount of recognized goodwill:

	Preliminary Purchase Price Allocation	Measurement Period Adjustments ⁽¹⁾	Updated Purchase Price Allocation
Assets acquired			
Cash and cash equivalents	\$ 25,710	\$ —	\$ 25,710
Accounts receivable ⁽²⁾	15,354	(2,942)	12,412
Intangible assets ⁽³⁾	239,000	—	239,000
Operating lease right-of-use (“ROU”) assets	587	—	587
Other assets	1,011	2,891	3,902
Total identifiable assets acquired	281,662	(51)	281,611
Liabilities assumed			
Accounts payable, accruals and other liabilities	16,462	6,632	23,094
Operating lease liabilities	587	—	587
Deferred income taxes ⁽⁴⁾	55,104	2,239	57,343
Total liabilities assumed	72,153	8,871	81,024
Total identified net assets acquired	209,509	(8,922)	200,587
Goodwill ⁽⁵⁾	705,920	7,257	713,177
Total consideration	\$ 915,429	\$ (1,665)	\$ 913,764

(1) The measurement period adjustments did not have a significant impact on our results of operations. The adjustment to *accounts payable, accruals and other liabilities* included a tax payable adjustment of \$6,484.

(2) Included accounts receivable and unbilled revenue with a gross contractual amount of \$14,768. At the date of acquisition, the Company expected \$2,356 to be uncollectible.

(3) Intangible assets consist of finite-lived intangible assets, as follows:

	Gross carrying amount	Weighted-average useful life (years)
Developed technology ^(a)	\$ 187,000	8.8
Customer-related ^(b)	42,000	4.8
Trade names, trademarks and domain names ^(c)	10,000	8.8

(a) Valued using the Multi-Period Excess Earnings Method (“MPEEM”), which is a form of the income approach. The significant assumptions include: (i) the estimated annual net cash flows, which are a function of expected earnings attributable to the asset (and include an assumed technology migration curve), contributory asset charges and the applicable tax rate, and (ii) an assumed discount rate, which reflects the risk of the asset relative to the overall risk of Technisys.

(b) Valued using the With and Without Method, which is a form of the income approach. The significant assumptions include: (i) the estimated annual revenues and net cash flows both with the existing customer base and without the existing customer base, which include assumptions regarding revenue ramp-up periods and attrition rates, and (ii) an assumed discount rate, consistent with (a) above.

(c) Valued using the Relief from Royalty Method, which is a form of the income approach. The significant assumptions include: (i) the estimated annual net cash flows, which are a function of expected earnings attributable to the asset, the probability of use of the asset, the royalty rate and the applicable tax rate, and (ii) the discount rate, consistent with (a) above.

(4) The deferred tax liabilities recognized in the acquisition were primarily related to the acquired intangible assets, in which the acquiree had a significantly lower tax basis compared to the fair value.

(5) The excess of the total purchase consideration over the fair value of the identified net assets acquired was allocated to goodwill, none of which is expected to be deductible for tax purposes. Goodwill is primarily attributable to expected growth opportunities at Technisys, and secondarily attributable to the

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expected synergies from leveraging the Technisys technology to enhance and expand Galileo's product offerings and operations, as well as expand its market reach. As such, all of the goodwill is allocated to the Technology Platform segment.

The Company incurred total acquisition-related costs related to the Technisys Merger of \$20.7 million, of which \$3.3 million were incurred during the year ended December 31, 2021, and \$17.4 million were incurred during the nine months ended September 30, 2022, which were presented within *noninterest expense—general and administrative* in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

From the date of acquisition through September 30, 2022, the acquired results of operations for Technisys contributed total net revenue of \$45.9 million and net loss of \$17.0 million to the Company's consolidated results, which was inclusive of amortization expense recognized on the acquired intangible assets.

The following unaudited supplemental pro forma financial information presents the Company's consolidated results of operations for relevant periods as if the business combination had occurred on January 1, 2021:

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	2021
Total net revenue	\$ 289,252	\$ 1,127,760	\$ 746,504
Net loss	(36,790)	(271,506)	(409,950)

The unaudited supplemental pro forma financial information is presented for comparative purposes only and is not necessarily indicative of the actual results of operations that would have been achieved, nor is it indicative of future results of operations. The unaudited supplemental pro forma financial information reflects pro forma adjustments that give effect to applying the Company's accounting policies and certain events the Company believes to be directly attributable to the acquisition. The pro forma adjustments primarily include:

- incremental straight-line amortization expense associated with acquired intangible assets;
- an adjustment to reflect post-combination share-based compensation expense associated with the Replacement Awards as if the conversion had occurred on January 1, 2021;
- an adjustment to reflect acquisition-related costs for both parties as if they were incurred during the earliest period presented; and
- the related income tax effects, at the statutory tax rate applicable for each period, of the pro forma adjustments noted above.

The unaudited supplemental pro forma financial information does not give effect to any anticipated cost savings, operating efficiencies or other synergies that may be associated with the acquisition, or any estimated costs that have been or will be incurred by the Company to integrate the assets and operations of Technisys.

Goodwill

A rollforward of our goodwill balance is presented below:

	September 30, 2022
Beginning balance	\$ 898,527
Less: accumulated impairment	—
Beginning balance, net	898,527
Additional goodwill recognized ⁽¹⁾	724,424
Ending balance ⁽²⁾	\$ 1,622,951

(1) The additional goodwill recognized as of September 30, 2022 includes \$713,177 related to the Technisys Merger (inclusive of measurement period adjustments in the second and third quarters of 2022 and an adjustment related to the finalization of the closing net working capital calculation in the third quarter of 2022) and \$11,247 related to the Bank Merger.

(2) As of September 30, 2022, we had goodwill attributable to the following reportable segments: \$1,585,792 to Technology Platform and \$37,159 to Financial Services.

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Note 3. Investments in AFS Debt Securities

As of September 30, 2022 and December 31, 2021, all of our investments in debt securities were classified as available-for-sale and carried at fair value in the unaudited condensed consolidated balance sheets. During the first quarter of 2022, we acquired additional investments in AFS debt securities with the Bank Merger. The following table presents our investments in AFS debt securities:

	September 30, 2022				
	Amortized Cost	Accrued Interest	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Fair Value
Investments in AFS debt securities:					
U.S. Treasury securities	\$ 121,105	\$ 230	\$ —	\$ (4,185)	\$ 117,150
Multinational securities ⁽²⁾	19,722	75	—	(831)	18,966
Corporate bonds	42,008	222	—	(2,923)	39,307
Agency mortgage-backed securities	9,217	22	—	(1,049)	8,190
Other asset-backed securities	9,570	5	—	(558)	9,017
Other ⁽³⁾	2,737	10	—	(244)	2,503
Total investments in AFS debt securities	<u>\$ 204,359</u>	<u>\$ 564</u>	<u>\$ —</u>	<u>\$ (9,790)</u>	<u>\$ 195,133</u>

	December 31, 2021				
	Amortized Cost	Accrued Interest	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Fair Value
Investments in AFS debt securities:					
U.S. Treasury securities	\$ 103,014	\$ 73	\$ —	\$ (584)	\$ 102,503
Multinational securities ⁽²⁾	19,911	109	—	(154)	19,866
Corporate bonds	39,894	235	—	(480)	39,649
Agency TBA ⁽⁴⁾	7,457	13	4	(8)	7,466
Agency mortgage-backed securities	4,153	14	—	(31)	4,136
Other asset-backed securities	9,610	5	—	(91)	9,524
Commercial paper	9,939	—	—	—	9,939
Other ⁽³⁾	1,818	13	—	(7)	1,824
Total investments in AFS debt securities	<u>\$ 195,796</u>	<u>\$ 462</u>	<u>\$ 4</u>	<u>\$ (1,355)</u>	<u>\$ 194,907</u>

(1) As of September 30, 2022 and December 31, 2021, we determined that our unrealized loss positions related to credit losses were immaterial. Additionally, we do not intend to sell the securities in loss positions nor is it more likely than not that we will be required to sell the securities prior to recovery of the amortized cost basis.

(2) Includes sovereign foreign and supranational bonds.

(3) Includes state and city municipal bond securities.

(4) Represented to-be-announced (“TBA”) securities, which were securities that were delivered under the purchase contract at a later date when the underlying security was issued. The December 31, 2021 balance was paid in cash during 2022.

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The following table presents information about our investments in AFS debt securities with gross unrealized losses and the length of time that individual securities have been in a continuous unrealized loss position as of September 30, 2022. There were no securities in a gross unrealized loss position for 12 months or more as of December 31, 2021.

	September 30, 2022					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Investments in AFS debt securities:						
U.S. Treasury securities	\$ 33,275	\$ (1,450)	\$ 83,875	\$ (2,735)	\$ 117,150	\$ (4,185)
Multinational securities	—	—	18,966	(831)	18,966	(831)
Corporate bonds	6,075	(400)	33,232	(2,523)	39,307	(2,923)
Agency mortgage-backed securities	6,654	(851)	1,536	(198)	8,190	(1,049)
Other asset-backed securities	2,999	(202)	6,018	(356)	9,017	(558)
Other	1,903	(244)	600	—	2,503	(244)
Total investments in AFS debt securities	<u>\$ 50,906</u>	<u>\$ (3,147)</u>	<u>\$ 144,227</u>	<u>\$ (6,643)</u>	<u>\$ 195,133</u>	<u>\$ (9,790)</u>

Gross realized gains and losses on our investments in AFS debt securities were immaterial during the three and nine months ended September 30, 2022 and 2021. There were no transfers between classifications of our investments in AFS debt securities during the periods presented. See Note 11 for unrealized gains and losses on our investments in AFS debt securities and amounts reclassified out of accumulated other comprehensive income (loss) (“AOCI”).

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The following table presents the amortized cost and fair value of our investments in AFS debt securities by contractual maturity:

	Due Within One Year	Due After One Year Through Five Years	Due After Five Years Through Ten Years	Due After Ten Years	Total
September 30, 2022					
Investments in AFS debt securities—Amortized cost:					
U.S. Treasury securities	\$ 75,575	\$ 45,530	\$ —	\$ —	\$ 121,105
Multinational securities	3,926	15,796	—	—	19,722
Corporate bonds	1,389	37,271	3,348	—	42,008
Agency mortgage-backed securities	—	96	637	8,484	9,217
Other asset-backed securities	—	7,600	1,970	—	9,570
Other	1,801	—	—	936	2,737
Total investments in AFS debt securities	<u>\$ 82,691</u>	<u>\$ 106,293</u>	<u>\$ 5,955</u>	<u>\$ 9,420</u>	<u>\$ 204,359</u>
Weighted average yield for investments in AFS debt securities ⁽¹⁾	<u>(0.90)%</u>	<u>(6.30)%</u>	<u>(2.71)%</u>	<u>(15.81)%</u>	<u>(4.45)%</u>
Investments in AFS debt securities—Fair value⁽²⁾:					
U.S. Treasury securities	\$ 73,507	\$ 43,413	\$ —	\$ —	\$ 116,920
Multinational securities	3,816	15,075	—	—	18,891
Corporate bonds	1,349	34,630	3,106	—	39,085
Agency mortgage-backed securities	—	90	578	7,500	8,168
Other asset-backed securities	—	7,142	1,870	—	9,012
Other	1,764	—	—	729	2,493
Total investments in AFS debt securities	<u>\$ 80,436</u>	<u>\$ 100,350</u>	<u>\$ 5,554</u>	<u>\$ 8,229</u>	<u>\$ 194,569</u>

(1) The weighted average yield represents the effective yield for the investment securities and is computed based on the amortized cost of each security as of September 30, 2022.

(2) Presentation of fair values of our investments in AFS debt securities by contractual maturity excludes total accrued interest of \$564 as of September 30, 2022.

Interest income associated with our investments in AFS debt securities is recognized within *interest income—other* in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

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Note 4. Loans

As of September 30, 2022, our loan portfolio consisted of personal loans, student loans and home loans, which are measured at fair value under the fair value option, and loans measured at amortized cost, including credit card, and commercial and consumer banking loans. Below is a disaggregated presentation of our loans, inclusive of fair market value adjustments and accrued interest income and net of the allowance for credit losses, as applicable:

	September 30, 2022	December 31, 2021
Loans at fair value		
Personal loans	\$ 6,803,717	\$ 2,054,850
Student loans	3,495,452	2,876,509
Home loans	97,804	212,709
Securitized student loans	429,596	574,328
Securitized personal loans	97,487	234,576
Total loans at fair value	<u>10,924,056</u>	<u>5,952,972</u>
Loans at amortized cost⁽¹⁾		
Credit card	188,687	115,912
Commercial and consumer banking:		
Commercial real estate	80,341	—
Commercial and industrial	7,998	—
Residential real estate and other consumer	3,321	—
Total commercial and consumer banking	<u>91,660</u>	<u>—</u>
Total loans at amortized cost	<u>280,347</u>	<u>115,912</u>
Total loans	<u>\$ 11,204,403</u>	<u>\$ 6,068,884</u>

(1) Amounts are presented net of the allowance for credit losses. See Note 1 for additional information on our loans at amortized cost as it pertains to the allowance for credit losses pursuant to ASC 326.

Loans Measured at Fair Value

The following table summarizes the aggregate fair value of our loans measured at fair value on a recurring basis:

	Student Loans	Home Loans	Personal Loans	Total
September 30, 2022				
Unpaid principal ⁽¹⁾	\$ 3,888,642	\$ 106,869	\$ 6,667,484	\$ 10,662,995
Accumulated interest	11,463	166	40,387	52,016
Cumulative fair value adjustments ⁽¹⁾	24,943	(9,231)	193,333	209,045
Total fair value of loans	<u>\$ 3,925,048</u>	<u>\$ 97,804</u>	<u>\$ 6,901,204</u>	<u>\$ 10,924,056</u>
December 31, 2021				
Unpaid principal ⁽¹⁾	\$ 3,356,344	\$ 210,111	\$ 2,188,773	\$ 5,755,228
Accumulated interest	9,990	190	12,310	22,490
Cumulative fair value adjustments ⁽¹⁾	84,503	2,408	88,343	175,254
Total fair value of loans	<u>\$ 3,450,837</u>	<u>\$ 212,709</u>	<u>\$ 2,289,426</u>	<u>\$ 5,952,972</u>

(1) These items are impacted by charge-offs during the period.

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The following table summarizes the aggregate fair value of loans 90 days or more delinquent. As delinquent personal loans and student loans are charged off after 120 days of delinquency, amounts presented below represent the fair value of loans that are 90 to 120 days delinquent. There were no home loans that were 90 days or more delinquent as of the dates presented.

	Student Loans	Personal Loans	Total
<u>September 30, 2022</u>			
Unpaid principal	\$ 4,452	\$ 20,316	\$ 24,768
Accumulated interest	237	804	1,041
Cumulative fair value adjustments	(2,385)	(17,909)	(20,294)
Fair value of loans 90 days or more delinquent	<u>\$ 2,304</u>	<u>\$ 3,211</u>	<u>\$ 5,515</u>
<u>December 31, 2021</u>			
Unpaid principal	\$ 1,589	\$ 4,765	\$ 6,354
Accumulated interest	32	149	181
Cumulative fair value adjustments	(865)	(4,189)	(5,054)
Fair value of loans 90 days or more delinquent	<u>\$ 756</u>	<u>\$ 725</u>	<u>\$ 1,481</u>

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The following table presents the changes in our loans measured at fair value on a recurring basis:

	Student Loans	Home Loans	Personal Loans	Total
Three Months Ended September 30, 2022				
Fair value as of June 30, 2022	\$ 3,714,375	\$ 135,262	\$ 4,109,745	\$ 7,959,382
Origination of loans ⁽¹⁾	457,184	216,246	2,809,759	3,483,189
Principal payments	(148,913)	(934)	(582,188)	(732,035)
Sales of loans	(74,080)	(251,821)	(749,648)	(1,075,549)
Purchases ⁽²⁾	34	1,260	1,276,175	1,277,469
Change in accumulated interest	1,862	7	17,332	19,201
Change in fair value ⁽³⁾	(25,414)	(2,216)	20,029	(7,601)
Fair value as of September 30, 2022	<u>\$ 3,925,048</u>	<u>\$ 97,804</u>	<u>\$ 6,901,204</u>	<u>\$ 10,924,056</u>
Three Months Ended September 30, 2021				
Fair value as of June 30, 2021	\$ 2,739,493	\$ 182,313	\$ 1,763,542	\$ 4,685,348
Origination of loans ⁽¹⁾	967,939	793,086	1,640,572	3,401,597
Principal payments	(218,940)	(953)	(273,590)	(493,483)
Sales of loans	(922,271)	(789,259)	(1,196,798)	(2,908,328)
Purchases ⁽²⁾	—	334	102,032	102,366
Change in accumulated interest	(853)	(33)	1,191	305
Change in fair value ⁽³⁾	(10,927)	(609)	17,277	5,741
Fair value as of September 30, 2021	<u>\$ 2,554,441</u>	<u>\$ 184,879</u>	<u>\$ 2,054,226</u>	<u>\$ 4,793,546</u>
Nine Months Ended September 30, 2022				
Fair value as of January 1, 2022	\$ 3,450,837	\$ 212,709	\$ 2,289,426	\$ 5,952,972
Origination of loans ⁽¹⁾	1,839,710	860,676	7,307,612	10,007,998
Principal payments	(543,077)	(6,035)	(1,415,820)	(1,964,932)
Sales of loans	(877,920)	(959,971)	(2,851,466)	(4,689,357)
Purchases ⁽²⁾	121,741	2,088	1,504,112	1,627,941
Change in accumulated interest	1,473	(24)	28,077	29,526
Change in fair value ⁽³⁾	(67,716)	(11,639)	39,263	(40,092)
Fair value as of September 30, 2022	<u>\$ 3,925,048</u>	<u>\$ 97,804</u>	<u>\$ 6,901,204</u>	<u>\$ 10,924,056</u>
Nine Months Ended September 30, 2021				
Fair value as of January 1, 2021	\$ 2,866,459	\$ 179,689	\$ 1,812,920	\$ 4,859,068
Origination of loans ⁽¹⁾	2,832,121	2,320,918	3,740,645	8,893,684
Principal payments	(705,048)	(3,712)	(779,597)	(1,488,357)
Sales of loans	(2,469,372)	(2,308,467)	(2,946,374)	(7,724,213)
Purchases ⁽²⁾	44,850	875	206,571	252,296
Change in accumulated interest	(2,505)	(51)	(1,149)	(3,705)
Change in fair value ⁽³⁾	(12,064)	(4,373)	21,210	4,773
Fair value as of September 30, 2021	<u>\$ 2,554,441</u>	<u>\$ 184,879</u>	<u>\$ 2,054,226</u>	<u>\$ 4,793,546</u>

(1) Represents the principal balance of loans originated during the period.

(2) Purchases reflect unpaid principal balance and relate to previously transferred loans. Purchase activity during the three and nine months ended September 30, 2022 included securitization clean-up calls of \$129,733 and \$465,472, respectively. Additionally, during the three and nine months ended September 30, 2022, we elected to purchase \$1,140,162 and \$1,147,452, respectively, of previously sold loans from certain investors. Purchase activity during the three and nine months ended September 30, 2021 included securitization clean-up calls of \$100,000 and \$231,372, respectively. Additionally, during the nine months ended September 30, 2021, we elected to purchase \$15,185 of previously sold loans from certain investors. We were not required to buy back these loans. The remaining purchases during the periods presented related to standard representations and warranties pursuant to our various loan sale agreements.

(3) Includes fair value adjustments on loans originated during the period and on loans held at the balance sheet date, as well as loan charge-offs. Changes in fair value of loans are recorded in the unaudited condensed consolidated statements of operations and comprehensive income (loss) within *noninterest income—loan origination and sales* for loans held on the balance sheet prior to transfer to a third party through a sale or to a VIE and within *noninterest*.

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income—securitizations for loans in a consolidated VIE. Changes in fair value are impacted by valuation assumption changes, as well as sales price execution and amount of time the loans are held prior to sale. The estimated amount of losses included in earnings attributable to changes in instrument-specific credit risk were \$15,249 and \$31,974 during the three and nine months ended September 30, 2022, respectively, and \$6,192 and \$8,303 during the three and nine months ended September 30, 2021, respectively. The losses attributable to instrument-specific credit risk were estimated by incorporating our current default and loss severity assumptions for the loans. These assumptions are based on historical performance, market trends and performance expectations over the term of the underlying instrument.

Loans Measured at Amortized Cost

Loan Portfolio Composition and Aging

The following table presents the amortized cost basis of our credit card and commercial and consumer banking portfolios (excluding accrued interest and before the allowance for credit losses) by either current status or delinquency status:

	Current	Delinquent Loans			Total Delinquent Loans	Total Loans ⁽²⁾
		30–59 Days	60–89 Days	≥ 90 Days ⁽¹⁾		
<u>September 30, 2022</u>						
Credit card	\$ 201,558	\$ 4,078	\$ 3,838	\$ 8,276	\$ 16,192	\$ 217,750
Commercial and consumer banking:						
Commercial real estate	80,463	666	—	—	666	81,129
Commercial and industrial	8,315	6	—	—	6	8,321
Residential real estate and other consumer ⁽³⁾	3,327	—	—	—	—	3,327
Total commercial and consumer banking	92,105	672	—	—	672	92,777
Total loans	<u>\$ 293,663</u>	<u>\$ 4,750</u>	<u>\$ 3,838</u>	<u>\$ 8,276</u>	<u>\$ 16,864</u>	<u>\$ 310,527</u>
<u>December 31, 2021</u>						
Credit card	\$ 115,356	\$ 1,893	\$ 1,683	\$ 2,658	\$ 6,234	\$ 121,590

(1) All of the credit card loans ≥ 90 days past due continued to accrue interest. As of September 30, 2022 and December 31, 2021, there were no credit card loans on nonaccrual status. As of September 30, 2022, commercial and consumer banking loans on nonaccrual status were immaterial, and there were no loans that were 90 days or more past due.

(2) For credit card, the balance is presented before allowance for credit losses of \$32,960 and \$7,037 as of September 30, 2022 and December 31, 2021, respectively, and accrued interest of \$3,897 and \$1,359, respectively. For commercial and consumer banking, the balance is presented before allowance for credit losses of \$1,410 and accrued interest of \$293 as of September 30, 2022.

(3) Primarily includes residential real estate loans acquired in the Bank Merger, for which we did not elect the fair value option.

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Credit Quality Indicators

Credit Card

The following table presents the amortized cost basis of our credit card portfolio (excluding accrued interest and before the allowance for credit losses) based on FICO scores, which are obtained at the origination of the account and are updated as new credit information is available. The pools estimate the likelihood of borrowers with similar FICO scores to pay credit obligations based on aggregate credit performance data.

FICO	September 30, 2022	December 31, 2021
≥ 800	\$ 11,117	\$ 10,016
780 – 799	8,758	8,624
760 – 779	10,327	9,976
740 – 759	13,042	13,581
720 – 739	17,465	18,358
700 – 719	23,525	22,579
680 – 699	28,568	21,736
660 – 679	29,996	14,044
640 – 659	24,393	1,969
< 640	50,559	707
Total credit card	\$ 217,750	\$ 121,590

Commercial and Consumer Banking

We evaluate the credit quality of our commercial and consumer banking loan portfolio on a quarterly basis based on regulatory risk ratings. Loans are categorized into risk ratings based on relevant information about the ability of borrowers to service their debt, such as current financial information, historical payment experience, collateral adequacy, credit documentation, and current economic trends, among other factors. We analyze loans individually by classification based on their associated credit risk, and perform an analysis on an ongoing basis as new information is obtained. Risk rating classifications are further described below. Loans with a lower expectation of credit losses are classified as Pass, while loans with a higher expectation of credit losses are classified as Substandard.

- *Pass* — Loans that management believes will fully repay in accordance with the contractual loan terms.
- *Watch* — Loans that management believes will fully repay in accordance with the contractual loan terms, but for which certain credit attributes have changed from origination and warrant further monitoring.
- *Special mention* — Loans with a potential weakness that deserves management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or our credit position at some future date.
- *Substandard* — Loans that are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the full repayment. They are characterized by the distinct possibility that we will sustain some loss if the deficiencies are not corrected.

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The following table presents the amortized cost basis of our commercial and consumer banking portfolio (excluding accrued interest and before the allowance for credit losses) by origination year and credit quality indicator:

	Term Loans by Origination Year							
September 30, 2022	2022	2021	2020	2019	2018	Prior	Total Term Loans	Revolving Loans
Commercial real estate								
Pass	\$ 23,593	\$ 5,785	\$ 7,634	\$ 8,484	\$ 5,549	\$ 15,636	\$ 66,681	\$ 202
Watch	1,240	1,694	—	2,052	2,138	2,941	10,065	—
Special mention	—	—	—	682	2,249	410	3,341	—
Substandard	—	—	—	—	—	840	840	—
Total commercial real estate	\$ 24,833	\$ 7,479	\$ 7,634	\$ 11,218	\$ 9,936	\$ 19,827	\$ 80,927	\$ 202
Commercial and industrial								
Pass	\$ —	\$ 9	\$ 107	\$ —	\$ 91	\$ 5,800	\$ 6,007	\$ 224
Watch	—	—	—	137	—	296	433	24
Substandard	—	—	—	227	529	877	1,633	—
Total commercial and industrial	\$ —	\$ 9	\$ 107	\$ 364	\$ 620	\$ 6,973	\$ 8,073	\$ 248
Residential real estate and other consumer								
Pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,211	\$ 3,211	\$ 72
Watch	—	—	—	—	—	41	41	3
Total residential real estate and other consumer	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,252	\$ 3,252	\$ 75
Total commercial and consumer banking	\$ 24,833	\$ 7,488	\$ 7,741	\$ 11,582	\$ 10,556	\$ 30,052	\$ 92,252	\$ 525

Note 5. Variable Interest Entities

Consolidated VIEs

We consolidate certain securitization trusts in which we have a variable interest and are deemed to be the primary beneficiary.

The VIEs are SPEs with portfolio loans securing debt obligations. The SPEs were created and designed to transfer credit and interest rate risk associated with consumer loans through the issuance of collateralized notes and trust certificates. We make standard representations and warranties to repurchase or replace qualified portfolio loans. Aside from these representations, the holders of the asset-backed debt obligations have no recourse to the Company if the cash flows from the underlying portfolio loans securing such debt obligations are not sufficient to pay all principal and interest on the asset-backed debt obligations. We hold a significant interest in these financing transactions through our ownership of a portion of the residual interest in certain VIEs. In addition, in some cases, we invest in the debt obligations issued by the VIE. Our investments in consolidated VIEs eliminate in consolidation. The residual interest is the first VIE interest to absorb losses should the loans securing the debt obligations not provide adequate cash flows to satisfy more senior claims and is the interest that we expect to absorb the expected gains and losses of the VIE. Our exposure to credit risk in sponsoring SPEs is limited to our investment in the VIE. VIE creditors have no recourse against our general credit.

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As of September 30, 2022 and December 31, 2021, we had 12 and 13 consolidated VIEs, respectively, on our unaudited condensed consolidated balance sheets. The following table presents the assets and liabilities of consolidated VIEs that were included in our unaudited condensed consolidated balance sheets. The assets in the below table may only be used to settle obligations of consolidated VIEs and were in excess of those obligations as of the dates presented. Additionally, the assets and liabilities in the table below exclude intercompany balances, which eliminate upon consolidation.

	September 30, 2022	December 31, 2021
Assets:		
Restricted cash and restricted cash equivalents	\$ 27,609	\$ 53,161
Loans	527,083	808,904
Total assets	<u>\$ 554,692</u>	<u>\$ 862,065</u>
Liabilities:		
Accounts payable, accruals and other liabilities	\$ 222	\$ 388
Debt ⁽¹⁾	453,078	660,419
Residual interests classified as debt	45,734	93,682
Total liabilities	<u>\$ 499,034</u>	<u>\$ 754,489</u>

(1) Debt is presented net of debt issuance costs and debt premiums (discounts).

Nonconsolidated VIEs

We have created and designed personal loan and student loan trusts to transfer associated credit and interest rate risk associated with the loans through the issuance of collateralized notes and residual certificates. We have a variable interest in the nonconsolidated loan trusts, as we own collateralized notes and residual certificates in the loan trusts that absorb variability. We also have continuing, non-controlling involvement with the trusts as the servicer. As servicer, we have the power to perform the activities which most impact the economic performance of the VIE, but since we hold an insignificant financial interest in the trusts, we are not the primary beneficiary. We define an insignificant financial interest as less than 10% of the expected gains and losses of the VIE. This financial interest represents the equity ownership interest in the loan trusts, wherein there is an obligation to absorb losses and the right to receive benefits from residual certificate ownership. The maximum exposure to loss as a result of our involvement with the nonconsolidated VIEs is limited to our investment. There are no liquidity arrangements, guarantees or other commitments by third parties that may affect the fair value or risk of our variable interests in nonconsolidated VIEs.

Personal Loans

As of September 30, 2022 and December 31, 2021, we had investments in six and nine nonconsolidated personal loan VIEs, respectively. We did not establish any personal loan trusts during the nine months ended September 30, 2022 and established two personal loan trusts during the nine months ended September 30, 2021. We did not provide financial support to any personal loan trusts beyond our initial equity investment and we did not deconsolidate any personal loan VIEs during the nine months ended September 30, 2022 and 2021.

Student Loans

As of each of September 30, 2022 and December 31, 2021, we had investments in 24 nonconsolidated student loan VIEs. We did not establish any student loan trusts during the nine months ended September 30, 2022 and established four student loan trusts during the nine months ended September 30, 2021, which were not consolidated as of the balance sheet date. We did not provide financial support to any student loan trusts beyond our initial equity investment during the periods presented. We deconsolidated one student loan VIE during the nine months ended September 30, 2022. We did not deconsolidate any student loan VIEs during the nine months ended September 30, 2021.

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The following table presents the aggregate outstanding value of asset-backed bonds and residual interests owned by the Company in nonconsolidated VIEs:

	September 30, 2022	December 31, 2021
Personal loans	\$ 33,961	\$ 62,925
Student loans	227,711	311,763
Securitization investments	<u>\$ 261,672</u>	<u>\$ 374,688</u>

Note 6. Transfers of Financial Assets

We regularly transfer financial assets and account for such transfers as either sales or secured borrowings depending on the facts and circumstances. The following table summarizes our student and personal loan securitization transfers qualifying for sale accounting treatment. There were no loan securitization transfers qualifying for sale accounting treatment during the three and nine months ended September 30, 2022.

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Student loans		
Fair value of consideration received:		
Cash	\$ 491,450	\$ 1,187,714
Securitization investments	25,999	62,783
Servicing assets recognized	<u>5,847</u>	<u>36,948</u>
Total consideration	523,296	1,287,445
Aggregate unpaid principal balance and accrued interest of loans sold	<u>500,874</u>	<u>1,227,379</u>
Gain from loan sales	<u>\$ 22,422</u>	<u>\$ 60,066</u>
Personal loans		
Fair value of consideration received:		
Cash	\$ 300,508	\$ 498,999
Securitization investments	15,847	26,328
Servicing assets recognized	<u>1,687</u>	<u>2,925</u>
Total consideration	318,042	528,252
Aggregate unpaid principal balance and accrued interest of loans sold	<u>301,302</u>	<u>502,108</u>
Gain from loan sales	<u>\$ 16,740</u>	<u>\$ 26,144</u>

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The following table summarizes our whole loan sales:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<u>Student loans</u>				
Fair value of consideration received:				
Cash	\$ 77,089	\$ 434,751	\$ 883,859	\$ 1,282,461
Servicing assets recognized	460	3,574	9,275	12,172
Repurchase liabilities recognized	(13)	(75)	(134)	(233)
Total consideration	77,536	438,250	893,000	1,294,400
Aggregate unpaid principal balance and accrued interest of loans sold	74,311	423,576	881,922	1,248,888
Gain from loan sales	\$ 3,225	\$ 14,674	\$ 11,078	\$ 45,512
<u>Home loans</u>				
Fair value of consideration received:				
Cash	\$ 244,788	\$ 806,027	\$ 926,707	\$ 2,358,541
Servicing assets recognized	3,432	8,386	12,152	24,292
Repurchase liabilities recognized	(269)	(745)	(1,004)	(2,719)
Total consideration	247,951	813,668	937,855	2,380,114
Aggregate unpaid principal balance and accrued interest of loans sold	252,168	789,402	960,680	2,308,705
Gain (loss) from loan sales	\$ (4,217)	\$ 24,266	\$ (22,825)	\$ 71,409
<u>Personal loans</u>				
Fair value of consideration received:				
Cash	\$ 773,005	\$ 934,888	\$ 2,954,723	\$ 2,547,577
Servicing assets recognized	6,789	5,842	20,872	16,923
Repurchase liabilities recognized	(2,074)	(2,221)	(7,161)	(6,285)
Total consideration received	777,720	938,509	2,968,434	2,558,215
Aggregate unpaid principal balance and accrued interest of loans sold	753,259	900,633	2,864,351	2,456,356
Gain from loan sales	\$ 24,461	\$ 37,876	\$ 104,083	\$ 101,859

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Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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The following table presents information about the unpaid principal balances of transferred loans that are not recorded in our unaudited condensed consolidated balance sheets, but with which we have a continuing involvement through our servicing agreements:

	Student Loans	Home Loans	Personal Loans	Total
<u>September 30, 2022</u>				
Loans in repayment	\$ 8,497,495	\$ 5,072,302	\$ 3,937,655	\$ 17,507,452
Loans in-school/grace/deferment	41,854	—	—	41,854
Loans in forbearance	27,166	17,779	1,086	46,031
Loans in delinquency	116,522	12,329	104,503	233,354
Total loans serviced	<u>\$ 8,683,037</u>	<u>\$ 5,102,410</u>	<u>\$ 4,043,244</u>	<u>\$ 17,828,691</u>
<u>December 31, 2021</u>				
Loans in repayment	\$ 9,852,957	\$ 4,575,001	\$ 5,138,299	\$ 19,566,257
Loans in-school/grace/deferment	37,949	—	—	37,949
Loans in forbearance	44,833	40,353	1,120	86,306
Loans in delinquency	112,885	7,465	75,275	195,625
Total loans serviced	<u>\$ 10,048,624</u>	<u>\$ 4,622,819</u>	<u>\$ 5,214,694</u>	<u>\$ 19,886,137</u>

The following table presents additional information about the servicing cash flows received and net charge-offs related to transferred loans with which we have a continuing involvement:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<u>Student loans</u>				
Servicing fees collected	\$ 8,224	\$ 12,393	\$ 28,437	\$ 35,687
Charge-offs, net of recoveries ⁽¹⁾	7,372	8,750	24,784	16,454
<u>Home Loans</u>				
Servicing fees collected	\$ 3,686	\$ 2,349	\$ 9,252	\$ 5,880
<u>Personal Loans</u>				
Servicing fees collected	\$ 9,825	\$ 8,467	\$ 27,413	\$ 25,742
Charge-offs, net of recoveries ⁽¹⁾	28,469	19,206	69,515	85,382
<u>Total</u>				
Servicing fees collected	\$ 21,735	\$ 23,209	\$ 65,102	\$ 67,309
Charge-offs, net of recoveries	35,841	27,956	94,299	101,836

(1) Student loan and personal loan charge-offs, net of recoveries, are impacted by the timing of charge-off sales performed on behalf of the purchasers of our loans, which lower the net amount disclosed.

Note 7. Allowance for Credit Losses

We measure our allowance for credit losses on accounts receivable under ASC 326, which primarily relates to our Technology Platform segment, and on loans measured at amortized cost, including credit card as well as commercial and consumer banking loans acquired in the Bank Merger, which relate to our Financial Services segment. Given our methods of collecting funds on servicing receivables, our historical experience of infrequent write offs, and that we have not observed meaningful changes in our counterparties' abilities to pay, we determined that the future exposure to credit losses on servicing related receivables was immaterial.

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The following table summarizes the activity in the balances of allowance for credit losses:

	Accounts Receivable ⁽¹⁾	Credit Card ⁽¹⁾	Commercial and Consumer Banking ⁽¹⁾
Three Months Ended September 30, 2022			
Balance at June 30, 2022	\$ 2,720	\$ 21,974	\$ 1,204
Provision for credit losses ⁽²⁾	(929)	16,119	204
Write-offs charged against the allowance ⁽³⁾	—	(5,133)	2
Balance at September 30, 2022	<u>\$ 1,791</u>	<u>\$ 32,960</u>	<u>\$ 1,410</u>
Three Months Ended September 30, 2021			
Balance at June 30, 2021	\$ 1,230	\$ 691	\$ —
Provision for credit losses ⁽²⁾	930	2,401	—
Write-offs charged against the allowance	(201)	(92)	—
Balance at September 30, 2021	<u>\$ 1,959</u>	<u>\$ 3,000</u>	<u>\$ —</u>
Nine Months Ended September 30, 2022			
Balance at December 31, 2021	\$ 2,292	\$ 7,037	\$ —
Provision for credit losses ⁽²⁾	(408)	38,361	1,026
Allowance for PCD loans ⁽⁴⁾	—	—	382
Write-offs charged against the allowance ⁽³⁾	(93)	(12,438)	2
Balance at September 30, 2022	<u>\$ 1,791</u>	<u>\$ 32,960</u>	<u>\$ 1,410</u>
Nine Months Ended September 30, 2021			
Balance at December 31, 2020	\$ 562	\$ 219	\$ —
Provision for credit losses ⁽²⁾	2,710	2,887	—
Write-offs charged against the allowance	(1,313)	(106)	—
Balance at September 30, 2021	<u>\$ 1,959</u>	<u>\$ 3,000</u>	<u>\$ —</u>

- (1) Accounts receivable balances, net of allowance for credit losses, are presented within *other assets* in the unaudited condensed consolidated balance sheets. Credit card and commercial and consumer banking loans measured at amortized cost, net of allowance for credit losses, are presented within *loans* in the unaudited condensed consolidated balance sheets.
- (2) The provision for credit losses on accounts receivable is presented within *noninterest expense—general and administrative* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). During the three and nine months ended September 30, 2022, recoveries of amounts previously reserved related to accounts receivable were \$937 and \$2,697, respectively. During the three and nine months ended September 30, 2021, recoveries of amounts previously reserved related to accounts receivable were immaterial. The provision for credit losses on credit card and commercial and consumer banking loans is presented within *noninterest expense—provision for credit losses*. There were immaterial recoveries of amounts previously reserved related to credit card during the three and nine months ended September 30, 2022 and 2021 and related to commercial and consumer banking during the three and nine months ended September 30, 2022.
- (3) The increases in credit card write-offs charged against the allowance during the three and nine months ended September 30, 2022 relative to the corresponding periods in 2021 were commensurate with our increased loan portfolio combined with elevated loss rates.
- (4) We measured a PCD allowance for the loans acquired in the Bank Merger upon acquisition, which resulted in a gross-up to the allowance for credit losses, but had no impact on earnings.

Credit card: Accrued interest receivables written off during the three and nine months ended September 30, 2022 were \$1,171 and \$2,456, respectively. Accrued interest receivables written off during the three and nine months ended September 30, 2021 were immaterial.

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Note 8. Fair Value Measurements

Recurring Fair Value Measurements

The following table summarizes, by level within the fair value hierarchy, the estimated fair values of our assets and liabilities measured at fair value on a recurring basis in the unaudited condensed consolidated balance sheets:

	September 30, 2022				December 31, 2021			
	Fair Value				Fair Value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Investments in AFS debt securities ⁽¹⁾	\$ 136,116	\$ 59,017	\$ —	\$ 195,133	\$ 129,835	\$ 65,072	\$ —	\$ 194,907
Loans at fair value	—	—	10,924,056	10,924,056	—	—	5,952,972	5,952,972
Servicing rights	—	—	168,438	168,438	—	—	168,259	168,259
Asset-backed bonds ⁽²⁾	—	174,838	—	174,838	—	253,669	—	253,669
Residual investments ⁽²⁾	—	—	86,834	86,834	—	—	121,019	121,019
Non-securitization investments – ETFs	—	—	—	—	1,486	—	—	1,486
Third party warrants ⁽³⁾	—	—	630	630	—	—	1,369	1,369
Derivative assets ⁽⁴⁾⁽⁵⁾	—	5,953	—	5,953	—	5,444	—	5,444
Purchase price earn-out ⁽⁶⁾	—	—	124	124	—	—	4,272	4,272
IRLCs ⁽⁷⁾	—	—	—	—	—	—	3,759	3,759
Student loan commitments ⁽⁷⁾	—	—	—	—	—	—	2,220	2,220
Interest rate caps ⁽⁵⁾	—	8,060	—	8,060	—	493	—	493
Digital assets safeguarding asset ⁽⁸⁾	—	132,456	—	132,456	—	—	—	—
Total assets	\$ 136,116	\$ 380,324	\$ 11,180,082	\$ 11,696,522	\$ 131,321	\$ 324,678	\$ 6,253,870	\$ 6,709,869
Liabilities								
Residual interests classified as debt	\$ —	\$ —	\$ 45,734	\$ 45,734	\$ —	\$ —	\$ 93,682	\$ 93,682
Derivative liabilities ⁽⁴⁾⁽⁵⁾	—	21,746	—	21,746	196	668	—	864
IRLCs ⁽⁷⁾	—	—	927	927	—	—	—	—
Student loan commitments ⁽⁷⁾	—	—	1,409	1,409	—	—	—	—
Digital assets safeguarding liability ⁽⁸⁾	—	132,456	—	132,456	—	—	—	—
Total liabilities	\$ —	\$ 154,202	\$ 48,070	\$ 202,272	\$ 196	\$ 668	\$ 93,682	\$ 94,546

- (1) The investments in AFS debt securities that were classified as Level 2 rely upon observable inputs other than quoted prices, dealer quotes in markets that are not active and implied pricing derived from new issuances of similar securities. See Note 3 for additional information.
- (2) These assets represent the carrying value of our holdings in VIEs wherein we were not deemed the primary beneficiary. See Note 5 for additional information.
- (3) The key unobservable assumption used in the fair value measurement of the third party warrants was the price of the stock underlying the warrants. The fair value was measured as the difference between the stock price and the strike price of the warrants. As the strike price was insignificant, we concluded that the impact of time value on the fair value measure was immaterial.
- (4) For certain derivative instruments for which an enforceable master netting agreement exists, we elected to net derivative assets and derivative liabilities by counterparty. These instruments are presented on a gross basis herein. See Note 1 for additional information.
- (5) Mortgage pipeline hedges represent TBAs used as economic hedges of loan fair values and are classified as Level 2, as we rely on quoted market prices from similar loan pools that transact in the marketplace. Interest rate swaps and interest rate caps are classified as Level 2, because these financial instruments do not trade in active markets with observable prices, but rely on observable inputs other than quoted prices. As of September 30, 2022, interest rate swaps and interest rate caps were valued using the overnight Secured Overnight Financing Rate (“SOFR”) curve and the implied volatilities suggested by the SOFR rate curve. As of December 31, 2021, interest rate swaps were valued using the three-month LIBOR swap yield curve. These were determined to be observable inputs from active markets.
- (6) The purchase price earn-out provision is classified as Level 3 because of our reliance on unobservable inputs, such as conditional prepayment rates, annual default rates and discount rates.
- (7) IRLCs and student loan commitments are classified as Level 3 because of our reliance on assumed loan funding probabilities. The assumed probabilities are based on our internal historical experience with home loans and student loans similar to those in the funding pipelines on the measurement date.
- (8) The digital assets safeguarding liability and corresponding safeguarding asset are classified as Level 2, because they do not trade in active markets, and are valued using quoted prices on an active exchange that has been identified as the principal market for the underlying digital assets that are being held by our third-party custodians for the benefit of our members.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

Significant Inputs and Fair Value Rollforwards

Loans

The following key unobservable assumptions were used in the fair value measurement of our loans:

	September 30, 2022		December 31, 2021	
	Range	Weighted Average	Range	Weighted Average
Student loans				
Conditional prepayment rate	16.0% – 23.7%	20.2%	16.5% – 26.3%	19.2%
Annual default rate	0.2% – 5.2%	0.5%	0.2% – 4.2%	0.4%
Discount rate	3.5% – 9.1%	4.1%	1.9% – 7.1%	2.9%
Home loans				
Conditional prepayment rate	2.3% – 8.1%	6.9%	4.8% – 16.4%	12.4%
Annual default rate	0.1% – 0.5%	0.1%	0.1% – 0.2%	0.1%
Discount rate	4.5% – 13.0%	5.6%	2.5% – 13.0%	2.6%
Personal loans				
Conditional prepayment rate	17.5% – 46.0%	19.3%	18.4% – 37.7%	20.5%
Annual default rate	4.5% – 33.7%	5.0%	4.2% – 30.0%	4.4%
Discount rate	5.5% – 10.4%	6.1%	3.9% – 7.0%	4.0%

The key assumptions are defined as follows:

- *Conditional prepayment rate* — The monthly annualized proportion of the principal of a pool of loans that is assumed to be paid off prematurely in each period. An increase in the conditional prepayment rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.
- *Annual default rate* — The annualized rate of borrowers who do not make loan payments on time. An increase in the annual default rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.
- *Discount rate* — The weighted average rate at which the expected cash flows are discounted to arrive at the net present value of the loans. An increase in the discount rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.

See Note 4 for additional loan fair value disclosures.

Servicing Rights

Servicing rights for student loans and personal loans do not trade in an active market with readily observable prices. Similarly, home loan servicing rights infrequently trade in an active market. At the time of the underlying loan sale or the assumption of servicing rights, the fair value of servicing rights is determined using a discounted cash flow methodology based on observable and unobservable inputs. Management classifies servicing rights as Level 3 due to the use of significant unobservable inputs in the fair value measurement.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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The following key unobservable inputs were used in the fair value measurement of our classes of servicing rights:

	September 30, 2022		December 31, 2021	
	Range	Weighted Average	Range	Weighted Average
<u>Student loans</u>				
Market servicing costs	0.1% – 0.2%	0.1%	0.1% – 0.2%	0.1%
Conditional prepayment rate	15.4% – 23.0%	18.9%	15.2% – 25.6%	20.4%
Annual default rate	0.3% – 4.3%	0.4%	0.2% – 4.3%	0.4%
Discount rate	7.5% – 7.5%	7.5%	7.3% – 7.3%	7.3%
<u>Home loans</u>				
Market servicing costs	0.1% – 0.1%	0.1%	0.1% – 0.1%	0.1%
Conditional prepayment rate	4.9% – 11.0%	5.2%	10.0% – 16.4%	11.5%
Annual default rate	0.1% – 0.1%	0.1%	0.1% – 0.2%	0.1%
Discount rate	9.0% – 9.0%	9.0%	7.5% – 7.5%	7.5%
<u>Personal loans</u>				
Market servicing costs	0.2% – 0.8%	0.3%	0.2% – 1.1%	0.2%
Conditional prepayment rate	17.2% – 44.7%	24.1%	22.5% – 41.4%	26.0%
Annual default rate	3.4% – 7.7%	4.7%	3.2% – 7.0%	4.4%
Discount rate	7.5% – 7.5%	7.5%	7.3% – 7.3%	7.3%

The key assumptions are defined as follows:

- *Market servicing costs* — The fee a willing market participant, which we validate through actual third-party bids for our servicing, would require for the servicing of student loans, home loans and personal loans with similar characteristics as those in our serviced portfolio. An increase in the market servicing cost, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.
- *Conditional prepayment rate* — The monthly annualized proportion of the principal of a pool of loans that is assumed to be paid off prematurely in each period. An increase in the conditional prepayment rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.
- *Annual default rate* — The annualized rate of default within the total serviced loan balance. An increase in the annual default rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.
- *Discount rate* — The weighted average rate at which the expected cash flows are discounted to arrive at the net present value of the servicing rights. An increase in the discount rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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The following table presents the estimated decrease to the fair value of our servicing rights if the key assumptions had each of the below adverse changes:

	September 30, 2022	December 31, 2021
<u>Market servicing costs</u>		
2.5 basis points increase	\$ (10,797)	\$ (10,822)
5.0 basis points increase	(21,629)	(21,644)
<u>Conditional prepayment rate</u>		
10% increase	\$ (4,875)	\$ (6,260)
20% increase	(9,446)	(12,031)
<u>Annual default rate</u>		
10% increase	\$ (188)	\$ (205)
20% increase	(374)	(408)
<u>Discount rate</u>		
100 basis points increase	\$ (4,505)	\$ (3,782)
200 basis points increase	(8,716)	(7,349)

The sensitivity calculations above are hypothetical and should not be considered to be predictive of future performance. The effect on fair value of a variation in assumptions generally cannot be determined because the relationship of the change in assumptions to the fair value may not be linear. Additionally, the effect of an adverse variation in a particular assumption on the fair value of our servicing rights is calculated while holding the other assumptions constant. In reality, changes in one factor may lead to changes in other factors, which could impact the above hypothetical effects.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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The following table presents the changes in the Company's servicing rights:

	Student Loans	Home Loans	Personal Loans	Total
Three Months Ended September 30, 2022				
Fair value as of June 30, 2022	\$ 84,919	\$ 62,166	\$ 29,879	\$ 176,964
Recognition of servicing from transfers of financial assets	460	3,432	6,789	10,681
Servicing rights assumed from third parties	—	—	1,062	1,062
Derecognition of servicing	—	(57)	(3,908)	(3,965)
Change in valuation inputs or other assumptions	4,780	(1,448)	2,850	6,182
Realization of expected cash flows and other changes	(9,293)	(3,387)	(9,806)	(22,486)
Fair value as of September 30, 2022	<u>\$ 80,866</u>	<u>\$ 60,706</u>	<u>\$ 26,866</u>	<u>\$ 168,438</u>
Three Months Ended September 30, 2021				
Fair value as of June 30, 2021	\$ 99,601	\$ 37,557	\$ 22,609	\$ 159,767
Recognition of servicing from transfers of financial assets	9,421	8,386	7,529	25,336
Servicing rights assumed from third parties	—	—	49	49
Derecognition of servicing	—	—	(168)	(168)
Change in valuation inputs or other assumptions	(1,698)	600	1,507	409
Realization of expected cash flows and other changes	(11,305)	(2,398)	(8,216)	(21,919)
Fair value as of September 30, 2021	<u>\$ 96,019</u>	<u>\$ 44,145</u>	<u>\$ 23,310</u>	<u>\$ 163,474</u>
Nine Months Ended September 30, 2022				
Fair value as of January 1, 2022	\$ 90,003	\$ 50,533	\$ 27,723	\$ 168,259
Recognition of servicing from transfers of financial assets	9,275	12,152	20,872	42,299
Servicing rights assumed from third parties	—	—	3,008	3,008
Derecognition of servicing	(1,072)	(57)	(4,423)	(5,552)
Change in valuation inputs or other assumptions	11,779	7,494	7,587	26,860
Realization of expected cash flows and other changes	(29,119)	(9,416)	(27,901)	(66,436)
Fair value as of September 30, 2022	<u>\$ 80,866</u>	<u>\$ 60,706</u>	<u>\$ 26,866</u>	<u>\$ 168,438</u>
Nine Months Ended September 30, 2021				
Fair value as of January 1, 2021	\$ 100,637	\$ 23,914	\$ 25,046	\$ 149,597
Recognition of servicing from transfers of financial assets	49,120	24,292	19,848	93,260
Servicing rights assumed from third parties	—	—	49	49
Derecognition of servicing	(392)	—	(356)	(748)
Change in valuation inputs or other assumptions	(17,813)	2,146	3,743	(11,924)
Realization of expected cash flows and other changes	(35,533)	(6,207)	(25,020)	(66,760)
Fair value as of September 30, 2021	<u>\$ 96,019</u>	<u>\$ 44,145</u>	<u>\$ 23,310</u>	<u>\$ 163,474</u>

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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Asset-Backed Bonds

The fair value of asset-backed bonds is determined using a discounted cash flow methodology. Management classifies asset-backed bonds as Level 2 due to the use of quoted prices for similar assets in markets that are not active, as well as certain factors specific to us. The following key inputs were used in the fair value measurement of our asset-backed bonds:

	September 30, 2022	December 31, 2021
Discount rate (range)	3.3% – 6.1%	0.6% – 3.7%
Conditional prepayment rate (range)	18.7% – 35.6%	19.5% – 32.2%

As of the dates indicated, the fair value of our asset-backed bonds was not materially impacted by default assumptions on the underlying securitization loans, as the subordinate residual interests are expected to absorb all estimated losses based on our default assumptions for the respective periods.

Residual Investments and Residual Interests Classified as Debt

Residual investments and residual interests classified as debt do not trade in active markets with readily observable prices, and there is limited observable market data for reference. The fair values of residual investments and residual interests classified as debt are determined using a discounted cash flow methodology. Management classifies residual investments and residual interests classified as debt as Level 3 due to the use of significant unobservable inputs in the fair value measurements.

The following key unobservable inputs were used in the fair value measurements of our residual investments and residual interests classified as debt:

	September 30, 2022		December 31, 2021	
	Range	Weighted Average	Range	Weighted Average
<u>Residual investments</u>				
Conditional prepayment rate	18.7% – 36.9%	21.3%	19.5% – 33.6%	23.0%
Annual default rate	0.3% – 5.3%	0.8%	0.3% – 5.7%	0.9%
Discount rate	4.3% – 10.5%	5.6%	2.6% – 10.5%	4.4%
<u>Residual interests classified as debt</u>				
Conditional prepayment rate	19.0% – 54.7%	27.9%	20.0% – 41.8%	31.5%
Annual default rate	0.5% – 6.0%	2.4%	0.5% – 5.6%	3.2%
Discount rate	6.5% – 9.5%	7.0%	5.0% – 9.5%	5.7%

The key assumptions are defined as follows:

- *Conditional prepayment rate* — The monthly annualized proportion of the principal of a pool of loans that is assumed to be paid off prematurely in each period for the pool of loans in the securitization. An increase in the conditional prepayment rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.
- *Annual default rate* — The annualized rate of borrowers who fail to remain current on their loans for the pool of loans in the securitization. An increase in the annual default rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.
- *Discount rate* — The weighted average rate at which the expected cash flows are discounted to arrive at the net present value of the residual investments and residual interests classified as debt. An increase in the discount rate, in isolation, would result in a decrease in a fair value measurement. The weighted average assumption was weighted based on relative fair value.

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Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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The following table presents the changes in the residual investments and residual interests classified as debt. We record changes in fair value within *noninterest income—securitizations* in the unaudited condensed consolidated statements of operations and comprehensive income (loss), a portion of which is subsequently reclassified to *interest expense—securitizations and warehouses* for residual interests classified as debt and to *interest income—securitizations* for residual investments, but does not impact the liability or asset balance, respectively.

	Residual Investments	Residual Interests Classified as Debt
Three Months Ended September 30, 2022		
Fair value as of June 30, 2022	\$ 94,978	\$ 54,436
Change in valuation inputs or other assumptions ⁽¹⁾	664	1,453
Payments ⁽²⁾	(8,808)	(10,155)
Fair value as of September 30, 2022	<u>\$ 86,834</u>	<u>\$ 45,734</u>
Three Months Ended September 30, 2021		
Fair value as of June 30, 2021	\$ 143,100	\$ 112,545
Additions	6,360	—
Change in valuation inputs or other assumptions ⁽¹⁾	2,230	5,593
Payments ⁽²⁾	(20,189)	(14,240)
Fair value as of September 30, 2021	<u>\$ 131,501</u>	<u>\$ 103,898</u>
Nine Months Ended September 30, 2022		
Fair value as of January 1, 2022	\$ 121,019	\$ 93,682
Change in valuation inputs or other assumptions ⁽¹⁾	1,716	7,078
Payments ⁽²⁾	(35,901)	(55,026)
Fair value as of September 30, 2022	<u>\$ 86,834</u>	<u>\$ 45,734</u>
Nine Months Ended September 30, 2021		
Fair value as of January 1, 2021	\$ 139,524	\$ 118,298
Additions	44,528	2,170
Change in valuation inputs or other assumptions ⁽¹⁾	9,082	19,261
Payments ⁽²⁾	(61,633)	(35,831)
Fair value as of September 30, 2021	<u>\$ 131,501</u>	<u>\$ 103,898</u>

(1) For residual investments, the estimated amounts of gains and losses included in earnings attributable to changes in instrument-specific credit risk were immaterial during the periods presented.

(2) Payments of residual investments included residual investment sales of \$490 and \$710 during the three and nine months ended September 30, 2022, respectively, and \$1,615 and \$4,291 during the three and nine months ended September 30, 2021, respectively.

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Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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Loan Commitments

We classify student loan commitments as Level 3 because the assets do not trade in an active market with readily observable prices and, as such, our valuations utilize significant unobservable inputs. Additionally, we classify IRLCs as Level 3, as our IRLCs are inherently uncertain and unobservable given that a home loan origination is contingent on a plethora of factors. The following key unobservable inputs were used in the fair value measurements of our IRLCs and student loan commitments:

	September 30, 2022		December 31, 2021	
	Range	Weighted Average	Range	Weighted Average
<u>IRLCs</u>				
Loan funding probability ⁽¹⁾	26.0% – 56.0%	42.7%	75.0% – 75.0%	75.0%
<u>Student loan commitments</u>				
Loan funding probability ⁽¹⁾	95.0% – 95.0%	95.0%	95.0% – 95.0%	95.0%

(1) The aggregate amount of student loans we committed to fund was \$69,977 as of September 30, 2022. See Note 1 under “*Derivative Financial Instruments*” for the aggregate notional amount associated with IRLCs.

The key assumption is defined as follows:

- *Loan funding probability* — Our expectation of the percentage of IRLCs or student loan commitments which will become funded loans. A significant difference between the actual funded rate and the assumed funded rate at the measurement date could result in a significantly higher or lower fair value measurement of our IRLCs and student loan commitments. An increase in the loan funding probabilities, in isolation, would result in an increase in a fair value measurement. The weighted average assumptions were weighted based on relative fair values.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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The following table presents the changes in our IRLCs and student loan commitments. Changes in the fair values are recorded within *noninterest income—loan origination and sales* in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

	IRLCs	Student Loan Commitments
<u>Three Months Ended September 30, 2022</u>		
Fair value as of June 30, 2022	\$ 1,120	\$ (254)
Revaluation adjustments	(927)	(1,409)
Funded loans ⁽¹⁾	(477)	22
Unfunded loans ⁽¹⁾	(643)	232
Fair value as of September 30, 2022	<u>\$ (927)</u>	<u>\$ (1,409)</u>
<u>Three Months Ended September 30, 2021</u>		
Fair value as of June 30, 2021	\$ 7,760	\$ —
Revaluation adjustments	4,569	4,190
Funded loans ⁽¹⁾	(5,458)	—
Unfunded loans ⁽¹⁾	(2,302)	—
Fair value as of September 30, 2021	<u>\$ 4,569</u>	<u>\$ 4,190</u>
<u>Nine Months Ended September 30, 2022</u>		
Fair value as of January 1, 2022	\$ 3,759	\$ 2,220
Revaluation adjustments	(2,846)	(1,640)
Funded loans ⁽¹⁾	(1,042)	(2,118)
Unfunded loans ⁽¹⁾	(798)	129
Fair value as of September 30, 2022	<u>\$ (927)</u>	<u>\$ (1,409)</u>
<u>Nine Months Ended September 30, 2021</u>		
Fair value as of January 1, 2021	\$ 15,620	\$ —
Revaluation adjustments	19,447	4,190
Funded loans ⁽¹⁾	(20,943)	—
Unfunded loans ⁽¹⁾	(9,555)	—
Fair value as of September 30, 2021	<u>\$ 4,569</u>	<u>\$ 4,190</u>

(1) For the quarter-to-date periods presented, funded and unfunded loan fair value adjustments represent the unpaid principal balance of funded and unfunded loans, respectively, during the quarter multiplied by the IRLC or student loan commitment price in effect at the beginning of the quarter. For the year-to-date periods presented, amounts represent the summation of the per-quarter effects.

Purchase Price Earn-Out

We recognize a derivative asset for a purchase price earn-out in conjunction with a loan sale agreement we entered in 2018. We receive a capped contractual payout based on the respective loan pool internal rate of return over a certain hurdle rate, which is adjusted for the loan purchaser's expenses, which are generally immaterial.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
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The fair value of the purchase price earn-out is determined using a discounted cash flow methodology. Management classifies the purchase price earn-out as Level 3 due to the use of significant unobservable inputs in the fair value measurement. A significant difference between the expected performance of the loans included in the loan sale agreement and the actual results as of the measurement date could result in a higher or lower fair value measurement. Our key valuation inputs were as follows:

Purchase Price Earn-Out	September 30, 2022	December 31, 2021
Conditional prepayment rate	21.6%	22.9%
Annual default rate	33.7%	30.0%
Discount rate	25.0%	25.0%

The key assumptions are defined as follows:

- *Conditional prepayment rate* — The monthly annualized proportion of the principal of the pool of loans included in the loan sale agreement that is assumed to be paid off prematurely. An increase in the conditional prepayment rate, in isolation, would result in a decrease in a fair value measurement.
- *Annual default rate* — The annualized rate of borrowers who fail to remain current on their loans for the pool of loans included in the loan sale agreement. An increase in the annual default rate, in isolation, would result in a decrease in a fair value measurement.
- *Discount rate* — The weighted average rate at which the expected cash flows are discounted to arrive at the net present value of the purchase price earn-out derivative. An increase in the discount rate, in isolation, would result in a decrease in a fair value measurement.

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The following table presents the changes in our purchase price earn-out. Changes in the fair value are recorded within *noninterest income—other* in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

	Purchase Price Earn-Out
<u>Three Months Ended September 30, 2022</u>	
Fair value as of June 30, 2022	\$ 625
Payments	(553)
Changes in valuation inputs or assumptions ⁽¹⁾	52
Fair value as of September 30, 2022	<u>\$ 124</u>
<u>Three Months Ended September 30, 2021</u>	
Fair value as of June 30, 2021	\$ —
Initial recognition	7,165
Payments	(1,754)
Fair value as of September 30, 2021	<u>\$ 5,411</u>
<u>Nine Months Ended September 30, 2022</u>	
Fair value as of January 1, 2022	\$ 4,272
Payments	(5,242)
Changes in valuation inputs or assumptions ⁽¹⁾	1,094
Fair value as of September 30, 2022	<u>\$ 124</u>
<u>Nine Months Ended September 30, 2021</u>	
Fair value as of January 1, 2021	\$ —
Initial recognition	7,165
Payments	(1,754)
Fair value as of September 30, 2021	<u>\$ 5,411</u>

(1) The estimated amount of losses included in earnings attributable to changes in instrument-specific credit risk were immaterial during all periods presented. The losses attributable to instrument-specific credit risk were estimated by incorporating our current default and loss severity assumptions for the purchase price earn-out. These assumptions are based on historical performance and performance expectations over the term of the underlying instrument.

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Safeguarding Assets and Liabilities

The following table presents the significant digital assets held by our third-party custodians on behalf of our members:

	September 30, 2022
Bitcoin (BTC)	\$ 51,834
Ethereum (ETH)	45,707
Cardano (ADA)	8,949
Solana (SOL)	4,305
Ethereum Classic (ETC)	4,063
Dogecoin (DOGE)	4,060
Litecoin (LTC)	1,982
All other ⁽¹⁾	11,556
Digital assets safeguarding liability and corresponding safeguarding asset	<u>\$ 132,456</u>

(1) Includes 24 digital assets, none of which were determined to be individually significant.

Financial Instruments Not Measured at Fair Value

The following table summarizes the carrying values and estimated fair values, by level within the fair value hierarchy, of our assets and liabilities that are not measured at fair value on a recurring basis in the unaudited condensed consolidated balance sheets:

	Carrying Value	Fair Value				
		Level 1	Level 2	Level 3	Total	
September 30, 2022						
Assets						
Cash and cash equivalents ⁽¹⁾	\$ 935,159	\$ 935,159	\$ —	\$ —	\$ 935,159	
Restricted cash and restricted cash equivalents ⁽¹⁾	326,274	326,274	—	—	326,274	
Loans at amortized cost ⁽²⁾	280,347	—	—	293,620	293,620	
Total assets	<u>\$ 1,541,780</u>	<u>\$ 1,261,433</u>	<u>\$ —</u>	<u>\$ 293,620</u>	<u>\$ 1,555,053</u>	
Liabilities						
Time deposits ⁽³⁾	\$ 512,515	\$ —	\$ 512,412	\$ —	\$ 512,412	
Debt ⁽⁴⁾	4,568,523	815,400	3,390,506	—	4,205,906	
Total liabilities	<u>\$ 5,081,038</u>	<u>\$ 815,400</u>	<u>\$ 3,902,918</u>	<u>\$ —</u>	<u>\$ 4,718,318</u>	
December 31, 2021						
Assets						
Cash and cash equivalents ⁽¹⁾	\$ 494,711	\$ 494,711	\$ —	\$ —	\$ 494,711	
Restricted cash and restricted cash equivalents ⁽¹⁾	273,726	273,726	—	—	273,726	
Loans at amortized cost ⁽²⁾	115,912	—	—	118,412	118,412	
Total assets	<u>\$ 884,349</u>	<u>\$ 768,437</u>	<u>\$ —</u>	<u>\$ 118,412</u>	<u>\$ 886,849</u>	
Liabilities						
Debt ⁽⁴⁾	\$ 3,947,983	\$ 1,240,560	\$ 2,807,253	\$ —	\$ 4,047,813	
Total liabilities	<u>\$ 3,947,983</u>	<u>\$ 1,240,560</u>	<u>\$ 2,807,253</u>	<u>\$ —</u>	<u>\$ 4,047,813</u>	

(1) The carrying amounts of our cash and cash equivalents and restricted cash and restricted cash equivalents approximate their fair values due to the short-term maturities and highly liquid nature of these accounts.

(2) The fair value of our credit card loans was based on market factors and credit factors specific to our portfolio. The fair value of our commercial and consumer banking loans was determined using a discounted cash flow model with key inputs relating to the underlying contractual coupons, terms, discount rate and expectations for defaults.

(3) The fair value of our time-based deposits is estimated by a discounted cash flow method using rates currently offered for deposits of similar remaining maturities.

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- (4) The carrying value of our debt is net of unamortized discounts and debt issuance costs. The fair value of our convertible notes was classified as Level 1, as it was based on an observable market quote. The fair values of our warehouse facility debt and revolving credit facility debt were classified as Level 2 and based on market factors and credit factors specific to these financial instruments. The fair value of our securitization debt was classified as Level 2 and valued using a discounted cash flow model, with key inputs relating to the underlying contractual coupons, terms, discount rate and expectations for defaults and prepayments.

Nonrecurring Fair Value Measurements

Non-securitization investments — Other of \$22,798 and \$6,054 as of September 30, 2022 and December 31, 2021, respectively, include investments for which fair values are not readily determinable, which we elect to measure using the measurement alternative method of accounting. The fair value measurements are classified within Level 3 of the fair value hierarchy due to the use of unobservable inputs in the fair value measurements. Adjustments to the carrying value, such as impairments and unrealized gains, are recognized within *noninterest income—other* in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

In the first quarter of 2022, we measured a former equity method investment under the measurement alternative method, which primarily drove the increase in the balance from year end. The fair value of this investment was \$19,739 as of September 30, 2022.

In the second quarter of 2022, we wrote off an investment with a carrying value of \$2,168 for a loss, which reflected the impact of observable market changes. We had previously recognized a gain of \$3,967 on this investment during the second quarter of 2021, which reflected a value based on the investee's latest round of financing in an orderly transaction in an issuance similar to our investment holding. In that same quarter in 2021, we sold a portion of our investment for \$2,000 at the same valuation.

In the nine months ended September 30, 2022, we made net downward adjustments of \$827 to an investment with a fair value of \$1,059 as of September 30, 2022 and \$1,886 as of December 31, 2021.

We also had another investment with a fair value of \$2,000 as of both September 30, 2022 and December 31, 2021 for which no adjustments were made during 2022.

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Note 9. Debt

The following table summarizes the Company's principal outstanding debt, debt discounts/premiums and debt issuance costs:

Borrowing Description	Collateral Balances ⁽¹⁾	Interest Rate ⁽²⁾	Termination/ Maturity ⁽³⁾	Total Capacity ⁽⁴⁾	Outstanding as of	
					September 30, 2022 ⁽⁵⁾	December 31, 2021
<u>Student Loan Warehouse Facilities</u>						
SoFi Funding I	\$ —	1M SOFR + 100 bps	April 2023	\$ 200,000	\$ —	\$ —
SoFi Funding III ⁽⁶⁾	—	PR – 134 bps	September 2024	75,000	—	3,930
SoFi Funding V ⁽⁷⁾	241,456	SOFR + 105 bps	November 2023	225,000	218,524	—
SoFi Funding VI	—	3ML + 125 bps	March 2024	600,000	—	56,709
SoFi Funding VII	232,150	SOFR + 85 bps	September 2024	500,000	210,832	284,475
SoFi Funding VIII	—	SOFR + 100 bps	May 2023	300,000	—	245,723
SoFi Funding IX ⁽⁸⁾	—	SOFR+ 210 bps and CP + 87.5 bps	May 2025	500,000	—	9,816
SoFi Funding X ⁽⁹⁾	551,832	CP + 95 bps	April 2025	500,000	486,820	29,647
SoFi Funding XI ⁽¹⁰⁾	324,781	CP + 100 bps	November 2024	500,000	284,160	—
SoFi Funding XII ⁽¹¹⁾	—	CP + 115 bps	November 2024	200,000	—	20,267
SoFi Funding XIII	498,064	SOFR + 55 bps	April 2024	450,000	437,339	424,348
Total, before unamortized debt issuance costs	<u>\$ 1,848,283</u>			<u>\$ 4,050,000</u>	<u>\$ 1,637,675</u>	<u>\$ 1,074,915</u>
Unamortized debt issuance costs					\$ (6,676)	\$ (7,540)
<u>Personal Loan Warehouse Facilities</u>						
SoFi Funding PL I ⁽¹²⁾	\$ —	CP + 137.5 bps	September 2023	\$ 250,000	\$ —	\$ 11,911
SoFi Funding PL II	—	SOFR + 150 bps	July 2024	100,000	—	—
SoFi Funding PL III	203,201	SOFR + 125 bps	November 2023	175,000	169,294	—
SoFi Funding PL IV ⁽¹³⁾	118,168	CP + 170 bps	November 2023	500,000	100,406	—
SoFi Funding PL VI ⁽¹⁴⁾	—	CP + 170 bps	September 2024	50,000	—	—
SoFi Funding PL VII	—	SOFR + 125 bps	June 2023	250,000	—	71,572
SoFi Funding PL X	205,822	1ML + 142.5 bps	February 2023	200,000	165,783	—
SoFi Funding PL XI	116,686	1M SOFR + 125 bps	January 2023	200,000	99,606	—
SoFi Funding PL XIII	—	1M SOFR + 110 bps	January 2032	300,000	—	—
SoFi Funding PL XIV	—	SOFR + 100 bps	October 2024	300,000	—	144,662
SoFi Funding PL XV ⁽¹⁵⁾	164,188	SOFR + 80 bps	October 2024	425,000	142,186	—
Total, before unamortized debt issuance costs	<u>\$ 808,065</u>			<u>\$ 2,750,000</u>	<u>\$ 677,275</u>	<u>\$ 228,145</u>
Unamortized debt issuance costs					\$ (3,002)	\$ (3,898)
<u>Home Loan Warehouse Facilities</u>						
Mortgage Warehouse VI	\$ —	SOFR + 200 bps	October 2022	\$ 1,000	\$ —	\$ —
Total, before unamortized debt issuance costs	<u>\$ —</u>			<u>\$ 1,000</u>	<u>\$ —</u>	<u>\$ —</u>
Unamortized debt issuance costs					\$ —	\$ —
<u>Credit Card Warehouse Facilities</u>						
SoFi Funding CC I LLC ⁽¹⁶⁾	\$ —	CP + 100 bps	December 2023	\$ 100,000	\$ —	\$ 11,810
Total, before unamortized debt issuance costs	<u>\$ —</u>			<u>\$ 100,000</u>	<u>\$ —</u>	<u>\$ 11,810</u>
Unamortized debt issuance costs					\$ (116)	\$ (312)
<u>Risk Retention Warehouse Facilities⁽¹⁷⁾</u>						
SoFi RR Funding I	\$ 28,003	3ML + 200 bps	January 2024	\$ 100,000	\$ 17,704	\$ 22,608
SoFi RR Repo	—	3ML + 185 bps	January 2022	—	—	69,843
SoFi RR Funding II	25,807	1ML + 125 bps	November 2024		19,223	98,031
SoFi RR Funding III ⁽¹⁸⁾	34,180	1ML + 125 bps	November 2024		34,981	39,158
SoFi RR Funding IV	88,129	SOFR + 150 bps	October 2027	100,000	70,133	66,555
SoFi RR Funding V	33,378	298 bps	December 2025		4,623	29,453
Total, before unamortized debt issuance costs	<u>\$ 209,497</u>				<u>\$ 146,664</u>	<u>\$ 325,648</u>
Unamortized debt issuance costs					\$ (1,332)	\$ (2,086)

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Borrowing Description	Collateral Balances ⁽¹⁾	Interest Rate ⁽²⁾	Termination/ Maturity ⁽³⁾	Total Capacity ⁽⁴⁾	Outstanding as of	
					September 30, 2022 ⁽⁵⁾	December 31, 2021
Revolving Credit Facility						
SoFi Corporate Revolver ⁽¹⁹⁾	n/a	1ML + 100 bps	September 2023	\$ 560,000	\$ 486,000	\$ 486,000
Total, before unamortized debt issuance costs				\$ 560,000	\$ 486,000	\$ 486,000
Unamortized debt issuance costs					\$ (356)	\$ (626)
Other Financing						
Convertible senior notes	n/a	—%	October 2026		\$ 1,200,000	\$ 1,200,000
Total, before unamortized debt issuance costs and discount					\$ 1,200,000	\$ 1,200,000
Unamortized debt issuance costs					\$ (1,379)	\$ (1,634)
Unamortized discount					(19,309)	(22,858)
Other financing ⁽²⁰⁾	\$ 23,889			\$ 22,480	\$ —	\$ —
Student Loan Securitizations						
SoFi PLP 2016-B LLC	\$ 36,532	1ML + (120–380 bps)	April 2037		\$ 31,265	\$ 43,186
SoFi PLP 2016-C LLC	41,102	1ML + (110–335 bps)	May 2037		36,168	49,685
SoFi PLP 2016-D LLC	55,672	1ML + (95–323 bps)	January 2039		49,317	61,760
SoFi PLP 2016-E LLC	63,510	1ML + (344–443 bps)	October 2041		56,301	74,242
SoFi PLP 2017-A LLC	80,331	1ML + (70–443 bps)	March 2040		72,132	92,972
SoFi PLP 2017-B LLC	67,371	274 – 444 bps	May 2040		60,527	78,811
SoFi PLP 2017-C LLC	89,903	1ML + (60–421 bps)	July 2040		80,513	102,814
Total, before unamortized debt issuance costs and discount	\$ 434,421				\$ 386,223	\$ 503,470
Unamortized debt issuance costs					\$ (2,644)	\$ (3,851)
Unamortized discount					(772)	(1,094)
Personal Loan Securitizations						
SoFi CLP 2018-3 LLC	\$ 38,945	467 bps	August 2027		\$ 32,288	\$ 76,535
SoFi CLP 2018-4 LLC	44,669	476 bps	November 2027		39,206	86,835
Total, before unamortized debt issuance costs, premiums and discount	\$ 83,614				\$ 71,494	\$ 163,370
Unamortized debt issuance costs					\$ (1,287)	\$ (1,683)
Unamortized premium					65	207
Total, before unamortized debt issuance costs, premiums and discounts					\$ 4,605,331	\$ 3,993,358
Less: unamortized debt issuance costs, premiums and discounts					(36,808)	(45,375)
Total reported debt					\$ 4,568,523	\$ 3,947,983

- (1) As of September 30, 2022, represents unpaid principal balances, with the exception of the risk retention warehouse facilities, which include securitization-related investments carried at fair value. In addition, certain securitization interests that eliminate in consolidation are pledged to risk retention warehouse facilities. Collateral balances relative to debt balances as presented may vary period to period due to the timing of the next scheduled payment to the warehouse facility.
- (2) Unused commitment fees ranging from 0 to 65 basis points (“bps”) on our various warehouse facilities are recognized within *noninterest expense—general and administrative* in our unaudited condensed consolidated statements of operations and comprehensive income (loss). “ML” stands for “Month LIBOR”. As of September 30, 2022, 1ML and 3ML was 3.14% and 3.75%, respectively. “SOFR” in this table refers to the overnight SOFR, unless otherwise indicated. “1M SOFR” stands for “one-month SOFR”. As of September 30, 2022, SOFR was 2.98% and 1M SOFR was 3.04%. “PR” stands for “Prime Rate”. As of September 30, 2022, PR was 6.25%.
- (3) For securitization debt, the maturity of the notes issued by the various trusts occurs upon either the maturity of the loan collateral or full payment of the loan collateral held in the trusts. Our maturity date represents the legal maturity of the last class of maturing notes. Securitization debt matures as loan collateral payments are made.
- (4) Represents total capacity as of September 30, 2022.
- (5) There were no debt discounts or premiums issued during the nine months ended September 30, 2022. We paid \$700 during the nine months ended September 30, 2022 related to debt issuance costs accrued in 2021.
- (6) Warehouse facility has a prime rate floor of 309 bps.
- (7) Warehouse facility has a SOFR floor of 0%.

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- (8) Warehouse facility incurs different interest rates on its two types of asset classes. One such class incurs interest based on a commercial paper ("CP") rate, which is determined by the facility lender. As of September 30, 2022, the CP rate for this facility was 3.14%.
- (9) Warehouse facility incurs interest based on a CP rate, which is determined by the facility lender. As of September 30, 2022, the CP rate for this facility was 3.07%.
- (10) Warehouse facility incurs interest based on a CP rate, which is determined by the facility lender. As of September 30, 2022, the CP rate for this facility was 3.14%. The facility was amended in the first quarter of 2022 to allow up to \$250 million of securitization risk retention securities to be pledged to the warehouse. As of September 30, 2022, \$91.8 million of the collateral balance for the facility was related to securitization risk retention securities, with the remainder of the collateral balance related to student loans.
- (11) Warehouse facility incurs interest based on a CP rate, which is determined by the facility lender. As of September 30, 2022, the CP rate for this facility was 3.14%. Under certain conditions, warehouse facility could incur an interest rate spread of 215 bps.
- (12) Warehouse facility incurs interest based on a CP rate, which is determined by the facility lender. As of September 30, 2022, the CP rate for this facility was 1.40%.
- (13) Warehouse facility incurs interest based on a CP rate, which is determined by the facility lender. As of September 30, 2022, the CP rate for this facility was 3.14%.
- (14) Warehouse facility incurs interest based on a CP rate, which is determined by the facility lender. As of September 30, 2022, the CP rate for this facility was 3.14%.
- (15) Total capacity was increased by \$100 million for a three-month period ending October 2022.
- (16) Warehouse facility incurs interest at a spread of 100 bps plus the lower of (a) three-month SOFR plus 35 bps or (b) the CP rate for this facility, which is determined by the facility lender.
- (17) Financing was obtained for both asset-backed bonds and residual investments in various personal loan and student loan securitizations, and the underlying collateral are the underlying asset-backed bonds and residual investments. We only state capacity amounts in this table for risk retention facilities wherein we can pledge additional asset-backed bonds and residual investments as of September 30, 2022.
- (18) In certain circumstances, cash payments may first be applied to a cash margin account prior to pay down of the outstanding balance, which may cause the collateral balance to exceed the outstanding balance.
- (19) As of September 30, 2022, \$6.0 million of the revolving credit facility total capacity was not available for general borrowing purposes because it was utilized to secure a letter of credit. Refer to our letter of credit disclosures in Note 15 for more details. Additionally, the interest rate presented is the interest rate on standard withdrawals on our revolving credit facility, while same-day withdrawals incur interest based on PR.
- (20) Includes \$23.9 million of loans pledged as collateral to secure \$14.9 million of available borrowing capacity with the FHLB, of which \$11.7 million was not available as it was utilized to secure letters of credit. Refer to our letter of credit disclosures in Note 15 for more details. Also includes unsecured available borrowing capacity of \$7.6 million with correspondent banks.

Material Changes to Debt Arrangements

During the nine months ended September 30, 2022, we opened one personal loan warehouse facility with a maximum available capacity of \$325,000, which was increased by \$100,000 for a three-month period ending October 2022, and closed one risk retention warehouse facility that had a maximum available capacity of \$192,141.

Our warehouse and securitization debt is secured by a continuing lien and security interest in the loans financed by the proceeds. Within each of our debt facilities, we must comply with certain operating and financial covenants. These financial covenants include, but are not limited to, maintaining: (i) a certain minimum tangible net worth, (ii) minimum cash and cash equivalents, and (iii) a maximum leverage ratio of total debt to tangible net worth. Our debt covenants can lead to restricted cash classifications in our unaudited condensed consolidated balance sheets. Our subsidiaries are restricted in the amount that can be distributed to the parent company only to the extent that such distributions would cause the financial covenants to not be met. We were in compliance with all financial covenants.

We assumed \$2,000 of debt in the Bank Merger, which was paid off during the first quarter of 2022.

We act as a guarantor for our wholly-owned subsidiaries in several arrangements in the case of default. As of September 30, 2022, we have not identified any risks of nonpayment by our wholly-owned subsidiaries.

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Maturities of Borrowings

Future maturities of our outstanding debt with scheduled payments, which included our revolving credit facility and convertible notes, were as follows:

	September 30, 2022
Remainder of 2022	\$ —
2023	486,000
2024	—
2025	—
2026	1,200,000
Thereafter	—
Total	<u>\$ 1,686,000</u>

Note 10. Temporary Equity

Pursuant to SoFi Technologies' Certificate of Incorporation dated May 28, 2021, the Company is authorized to issue 100,000,000 shares of preferred stock having a par value of \$0.0001 per share ("SoFi Technologies Preferred Stock") and 100,000,000 shares of redeemable preferred stock having a par value of \$0.0000025 per share ("SoFi Technologies Redeemable Preferred Stock"). The Company's Board of Directors has the authority to issue SoFi Technologies Preferred Stock and SoFi Technologies Redeemable Preferred Stock and to determine the rights, preferences, privileges and restrictions, including voting rights, of those shares. The authorized shares of SoFi Technologies Redeemable Preferred Stock is inclusive of 4,500,000 shares of Series 1 redeemable preferred stock ("Series 1 Redeemable Preferred Stock"), which reflect the conversion on a one-for-one basis of shares of Social Finance Series 1 preferred stock in conjunction with the Business Combination. Shares of SoFi Technologies Series 1 Redeemable Preferred Stock that are redeemed, purchased or otherwise acquired by the Company will be canceled and may not be reissued by the Company. The Series 1 Redeemable Preferred Stock remains classified as temporary equity because the Series 1 Redeemable Preferred Stock is not fully controlled by the issuer, SoFi Technologies.

As of September 30, 2022, there were no shares of SoFi Technologies Preferred Stock issued and outstanding and there were 3,234,000 shares of Series 1 Redeemable Preferred Stock issued and outstanding, which had an original issuance price of \$100.00. In conjunction with the Business Combination, we made a one-time special payment of \$21.2 million to the holders of Series 1 Redeemable Preferred Stock, which was paid from the proceeds of the Business Combination and settled contemporaneously with the Business Combination in 2021. The special payment was recognized within *noninterest expense—general and administrative* in the unaudited condensed consolidated statements of operations and comprehensive income (loss), as this feature was accounted for as an embedded derivative that was not clearly and closely related to the host contract, and will not have a subsequent impact on our consolidated financial results.

Dividends

During each of the three months ended September 30, 2022 and 2021 and each of the nine months ended September 30, 2022 and 2021, the holders of Series 1 Redeemable Preferred Stock were entitled to dividends of \$10,189 and \$30,236, respectively. Dividends payable were \$10,189 as of September 30, 2022. There were no dividends payable as of December 31, 2021. There have been no dividend deferrals related to the Series 1 Redeemable Preferred Stock.

Warrants

In connection with the Series 1 and Series H preferred stock issuances during the year ended December 31, 2019, we also issued 12,170,990 Series H warrants, which were initially accounted for as liabilities in accordance with ASC 480, *Distinguishing Liabilities from Equity*, and were included within *accounts payable, accruals and other liabilities* in the unaudited condensed consolidated balance sheets. Prior to the Business Combination, the Series H warrants were measured at fair value on a recurring basis and classified as Level 3 because of our reliance on unobservable assumptions, with fair value changes recognized within *noninterest expense—general and administrative* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). On May 28, 2021, in conjunction with the Closing of the Business Combination, we measured the final fair value of our Series H warrants. At that time, we reclassified the Series H warrant

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liability into permanent equity, as the terms of the Series H instrument no longer necessitated liability accounting. Therefore, we did not measure the warrants at fair value subsequent to May 28, 2021.

The following table presents the changes in the fair value of the Series H warrant liabilities prior to the reclassification to permanent equity:

	Warrant Liabilities
Nine Months Ended September 30, 2021	
Fair value as of January 1, 2021	\$ 39,959
Change in valuation inputs or other assumptions	121,816
Reclassification to permanent equity in conjunction with the Business Combination	(161,775)
Fair value as of September 30, 2021	<u>\$ —</u>

Note 11. Permanent Equity

On June 1, 2021, the Company's common stock began trading on the Nasdaq Global Select Market under the ticker symbol "SOFI". Pursuant to SoFi Technologies' Certificate of Incorporation, the Company is authorized to issue 3,000,000,000 shares of common stock, with a par value of \$0.0001 per share, and 100,000,000 shares of non-voting common stock, with a par value of \$0.0001 per share. As of September 30, 2022, the Company had 927,345,977 shares of common stock and no shares of non-voting common stock issued and outstanding.

The Company reserved the following common stock for future issuance:

	September 30, 2022	December 31, 2021
Outstanding stock options, RSUs and performance stock units ("PSUs")	103,341,190	92,829,067
Outstanding common stock warrants	12,170,990	12,170,990
Conversion of convertible notes ⁽¹⁾	53,538,000	53,538,000
Possible future issuance under stock plans	38,777,480	32,470,481
Total common stock reserved for future issuance	<u>207,827,660</u>	<u>191,008,538</u>

(1) Represents the number of common stock issuable upon conversion of all convertible notes at the conversion rate in effect at the balance sheet date.

Dividends

There were no dividends declared or paid to common stockholders during the nine months ended September 30, 2022 and 2021.

Accumulated Other Comprehensive Income (Loss)

AOCI primarily consists of accumulated net unrealized gains or losses associated with our investments in AFS debt securities and foreign currency translation adjustments.

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The following table presents the rollforward of AOCI, inclusive of the changes in the components of other comprehensive loss:

	AFS Debt Securities	Foreign Currency Translation Adjustments	Total
Three Months Ended September 30, 2022			
AOCI, beginning balance	\$ (7,797)	\$ (214)	\$ (8,011)
Other comprehensive income (loss) before reclassifications ⁽¹⁾	(1,787)	325	(1,462)
Amounts reclassified from AOCI into earnings	(127)	—	(127)
Net current-period other comprehensive income (loss) ⁽²⁾	(1,914)	325	(1,589)
AOCI, ending balance	\$ (9,711)	\$ 111	\$ (9,600)
Three Months Ended September 30, 2021			
AOCI, beginning balance	\$ —	\$ (512)	\$ (512)
Other comprehensive income (loss) before reclassifications ⁽¹⁾	(150)	204	54
Net current-period other comprehensive income (loss) ⁽²⁾	(150)	204	54
AOCI, ending balance	\$ (150)	\$ (308)	\$ (458)
Nine Months Ended September 30, 2022			
AOCI, beginning balance	\$ (1,351)	\$ (120)	\$ (1,471)
Other comprehensive income (loss) before reclassifications ⁽¹⁾	(8,518)	231	(8,287)
Amounts reclassified from AOCI into earnings	158	—	158
Net current-period other comprehensive income (loss) ⁽²⁾	(8,360)	231	(8,129)
AOCI, ending balance	\$ (9,711)	\$ 111	\$ (9,600)
Nine Months Ended September 30, 2021			
AOCI, beginning balance	\$ —	\$ (166)	\$ (166)
Other comprehensive loss before reclassifications ⁽¹⁾	(150)	(142)	(292)
Net current-period other comprehensive loss ⁽²⁾	(150)	(142)	(292)
AOCI, ending balance	\$ (150)	\$ (308)	\$ (458)

(1) Gross realized gains and losses from sales of our investments in AFS debt securities that were reclassified from AOCI to earnings are recorded within *noninterest income—other* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). There were no reclassifications related to foreign currency translation adjustments during the nine months ended September 30, 2022 and 2021.

(2) There were no tax impacts during any of the periods presented due to reserves against deferred tax assets in jurisdictions where other comprehensive loss activity was generated.

Note 12. Share-Based Compensation

2021 Stock Option and Incentive Plan

In connection with the Closing of the Business Combination, the Company adopted the 2021 Stock Option and Incentive Plan (the “2021 Plan”), which authorized for issuance 63,575,425 shares of common stock in connection with the Business Combination. Under the 2021 Plan, effective January 1, 2022, our Board of Directors authorized the issuance of an additional 8,937,242 shares. In the third quarter of 2022, the Company’s stockholders approved the amendment and restatement of the 2021 Stock Option and Incentive Plan (the “Amended and Restated 2021 Plan”), including a modification to the evergreen provision and an increase in the number of shares of common stock available for issuance under the plan. As of September 30, 2022, the Amended and Restated 2021 Plan includes an aggregate of 104,983,148 shares of common stock authorized for issuance of awards. The Amended and Restated 2021 Plan allows for the number of authorized shares to increase on the first day of each fiscal year beginning on January 1, 2023 and ending on and including January 1, 2030 equal to the lesser of (a) five percent of the aggregate number of shares of common stock outstanding on the final day of the immediately preceding calendar year, and (b) such smaller number of shares of common stock as determined by the Board. The Amended and Restated 2021 Plan allows for the issuance of stock options, stock appreciation rights, restricted stock, restricted stock units (including performance stock units), dividend equivalents and other stock or cash based awards for issuance to its employees,

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non-employee directors and non-employee third parties. Shares associated with option exercises and RSU vesting are issued from the authorized pool.

During the nine months ended September 30, 2022 and 2021, we incurred cash outflows of \$7,476 and \$37,240, respectively, related to the payment of withholding taxes for vested RSUs. These cash outflows are presented within *net cash provided by (used in) financing activities* in the unaudited condensed consolidated statements of cash flows.

Share-based compensation expense related to stock options, RSUs and PSUs is presented within the following line items in the unaudited condensed consolidated statements of operations and comprehensive income (loss):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Technology and product development	\$ 20,856	\$ 19,633	\$ 56,690	\$ 47,867
Sales and marketing	6,593	4,681	17,734	10,821
Cost of operations	5,075	3,482	14,034	7,672
General and administrative	45,331	44,885	146,560	95,929
Total	\$ 77,855	\$ 72,681	\$ 235,018	\$ 162,289

Stock Options

The following is a summary of stock option activity:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding as of January 1, 2022	21,171,147	\$ 6.81	5.8
Granted ⁽¹⁾	—	n/a	
Exercised	(1,677,512)	1.49	
Forfeited	(1,126)	6.84	
Expired	(445,159)	4.89	
Outstanding as of September 30, 2022	19,047,350	\$ 7.33	4.6
Exercisable as of September 30, 2022	18,964,882	\$ 7.33	4.6

(1) There were no stock options granted during the nine months ended September 30, 2022.

Total compensation cost related to unvested stock options not yet recognized as of September 30, 2022 was \$2.1 million and will be recognized over a weighted average period of approximately 0.5 years.

Restricted Stock Units

RSUs are equity awards granted to employees that entitle the holder to shares of our common stock when the awards vest. For employees hired on or after January 1, 2022, new hire RSU grants typically vest 12.5% on the first vesting date, which occurs approximately six months after the date of grant, and ratably each quarter of the ensuing 14-quarter period. For employees hired before January 1, 2022, new hire RSU grants typically vest 25% on the first vesting date, which occurs approximately one year after the date of grant, and ratably each quarter of the ensuing 12-quarter period. RSUs have been issued under other vesting schedules, including grants to existing employees.

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The following table summarizes RSU activity:

	Number of RSUs	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2022	48,687,524	\$ 12.23
Granted	40,806,923	8.08
Replacement Awards ⁽¹⁾	630,654	10.69
Vested ⁽²⁾	(16,746,634)	11.44
Forfeited	(9,430,388)	11.01
Outstanding as of September 30, 2022 ⁽³⁾	63,948,079	\$ 10.03

- (1) In connection with the Technisys Merger, we converted outstanding Technisys performance awards into RSUs to acquire common stock of SoFi, and for which \$2,855 of the fair value was attributed to pre-combination services. See Note 2 for additional information.
- (2) The total fair value, based on grant date fair value, of RSUs that vested during the nine months ended September 30, 2022 was \$191.6 million.
- (3) Includes 178,021 RSUs that were granted in 2020 and later modified in an improbable-to-probable modification (Type III), related to which \$1,695 of share-based compensation expense was recorded during the nine months ended September 30, 2022. The awards were fully expensed through the second quarter of 2022.

As of September 30, 2022, there was \$594.5 million of unrecognized compensation cost related to unvested RSUs, which will be recognized over a weighted average period of approximately 2.9 years.

Performance Stock Units

The following table summarizes PSU activity:

	Number of PSUs	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2022	22,970,396	\$ 9.52
Granted	122,190	3.71
Vested	—	n/a
Forfeited	(2,746,825)	7.53
Outstanding as of September 30, 2022	20,345,761	\$ 9.75

Compensation cost associated with PSUs is recognized using the accelerated attribution method for each of the three vesting tranches over the respective derived service period. We determine the grant-date fair value of PSUs utilizing a Monte Carlo simulation model. The following table summarizes the inputs used for estimating the fair value of PSUs granted:

Input	Nine Months Ended September 30, 2022
Risk-free interest rate	1.6%
Expected volatility	37.7%
Fair value of common stock	\$12.06
Dividend yield	—%

Our use of a Monte Carlo simulation model requires the use of subjective assumptions:

- *Risk-free interest rate* — Based on the U.S. Treasury rate at the time of grant commensurate with the remaining term of the PSUs.
- *Expected volatility* — Based on the implied volatility of our common stock from a set of comparable publicly-traded companies.
- *Fair value of common stock* — Based on the closing stock price on the date of grant.
- *Dividend Yield* — We assumed no dividend yield because we have historically not paid out dividends to common stockholders.

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As of September 30, 2022, there was \$72.2 million of unrecognized compensation cost related to unvested PSUs, which will be recognized over a weighted average period of approximately 1.8 years.

Note 13. Income Taxes

For interim periods, we follow the general recognition approach whereby tax expense is recognized using an estimated annual effective tax rate, which is applied to the year-to-date operating results. Additionally, we recognize tax expense or benefit for any discrete items occurring within the interim period that were excluded from the estimated annual effective tax rate. Our effective tax rate may be subject to fluctuations during the year due to impacts from the following items: (i) changes in forecasted pre-tax and taxable income or loss, (ii) changes in statutory law or regulations in jurisdictions where we operate, (iii) audits or settlements with taxing authorities, (iv) the tax impact of expanded product offerings or business acquisitions, and (v) changes in valuation allowance assumptions.

For the three and nine months ended September 30, 2022, we recorded income tax benefit (expense) of \$242 and \$(629), respectively. For the three and nine months ended September 30, 2021, we recorded income tax expense of \$(181) and \$(1,202), respectively. Income taxes were primarily due to income tax expense associated with the profitability of SoFi Lending Corp. and, for the 2022 periods, SoFi Bank, in some state jurisdictions where separate company filing is required. In the 2022 periods, this expense was offset by income tax benefits from foreign losses in jurisdictions with net deferred tax liabilities related to the Technisys Merger. See Note 2 for additional information.

During the nine months ended September 30, 2022, we increased our unrecognized tax benefits by \$9,885, of which \$6,548 would impact the Company's effective tax rate if realized. The increase resulted from the recognition of historical tax reserves that existed at the time of the Technisys Merger and were recorded through goodwill. See Note 2 for additional information. As part of our purchase consideration, there are shares held in escrow, which could be returned to SoFi to indemnify us against future tax settlements during the escrow period. We do not expect to have any significant changes to unrecognized tax benefits over the next 12 months.

During the nine months ended September 30, 2022, we maintained a full valuation allowance against our net deferred tax assets in applicable jurisdictions. In certain foreign and state jurisdictions where sufficient deferred tax liabilities exist, no valuation allowance is recognized. Management reviews all available positive and negative evidence in assessing the realizability of deferred tax assets. We will continue to recognize a full valuation allowance until there is sufficient positive evidence to support its release.

Note 14. Related Parties

The Company defines related parties as members of our Board of Directors, entity affiliates, executive officers and principal owners of the Company's outstanding stock and members of their immediate families. Related parties also include any other person or entity with significant influence over the Company's management or operations.

Apex Loan

In February 2021, Apex Clearing Holdings, LLC ("Apex"), in which we historically had a minority ownership, paid us \$18,304 in settlement of all of their outstanding obligations to us, which consisted of outstanding principal balances of \$16,693 and accrued interest of \$1,611.

During the nine months ended September 30, 2021, we recognized interest income of \$211 within *interest income—related party notes*, and we reversed the remainder of the loss for the discount to fair value that had not yet been accreted of \$169 within *noninterest income—other* in the unaudited condensed consolidated statements of operations and comprehensive income (loss), which was only applicable to the nine-month period.

Note 15. Commitments, Guarantees, Concentrations and Contingencies

Leases

We primarily lease our office premises under multi-year, non-cancelable operating leases. Our operating leases have terms expiring from 2022 to 2040, exclusive of renewal option periods. Our office leases contain renewal option periods ranging from one to ten years from the expiration dates. These options were not recognized as part of our ROU assets and operating lease liabilities, as we did not conclude at the commencement date of the leases that we were reasonably certain to

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exercise these options. However, in our normal course of business, we expect our office leases to be renewed, amended or replaced by other leases. Associated with these leases, we obtained non-cash operating lease ROU assets in exchange for new operating lease liabilities of \$764 during the nine months ended September 30, 2022, which were related to our recent acquisitions. Our finance leases expire in 2040.

Lease Concession

The lessor for one of our operating leases allowed us to defer payments on the lease beginning in April 2020 as a result of our inability to use the leased premises during the COVID-19 pandemic. During the concession period, we did not recognize operating lease cost and we did not remeasure the ROU asset or lease liability. We regained access to the leased premises in September 2021 and resumed lease amortization at that time. In the absence of this concession, we would have recognized additional operating lease cost of \$377 and \$1,509 during the three and nine months ended September 30, 2021, respectively.

Concentrations

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and cash equivalents, restricted cash and restricted cash equivalents, residual investments and loans. We hold cash and cash equivalents and restricted cash and restricted cash equivalents in accounts at regulated domestic financial institutions in amounts that may exceed FDIC insured amounts. We believe these institutions are of high credit quality.

We are dependent on third-party funding sources to originate loans. Additionally, we sell loans to various third parties. We have historically sold loans to a limited pool of third-party buyers. No individual third-party buyer accounted for 10% or more of consolidated total net revenues for any of the periods presented.

The Company is exposed to default risk on borrower loans originated and financed by us. There is no single borrower or group of borrowers that comprise a significant concentration of the Company's loan portfolio. Likewise, the Company is not overly concentrated within a group of channel partners or other customers, with the exception of our distribution of personal loan residual interests in our sponsored personal loan securitizations, which we market to third parties, and the aforementioned whole loan buyers. Given we have a limited number of prospective buyers for our personal loan securitization residual interests, this might result in us utilizing a significant amount of our own capital to fund future residual interests in personal loan securitizations, or impact the execution of future securitizations if we are limited in our own ability to invest in the residual interest portion of future securitizations, or find willing buyers for securitization residual interests.

Contingencies

Legal Proceedings

In limited instances, the Company may be subject to a variety of claims and lawsuits in the ordinary course of business. Regardless of the final outcome, defending lawsuits, claims, government investigations, and proceedings in which we are involved is costly and can impose a significant burden on management and employees, and there can be no assurances that we will receive favorable final outcomes.

SoFi Stadium. In September 2019, we established a 20-year partnership with LA Stadium and Entertainment District at Hollywood Park in Inglewood, California ("StadCo"), through a naming and sponsorship agreement, which, among other things, provides SoFi with exclusive naming rights of SoFi Stadium and an official partnership with the Los Angeles Chargers and Los Angeles Rams and with the performance venue, which shares a roof with the stadium, and the surrounding planned entertainment district, which is anticipated to include office space, retail space and hotel and dining options. In September 2020, we discussed certain provisions of the naming and sponsorship agreement with StadCo in light of the COVID-19 pandemic. Based on these discussions, SoFi paid sponsorship fees for the initial contract year (July 1, 2020 to March 31, 2021) of \$9.8 million, of which \$6.5 million was paid during 2020 and \$3.3 million was paid in January 2021. The Company was exposed to additional potential sales and marketing expense of up to \$12.7 million, which reflected the difference between the actual sponsorship fees paid during the initial contract year and the commitment for the initial contract year made under the Naming and Sponsorship Agreement. During the third quarter of 2022, the parties signed an amended agreement in which the fees paid for the initial contract year were acknowledged and the contingency was fully resolved.

Juarez et al v. SoFi Lending Corp. During January 2022, the parties advised the court that they had reached agreement on nearly all material terms of the settlement and were in the process of documenting the settlement and accompanying class

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action settlement notice and claim form. The settlement agreement was fully executed in April 2022 and the plaintiffs have moved for preliminary approval of the settlement. The proposed class settlement, which contemplates an aggregate payment by SoFi of an immaterial amount, remains subject to final court review and approval, which we expect to occur in 2023.

In re Renren Inc. Derivative Litigation. In April 2022, the Supreme Court of New York (the “Court”) held a mediation with the plaintiffs and announced that, given the parties’ inability to reach an agreement, the Court is going to approve a settlement over objections. On June 9, 2022, the Court issued a final order and judgment approving the settlement. During July 2022, two sets of shareholders that had objected to the settlement filed notices of appeal from the Court’s order and judgment approving the settlement. On October 20, 2022, both intervenors withdrew their appeal and the settlement, in which all claims against Social Finance are dismissed with prejudice, became effective.

Guarantees

We have three types of repurchase obligations that we account for as financial guarantees, which are disclosed in our Annual Report on Form 10-K. In the event of a repurchase, we are typically required to pay the purchase price of the loans transferred.

As of September 30, 2022 and December 31, 2021, the Company accrued liabilities within *accounts payable, accruals and other liabilities* in the unaudited condensed consolidated balance sheets of \$3,775 and \$7,441, respectively, related to our estimated repurchase obligation, with the corresponding charges recorded within *noninterest income—loan origination and sales* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). As of September 30, 2022 and December 31, 2021, the amounts associated with loans sold that were subject to the terms and conditions of our repurchase obligations totaled \$5.9 billion and \$6.5 billion, respectively.

As of September 30, 2022 and December 31, 2021, the Company had a total of \$9.1 million in letters of credit outstanding with financial institutions, which were issued for the purpose of securing certain of the Company’s operating lease obligations. A portion of the letters of credit was collateralized by \$3.1 million of the Company’s cash, which is included within *restricted cash and restricted cash equivalents* in the unaudited condensed consolidated balance sheets.

As of September 30, 2022, the Company had a total of \$11.7 million in letters of credit outstanding with the FHLB, which serve as collateral for public deposits and were collateralized by loans.

Mortgage Banking Regulatory Mandates

The Company is subject to certain state-imposed minimum net worth requirements for the states in which the Company is engaged in the business of a residential mortgage lender. As of September 30, 2022 and December 31, 2021, the Company was in compliance with all minimum net worth requirements and, therefore, has not accrued any liabilities related to fines or penalties.

Note 16. Loss Per Share

We compute loss per share attributable to common stock using the two-class method required for participating interests. Series 1 Redeemable Preferred Stock has preferential cumulative dividend rights. Pursuant to ASC 260, *Earnings Per Share*, for each period presented, we increased net loss by the contractual amount of dividends payable to holders of Series 1 Redeemable Preferred Stock. Subsequent to the Business Combination, we did not have any participating interests.

Basic loss per share of common stock was computed by dividing net loss, adjusted for the impact of Series 1 Redeemable Preferred Stock dividends, by the weighted average number of shares of common stock outstanding during the period. We excluded the effect of all potentially dilutive common stock elements from the denominator in the computation of diluted loss per share, as their inclusion would have been anti-dilutive.

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The calculations of basic and diluted loss per share were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Numerator:				
Net loss	\$ (74,209)	\$ (30,047)	\$ (280,401)	\$ (372,925)
Less: Redeemable preferred stock dividends	(10,189)	(10,189)	(30,236)	(30,236)
Net loss attributable to common stockholders – basic and diluted	\$ (84,398)	\$ (40,236)	\$ (310,637)	\$ (403,161)
Denominator:				
Weighted average common stock outstanding – basic	916,762,973	800,565,830	893,455,206	429,750,486
Weighted average common stock outstanding – diluted	916,762,973	800,565,830	893,455,206	429,750,486
Loss per share – basic	\$ (0.09)	\$ (0.05)	\$ (0.35)	\$ (0.94)
Loss per share – diluted	\$ (0.09)	\$ (0.05)	\$ (0.35)	\$ (0.94)

We excluded the effect of the below elements from our calculation of diluted loss per share, as their inclusion would have been anti-dilutive, as there were no earnings attributable to common stockholders. These amounts represent the number of instruments outstanding at the end of the period.

	September 30,	
	2022	2021
Common stock options	19,047,350	24,143,373
Common stock warrants	12,170,990	40,295,990
Unvested RSUs	63,948,079	53,323,597
Unvested PSUs	20,345,761	23,141,462
Convertible notes ⁽¹⁾	53,538,000	—
Contingent common stock ⁽²⁾	6,305,595	320,649

(1) Represents the shares of common stock issuable upon conversion of all convertible notes at the conversion rate in effect at the date indicated.

(2) As of September 30, 2022, includes contingently returnable common stock in connection with the Technisys Merger, which consists of shares that may be used to satisfy certain indemnification claims, subject to certain limitations, and to cover any outstanding claims or indemnifications pursuant to the merger agreement. These escrow shares are expected to be released no later than 15 months after the close of the acquisition. See Note 2 for additional information. As of September 30, 2021, included contingently issuable common stock in connection with our acquisition of 8 Limited, which was subsequently issued during the fourth quarter of 2021.

Note 17. Business Segment Information

Segment Organization and Reporting Framework

The Company has three reportable segments: Lending, Technology Platform and Financial Services. Each of our reportable segments is a strategic business unit that serves specific needs of our members based on the products and services provided. The segments are based on the manner in which management views the financial performance of the business. The reportable segments also reflect the Company's organizational structure. Each segment has a segment manager who reports directly to the Chief Operating Decision Maker ("CODM"). The CODM has ultimate authority and responsibility over resource allocation decisions and performance assessment.

The operations of acquired businesses have been integrated into, or managed as part of, our existing reportable segments. Activities that are not part of a reportable segment, such as management of our corporate investment portfolio and asset/liability management by our centralized treasury function (as further discussed below), are included in the Corporate/Other non-reportable segment (previously referred to as the "Other" non-reportable segment).

Contribution profit (loss) is the primary measure of segment profit and loss reviewed by the CODM and is intended to measure the direct profitability of each segment in the manner in which management evaluates performance and makes

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decisions about funding our operations and allocating resources. Contribution profit (loss) is defined as total net revenue for each reportable segment less:

- fair value changes in servicing rights and residual interests classified as debt that are attributable to assumption changes, which impact the contribution profit within the Lending segment. These fair value changes are non-cash in nature and are not realized in the period; therefore, they do not impact the amounts available to fund our operations; and
- expenses directly attributable to the corresponding reportable segment. Directly attributable expenses primarily include compensation and benefits and sales and marketing, and vary based on the amount of activity within each segment. Directly attributable expenses also include loan origination and servicing expenses, professional services, product fulfillment, lead generation and occupancy-related costs. Expenses are attributed to the reportable segments using either direct costs of the segment or labor costs that can be attributed based upon the allocation of employee time for individual products.

During the first quarter of 2022, we implemented a funds transfer pricing (“FTP”) framework to attribute net interest income to our business segments based on their usage and/or provision of funding. The primary objective of the FTP framework is to transfer interest rate risk from the business segments by providing matched duration of funding of assets and liabilities to allocate interest income and interest expense to each segment. Therefore, the financial impact, management and reporting of interest rate risk is centralized in Corporate/Other, where it is monitored and managed. Under the FTP framework, treasury provides a funds credit for sources of funds, such as deposits generated by our Financial Services segment, and a funds charge for the use of funds, such as loan originations in our Lending segment. The process for determining FTP credits and charges is based on a number of factors and assumptions, including prevailing market interest rates, the expected duration of interest-earning and interest-bearing assets and liabilities, contingent risks and behaviors, and the Company’s broader funding profile. As the durations of assets and liabilities are typically not perfectly matched, the residual impact of the FTP framework is reflected within Corporate/Other. We regularly assess the assumptions, methodologies and reporting classifications used for segment reporting, which may result in further refinements or changes to the framework in future periods. During the second quarter of 2022, we further refined the FTP framework for determining average asset and liability balances. The application of the FTP framework impacts the measure of net interest income and, thereby, total net revenue and contribution profit (loss) for our Lending and Financial Services segments, as well as the total net revenue of Corporate/Other, but has no impact on our consolidated results of operations.

Prior to implementing the FTP framework, the presentation of our Lending and Financial Services segments’ net interest income reflected the difference between interest income earned on our loans and the actual interest expense incurred on any loans that were financed. Under the FTP framework, such interest expense is incurred by treasury within Corporate/Other and replaced by an FTP charge. Application of our current FTP framework during the comparative three and nine month periods ended September 30, 2021, would have impacted Lending segment net interest income by \$1,942 and \$4,593, respectively, and Financial Services segment net interest income by \$(21) and \$(93), respectively. The offsetting impact would have been reflected within net interest income in Corporate/Other. If we had applied the refined methodology during the first quarter of 2021, Lending and Financial Services segment net interest income would have been impacted by \$1,258 and \$(21), respectively, relative to the net interest income reported in the comparative period.

The accounting policies of our reportable segments are consistent with those described in Note 1 and in our Annual Report on Form 10-K, except for the application of the FTP framework and the allocations of consolidated income and consolidated expenses. Assets are not allocated to reportable segments, as our CODM does not evaluate reportable segments using discrete asset information.

Segment Information

Lending. The Lending segment includes our personal loan, student loan and home loan products and the related servicing activities. We originate loans primarily with the objective of either selling whole loans or securitizing a pool of originated loans for transfer to third-party purchasers. Revenues in the Lending segment are driven by changes in the fair value of our whole loans and securitization interests (inclusive of our economic hedging activities), gains or losses recognized on transfers that meet the true sale requirements, and our servicing-related activities, which mainly consist of servicing fees and the changes in our servicing assets over time. In our Lending segment, we also earn the difference between interest income earned on our loans and interest expense, as determined using the FTP framework for the three-month 2022 period and the majority of

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the nine-month 2022 period, and from our warehouse financing in the remainder of the nine-month 2022 period and the full 2021 period. Our CODM considers net interest income in addition to contribution profit in evaluating the performance of our Lending segment and making resource allocation decisions. Therefore, we present interest income net of interest expense.

Technology Platform. The Technology Platform segment includes our technology products and solutions revenue, which was primarily related to our platform-as-a-service through Galileo, which provides the infrastructure to facilitate core client-facing and back-end capabilities, such as account setup, accounting funding, direct deposit, authorizations and processing, payments functionality and check account balance features. Beginning in March 2022, this segment also includes our revenue earned by Technisys, which expanded our segment to include a cloud-native digital and core banking platform offering and which results in the sale of software licenses and the provision of related technology solutions. See Note 2 for additional information on the Technisys Merger.

Financial Services. The Financial Services segment primarily includes our SoFi Money product (inclusive of SoFi Checking and Savings, which commenced in the first quarter of 2022, and cash management accounts), SoFi Invest product, SoFi Credit Card product, SoFi Relay personal finance management product and other financial services, such as equity capital markets and advisory services, lead generation, and content for other financial services institutions and our members. SoFi Checking and Savings provides members a digital banking experience that offers no account fees, 2-day early paycheck and a competitive annual percentage yield. SoFi Money cash management provides members a digital cash management experience. Effective June 5, 2022, our SoFi Money cash management accounts no longer earn interest, as we implemented our plan to build new features only for SoFi Checking and Savings and reduce support of our SoFi Money cash management accounts. SoFi Invest provides investment features and financial planning services that we offer to our members. Revenues in the Financial Services segment include interest income earned and interest expense incurred under the FTP framework, payment network fees on our member transactions and pay for order flow, digital assets transaction fees and share lending arrangements in SoFi Invest. We also earn referral fees in connection with referral activity we facilitate through our platform. The referral fee is paid to us by third-party partners that offer services to end users who do not use one of our product offerings, but who were referred to the partners through our platform. Beginning in the third quarter of 2021, referral fees also include referral fulfillment fees earned for providing pre-qualified borrower referrals to a third-party partner who separately contracts with a loan originator.

Our CODM considers net interest income in addition to contribution profit (loss) in evaluating the performance of our Financial Services segment and making resource allocation decisions. Under the FTP framework, the Financial Services segment earns interest income that is reflective of an FTP credit for deposits provided to the overall business, as well as incurs interest expense that is reflective of an FTP charge related to the use of funding for SoFi Credit Card.

Corporate/Other: Non-segment operations are classified as Corporate/Other (previously referred to as “Other”), which includes net revenues associated with corporate functions that are not directly related to a reportable segment. Beginning in the first quarter of 2022, net interest income (expense) within Corporate/Other reflects the residual impact from FTP charges and FTP credits allocated to our reportable segments under our FTP framework. These non-segment net revenue (loss) also include interest income earned on corporate cash balances, nonrecurring income on certain investments from available cash on hand, such as our investments in AFS debt securities (which investments are not interconnected with our core business lines and, thereby, reportable segments), and interest expense on other corporate borrowings, such as our revolving credit facility and the amortization of debt issuance costs and original issue discount on our convertible notes.

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Segment Results

The following tables present financial information, including the measure of contribution profit (loss), for each reportable segment:

Three Months Ended September 30, 2022	Lending	Technology Platform ⁽¹⁾	Financial Services ⁽¹⁾	Reportable Segments Total	Corporate/Other ⁽¹⁾	Total
Net interest income (expense)	\$ 139,516	\$ —	\$ 28,158	\$ 167,674	\$ (9,824)	\$ 157,850
Noninterest income (expense)	162,178	84,777	20,795	267,750	(1,615)	266,135
Total net revenue (loss)	\$ 301,694	\$ 84,777	\$ 48,953	\$ 435,424	\$ (11,439)	\$ 423,985
Servicing rights – change in valuation inputs or assumptions ⁽²⁾	(6,182)	—	—	(6,182)		
Residual interests classified as debt – change in valuation inputs or assumptions ⁽³⁾	1,453	—	—	1,453		
Directly attributable expenses	(116,403)	(65,241)	(101,576)	(283,220)		
Contribution profit (loss)	\$ 180,562	\$ 19,536	\$ (52,623)	\$ 147,475		

Three Months Ended September 30, 2021	Lending	Technology Platform	Financial Services	Reportable Segments Total	Corporate/Other	Total
Net interest income (expense)	\$ 72,257	\$ 39	\$ 1,209	\$ 73,505	\$ (1,130)	\$ 72,375
Noninterest income	138,034	50,186	11,411	199,631	—	199,631
Total net revenue (loss)	\$ 210,291	\$ 50,225	\$ 12,620	\$ 273,136	\$ (1,130)	\$ 272,006
Servicing rights – change in valuation inputs or assumptions ⁽²⁾	(409)	—	—	(409)		
Residual interests classified as debt – change in valuation inputs or assumptions ⁽³⁾	5,593	—	—	5,593		
Directly attributable expenses	(97,807)	(34,484)	(52,085)	(184,376)		
Contribution profit (loss)	\$ 117,668	\$ 15,741	\$ (39,465)	\$ 93,944		

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

Nine Months Ended September 30, 2022	Lending	Technology Platform ⁽¹⁾	Financial Services ⁽¹⁾	Reportable Segments Total	Corporate/Other ⁽¹⁾	Total
Net interest income (expense)	\$ 347,873	\$ —	\$ 46,965	\$ 394,838	\$ (19,326)	\$ 375,512
Noninterest income (expense)	463,927	229,481	55,894	749,302	(7,958)	741,344
Total net revenue (loss)	\$ 811,800	\$ 229,481	\$ 102,859	\$ 1,144,140	\$ (27,284)	\$ 1,116,856
Servicing rights – change in valuation inputs or assumptions ⁽²⁾	(26,860)	—	—	(26,860)		
Residual interests classified as debt – change in valuation inputs or assumptions ⁽³⁾	7,078	—	—	7,078		
Directly attributable expenses	(336,814)	(169,849)	(258,697)	(765,360)		
Contribution profit (loss)	\$ 455,204	\$ 59,632	\$ (155,838)	\$ 358,998		

Nine Months Ended September 30, 2021	Lending	Technology Platform	Financial Services	Reportable Segments Total	Corporate/Other	Total
Net interest income (expense)	\$ 180,856	\$ (29)	\$ 1,980	\$ 182,807	\$ (7,140)	\$ 175,667
Noninterest income	343,703	141,616	34,142	519,461	4,136	523,597
Total net revenue (loss)	\$ 524,559	\$ 141,587	\$ 36,122	\$ 702,268	\$ (3,004)	\$ 699,264
Servicing rights – change in valuation inputs or assumptions ⁽²⁾	11,924	—	—	11,924		
Residual interests classified as debt – change in valuation inputs or assumptions ⁽³⁾	19,261	—	—	19,261		
Directly attributable expenses	(261,202)	(97,148)	(135,851)	(494,201)		
Contribution profit (loss)	\$ 294,542	\$ 44,439	\$ (99,729)	\$ 239,252		

- (1) During the three and nine months ended September 30, 2022, total net revenue for the Technology Platform segment included \$1,065 and \$2,788, respectively, of intercompany fees earned by Galileo from SoFi, which is a Galileo client. There is an equal and offsetting expense reflected within the Financial Services segment directly attributable expenses representing the intercompany fees incurred to Galileo. The intercompany revenue and expense are eliminated in consolidation. The revenue is eliminated within Corporate/Other and the expense is adjusted in our reconciliation of directly attributable expenses below. We did not recast the segment information for these intercompany amounts for the three and nine months ended September 30, 2021, but rather reflected the full year 2021 impact within the fourth quarter of 2021, as inter-quarter amounts were determined to be immaterial. Additionally, for the three and nine months ended September 30, 2022, total net revenue for the Technology Platform segment included \$692 and \$1,410, respectively, of intercompany fees earned by Technisys from Galileo, which is a Technisys client. There is an equal and offsetting expense reflected within the Technology Platform segment directly attributable expenses representing the intercompany fees incurred by Galileo to Technisys. The intercompany revenue and expense are eliminated in consolidation. The revenue is eliminated within Corporate/Other and the expense is adjusted in our reconciliation of directly attributable expenses below.
- (2) Reflects changes in fair value inputs and assumptions, including market servicing costs, conditional prepayment, default rates and discount rates. This non-cash change, which is recorded within *noninterest income* in the unaudited condensed consolidated statements of operations and comprehensive income (loss) is unrealized during the period and, therefore, has no impact on our cash flows from operations. As such, the changes in fair value attributable to assumption changes are adjusted to provide management and financial users with better visibility into the cash flows available to finance our operations.
- (3) Reflects changes in fair value inputs and assumptions, including conditional prepayment, default rates and discount rates. When third parties finance our consolidated VIEs through purchasing residual interests, we receive proceeds at the time of the securitization close and, thereafter, pass along contractual cash flows to the residual interest owner. These obligations are measured at fair value on a recurring basis, with fair value changes recorded within *noninterest income* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). The fair value change attributable to assumption changes has no impact on our initial financing proceeds, our future obligations to the residual interest owner (because future residual interest claims are limited to securitization collateral cash flows), or the general operations of our business. As such, this non-cash change in fair value during the period is adjusted to provide management and financial users with better visibility into the cash flows available to finance our operations.

SoFi Technologies, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(In Thousands, Unless Otherwise Stated and Except for Share and Per Share Data)

The following table reconciles reportable segments total contribution profit to loss before income taxes. Expenses not allocated to reportable segments represent items that are not considered by our CODM in evaluating segment performance or allocating resources.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Reportable segments total contribution profit	\$ 147,475	\$ 93,944	\$ 358,998	\$ 239,252
Corporate/Other total net loss	(11,439)	(1,130)	(27,284)	(3,004)
Intercompany expenses	1,757	—	4,198	—
Servicing rights – change in valuation inputs or assumptions	6,182	409	26,860	(11,924)
Residual interests classified as debt – change in valuation inputs or assumptions	(1,453)	(5,593)	(7,078)	(19,261)
Expenses not allocated to segments:				
Share-based compensation expense	(77,855)	(72,681)	(235,018)	(162,289)
Depreciation and amortization expense	(40,253)	(24,075)	(109,007)	(75,041)
Fair value change of warrant liabilities	—	64,405	—	(96,504)
Employee-related costs ⁽¹⁾	(49,248)	(39,601)	(137,254)	(108,825)
Special payment ⁽²⁾	—	—	—	(21,181)
Other corporate and unallocated expenses ⁽³⁾	(49,617)	(45,544)	(154,187)	(112,946)
Loss before income taxes	<u>\$ (74,451)</u>	<u>\$ (29,866)</u>	<u>\$ (279,772)</u>	<u>\$ (371,723)</u>

(1) Includes compensation, benefits, recruiting, certain occupancy-related costs and various travel costs of executive management, certain technology groups and general and administrative functions that are not directly attributable to the reportable segments.

(2) Represents a special payment to the Series 1 preferred stockholders in connection with the Business Combination.

(3) Represents corporate overhead costs that are not allocated to reportable segments, which primarily includes corporate marketing and advertising costs, tools and subscription costs, professional services costs, corporate and FDIC insurance costs and transaction-related expenses.

No single customer accounted for more than 10% of our consolidated revenues for any of the periods presented.

Note 18. Subsequent Events

Management of the Company performed an evaluation of subsequent events that occurred after the balance sheet date through the date of this Quarterly Report on Form 10-Q and determined that there were no subsequent events to report.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. You should read this discussion and analysis in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q, as well as SoFi Technologies' audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K filed with the SEC on March 1, 2022. Certain amounts may not foot or tie to other disclosures due to rounding. Certain information in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q contains forward-looking statements that involve numerous risks and uncertainties, including, but not limited to, those described under the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and Item II, Part 1A. "Risk Factors" included in this Quarterly Report on Form 10-Q. We assume no obligation to update any of these forward-looking statements. Actual results may differ materially from those contained in any forward-looking statements.

Business Overview

We are a member-centric, one-stop shop for financial services that, through our Lending and Financial Services products, allows members to borrow, save, spend, invest and protect their money. We refer to our customers as "members". Our mission is to help our members achieve financial independence in order to realize their ambitions. To us, financial independence does not mean being wealthy, but rather represents the ability of our members to have the financial means to achieve their personal objectives at each stage of life, such as owning a home, having a family, or having a career of their choice — more simply stated, to have enough money to do what they want. We were founded in 2011 and have developed a suite of financial products that offers the speed, selection, content and convenience that only an integrated digital platform can provide. In order for us to achieve our mission, we have to help people get their money right, which means providing them with the ability to borrow better, save better, spend better, invest better and protect better. Everything we do today is geared toward helping our members "Get Your Money Right" and we strive to innovate and build ways for our members to achieve this goal.

Our three reportable segments and their respective offerings as of September 30, 2022 were as follows:

Lending	Technology Platform	Financial Services
<ul style="list-style-type: none"> Student Loans⁽¹⁾ Personal Loans Home Loans 	<ul style="list-style-type: none"> Technology Products and Solutions 	<ul style="list-style-type: none"> SoFi Money (SoFi Checking and Savings and cash management accounts) SoFi Invest⁽²⁾ SoFi Relay SoFi Credit Card Loan referrals SoFi At Work SoFi Protect Lantern Credit Equity capital markets and advisory services

(1) Composed of in-school loans and student loan refinancing.

(2) Our SoFi Invest service is composed of three products: active investing accounts, robo-advisory accounts and digital assets accounts. SoFi Invest also includes our brokerage accounts through 8 Limited in Hong Kong.

Members. We offer our members (as defined under "Key Business Metrics") a suite of financial products and services, enabling them to borrow, save, spend, invest and protect their finances across one integrated platform. Our aim is to create a best-in-class, integrated financial services platform that will generate a virtuous cycle whereby positive member experiences will lead to more products adopted per member and enhanced profitability for each additional product by lowering overall member acquisition costs and increasing the lifetime value of our members. We refer to this virtuous cycle as our "Financial Services Productivity Loop".

We believe that developing a relationship with our members and gaining their trust is central to our success as a financial services platform. Through our mobile technology and continuous effort to improve our financial services products, we are seeking to build a financial services platform that members can access for all of their financial services needs. We believe we are in the early stages of realizing the benefits of our Financial Services Productivity Loop.

Enterprises. In addition to benefiting our members, our products and capabilities are also designed to appeal to enterprises, such as financial services institutions that subscribe to our enterprise services called SoFi At Work, and have become interconnected with the SoFi platform. We have continued to expand our platform capabilities for enterprises through our acquisition of Galileo in 2020, which provides technology platform services to financial and non-financial institutions and which has allowed us to vertically integrate across more of our financial services, and the Technisys Merger in the first quarter

of 2022, through which we expanded our technology platform services to a broader international market. We believe that these expansions will deepen our participation in the entire technology ecosystem powering digital financial services, allowing us to not only reduce costs to operate our member-centric business, but also deliver increasing value to our enterprise customers. While our enterprises are not considered members, they are important contributors to the growth of the SoFi platform, and also have their own constituents who might benefit from our products in the future.

International Operations. While we primarily operate in the United States, we expanded into Hong Kong with our acquisition of 8 Limited (an investment business) in 2020, we gained clients in Canada, Mexico and Colombia with our acquisition of Galileo in 2020, and we further expanded into Latin America with the Technisys Merger in 2022.

National Bank Charter. In February 2022, we closed the Bank Merger, pursuant to which we acquired all of the outstanding equity interests in Golden Pacific Bancorp, Inc. and its wholly-owned subsidiary, Golden Pacific Bank, a national bank. Upon closing the Bank Merger, we became a bank holding company and Golden Pacific began operating as SoFi Bank. Golden Pacific's community bank business continues to operate as a division of SoFi Bank.

As a bank holding company, we offer SoFi Checking and Savings accounts held at SoFi Bank. Additionally, we are originating all new loan applications within SoFi Bank and transferred SoFi Credit Card and the majority of other lending products to SoFi Bank. We intend to continue to explore other products for SoFi Bank over time. The key current and expected financial benefits to us of operating a national bank include: (i) lowering our cost to fund loans, as we can utilize deposits held at SoFi Bank to fund loans, which have a lower borrowing cost of funds than our warehouse and securitization financing model, (ii) increasing our flexibility to hold loans on our balance sheet for longer periods, thereby enabling us to earn interest on these loans for a longer period, and (iii) supporting origination volume growth by providing an alternative financing option, while also maintaining our warehouse capacity. See Part II, Item 1A "Risk Factors" for a discussion of certain potential risks related to being a bank holding company.

Our Reportable Segments

We conduct our business through three reportable segments: Lending, Technology Platform and Financial Services. In the first quarter of 2022, we implemented a funds transfer pricing ("FTP") framework to attribute net interest income to our business segments based on their usage and/or provision of funding. See Note 17 to the Notes to Unaudited Condensed Consolidated Financial Statements for additional information on the FTP framework.

Lending Segment

We offer personal loans, student loans and home loans and related servicing. Our lending process primarily leverages an in-application, digital borrowing experience, which we believe serves as a competitive advantage as digital lending becomes increasingly ubiquitous.

A key element of our underwriting process is the ability to facilitate risk-based interest rates that are appropriate for each loan using proprietary risk models through which we project quarterly loan performance, including expected losses and prepayments. The outcome of this process helps us determine a more data-driven, risk-adjusted interest rate that we can offer our members.

Although our lending business remains primarily a gain-on-sale model, whereby we seek to originate loans, recognize a gain from these loans and sell them into either our whole loan or securitization channels, operating SoFi Bank also provides us with more flexibility to hold loans on our balance sheet for longer periods, thereby enabling us to earn interest on these loans for a longer period. We sell our whole loans primarily to large financial institutions, such as bank holding companies, for which we target a premium to par, and in excess of our costs to originate the loans. Our loan premiums fluctuate from time to time based on benchmark rates and credit spreads, and we are not guaranteed a gain on all or any of our loan sales. In securitization transactions that do not qualify for sale accounting, the related assets remain on our balance sheet and cash proceeds received are reported as liabilities, with related interest expense recognized over the life of the related borrowing. In securitization transactions that qualify for sale accounting, we typically have insignificant continuing involvement as an investor. In the case of both whole loan sales and securitizations, and with the exception of certain of our home loans, we also continue to retain servicing rights to our originated loans following transfer.

Furthermore, our platform supports the full transaction lifecycle, including credit application, underwriting, approval, funding and servicing. Through data derived at loan origination and throughout the servicing process, SoFi has life-of-loan performance data on each loan in our ecosystem that we originate and on which we retain servicing, which provides a meaningful data asset.

Prior to selling our loans, we rely upon deposits, warehouse financing and our own capital to enable us to expand our origination capabilities. We believe our ability to utilize deposits held at SoFi Bank to fund our loans can continue to lower our overall cost of asset-backed financing over time. Net interest income, which we define as the difference between the earned interest income and interest expense to finance loans, is a key component of the profitability of our Lending segment. In the first quarter of 2022, we implemented an FTP framework to attribute net interest income to our business segments based on their usage and/or provision of funding, under which Lending segment net interest income represents the difference between interest income earned on our loans and an FTP charge for the segment's use of funds to originate loans, which can fluctuate based on changes in interest rates, funding curves, the composition of our balance sheet and the availability of capital.

Technology Platform Segment

Our Technology Platform segment consists of Galileo, which we acquired in May 2020, and Technisys, which we acquired in March 2022. Galileo is a provider of technology platform services to financial and non-financial institutions. Through Galileo, we provide services through a suite of program, event and authorization application programming interfaces for financial and non-financial institutions. Technisys is a cloud-native digital and core banking platform with financial services customers predominantly in Latin America. Through Technisys, we earn technology product and solutions revenue through sales of software licenses and provision of maintenance and support services related to those software licenses. We also provide additional technology solutions for our customers as their business needs evolve over time, which we refer to as "evolution labs."

Many technology platform segment contracts are multi-year contracts. In certain of our contracts, we provide for a variety of integrated platform services, which vary by client and are either non-cancellable or cancellable with a substantive payment. Pricing structures under these contracts are typically volume-based, or a combination of activity and volume-based, and payment terms are predominantly monthly in arrears. Some of these contracts contain minimum monthly payments with agreed upon monthly service levels and may contain penalties if service levels are not met. Our technology platform software licenses are either perpetual or term based, and are recognized at a point in time, with the transaction price dependent upon the enforceable term of the software license in the case of a term-based license. We also have arrangements that are time and materials based, wherein the contractual term varies by customer. Finally, maintenance and support services are performed over time, and typically have a defined period of service.

Financial Services Segment

Our digital suite of financial services products, by nature, provides more daily interactions with our members and is, therefore, differentiated from our lending products, which inherently have less consistent touchpoints with our members. We offer a suite of financial services solutions, some of which include:

- *SoFi Checking and Savings:* Provides a digital banking experience. Following the Bank Merger, we began to allow members to convert their cash management accounts into SoFi Checking and Savings accounts held at SoFi Bank. Effective June 5, 2022, our cash management accounts no longer earn interest, as we implemented our plan to build new features only for SoFi Checking and Savings and reduced support of our cash management accounts.
- *SoFi Invest:* A mobile-first investment platform offering members access to trading and advisory solutions, such as active investing, robo-advisory and digital assets accounts.
- *SoFi Credit Card:* Features no annual fee and is designed to help our members save, invest and pay down debt through a variable rewards program, with higher rewards offerings when redeeming into other SoFi products.
- *Loan referrals:* A service through which we present loan referral leads to our enterprise partner customers.
- *SoFi Relay:* A personal finance management product that allows members to track all of their financial accounts in one place and utilize credit score monitoring services.
- *SoFi At Work:* A service through which we partner with other enterprises looking for a seamless way to provide financial benefits to their employees, such as student loan payments made on their employees' behalf.
- *Lantern Credit:* A financial services marketplace platform developed to help applicants that do not qualify for SoFi products with alternative products from other providers, as well as to provide a product comparison experience.

We primarily earn revenues in connection with our Financial Services segment in the following ways:

- *Referral fees:* Through strategic partnerships, we earn a specified referral fee in connection with referral activity we facilitate through our platform. Referral fees are paid to us by third-party partners that offer services to end users who

do not use one of our product offerings, but who were referred to the partners through our platform. As such, the third-party enterprise partners are our customers in these referral arrangements. Beginning in the third quarter of 2021, we entered into a referral arrangement whereby we earn referral fulfillment fees for providing pre-qualified borrower referrals to a third-party partner who separately contracts with a loan originator. The referral fulfillment fee is determined as either of two fixed amounts based on the aggregate origination principal balance of the loan.

- *Brokerage fees:* We earn brokerage fees from our share lending and payment for order flow arrangements related to our SoFi Invest product, exchange conversion services and digital assets activity. In our share lending arrangements and payment for order flow arrangements, we benefit through a negotiated multi-year revenue sharing arrangement, since our members' brokerage activity drives the share lending and payment for order flow volume. In our digital assets arrangements, our fee is calculated as a negotiated percentage of the transaction volume. In our exchange conversion arrangements, we earn fees for exchanging one currency for another.
- *Payment network fees:* We earn payment network fees, which primarily constitute interchange fees from our SoFi-branded debit cards and our SoFi Credit Card product, which are reduced by fees payable to card associations and our fulfillment partners. These fees are remitted by merchants and are calculated by multiplying a set fee percentage by the transaction volume processed through such network. We arrange for performance by a card association and the bank issuer to enable certain aspects of the SoFi-branded transaction card process. We enter into contracts with both parties that establish the shared economics of SoFi-branded transaction cards. As we continue to transition our cash management accounts to SoFi Checking and Savings accounts held at SoFi Bank, we expect to decrease certain fees payable to third parties over time.
- *Net interest income:* Our Financial Services segment earns interest income from deposits held at SoFi Bank through our implementation of an FTP framework in the first quarter of 2022, whereby the Financial Services segment is credited for the deposit funding it provides to our Lending segment. This interest income has no impact on our consolidated financial statements. To a lesser degree, we generate interest income from deposits sitting in our Member Banks, which are member bank holding companies that we exclusively relied on prior to becoming a bank holding company to provide cash management services to our members through our bank sweep program at our broker-dealer subsidiary. While we continue to utilize Member Banks, we now also sweep cash management accounts to SoFi Bank. We also generate interest income on SoFi Credit Card and on cash balances that we hold through SoFi Invest. Finally, we earn interest income in the Financial Services segment on certain commercial real estate and other commercial loans, such as small business loans. We incur interest expense on SoFi Credit Card through the FTP framework, which is eliminated in consolidation, as well as incur interest expense related to SoFi Checking and Savings and cash management balances.

Executive Overview

The following tables display key financial measures for our three reportable segments and our consolidated company that are used, along with our key business metrics, by management to evaluate our business, measure our performance, identify trends and make strategic decisions. Contribution profit (loss) is the primary measure of segment-level profit and loss reviewed by management and is defined as total net revenue for each reportable segment less expenses directly attributable to the reportable segment and, in the case of our Lending segment, adjusted for fair value adjustments attributable to assumption changes associated with our servicing rights and residual interests classified as debt. See “*Results of Operations*”, “*Summary Results by Segment*” and “*Non-GAAP Financial Measures*” herein for discussion and analysis of these key financial measures.

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<u>Lending</u>				
Net interest income	\$ 139,516	\$ 72,257	\$ 347,873	\$ 180,856
Noninterest income	162,178	138,034	463,927	343,703
Total net revenue	301,694	210,291	811,800	524,559
Adjusted net revenue ⁽¹⁾	296,965	215,475	792,018	555,744
Contribution profit	180,562	117,668	455,204	294,542
<u>Technology Platform</u>				
Net interest income (expense)	\$ —	\$ 39	\$ —	\$ (29)
Noninterest income	84,777	50,186	229,481	141,616
Total net revenue ⁽²⁾	84,777	50,225	229,481	141,587
Contribution profit	19,536	15,741	59,632	44,439
<u>Financial Services</u>				
Net interest income	\$ 28,158	\$ 1,209	\$ 46,965	\$ 1,980
Noninterest income	20,795	11,411	55,894	34,142
Total net revenue	48,953	12,620	102,859	36,122
Contribution loss ⁽²⁾	(52,623)	(39,465)	(155,838)	(99,729)
<u>Corporate/Other⁽³⁾</u>				
Net interest expense	\$ (9,824)	\$ (1,130)	\$ (19,326)	\$ (7,140)
Noninterest income (loss)	(1,615)	—	(7,958)	4,136
Total net loss ⁽²⁾	(11,439)	(1,130)	(27,284)	(3,004)
<u>Consolidated</u>				
Net interest income	\$ 157,850	\$ 72,375	\$ 375,512	\$ 175,667
Total noninterest income	266,135	199,631	741,344	523,597
Total net revenue	423,985	272,006	1,116,856	699,264
Adjusted net revenue ⁽¹⁾	419,256	277,190	1,097,074	730,449
Net loss	(74,209)	(30,047)	(280,401)	(372,925)
Adjusted EBITDA ⁽¹⁾	44,298	10,256	73,286	25,628

(1) Adjusted net revenue and adjusted EBITDA are non-GAAP financial measures. For information regarding our uses and definitions of these measures and for reconciliations to the most directly comparable U.S. Generally Accepted Accounting Principles (“GAAP”) measures, see “*Non-GAAP Financial Measures*” herein.

(2) Technology Platform segment total net revenue for the three and nine months ended September 30, 2022 includes intercompany fees earned by Galileo from SoFi, which is a Galileo client. There is an equal and offsetting expense reflected within the Financial Services segment contribution loss representing the intercompany fees incurred to Galileo. The intercompany revenue and expense are eliminated in consolidation. For the year ended December 31, 2021, all intercompany amounts were reflected in the fourth quarter, as inter-quarter amounts were determined to be immaterial. Additionally, for the three and nine months ended September 30, 2022, total net revenue for the Technology Platform segment included intercompany fees earned by Technisys from Galileo, which is a Technisys client. There is an equal and offsetting expense reflected within the Technology Platform segment directly attributable expenses representing the intercompany fees incurred by Galileo to Technisys. The intercompany revenue and expense are eliminated in consolidation. See Note 17 to the Notes to Unaudited Condensed Consolidated Financial Statements for additional information.

- (3) Corporate/Other (previously referred to as “Other”) primarily includes total net loss associated with corporate functions, non-recurring gains and losses from non-securitization investment activities and interest income and realized gains and losses associated with investments in available-for-sale (“AFS”) debt securities, all of which are not directly related to a reportable segment. For the three and nine months ended September 30, 2022, net interest expense within Corporate/Other also reflects the residual impact from FTP charges and FTP credits allocated to our reportable segments under our FTP framework.

Key Recent Developments

We continue to execute on our growth and other strategic initiatives and we continue to celebrate launches across our product suite and strategic partnerships, further establishing ourselves as a platform that enables individuals to borrow, save, spend, invest, and protect their assets.

In March 2022, we closed the Technisys Merger, which added a cloud-native digital and core banking platform with an existing footprint of clients into our technology platform offerings. We believe that the combination of the Technisys core banking platform with our existing technology platform offerings provides an end-to-end vertically integrated technology stack, which we expect will meet both the expanding needs of our existing and expected future clients. See Note 2 to the Notes to Unaudited Condensed Consolidated Financial Statements for additional information on the Technisys Merger.

In February 2022, we closed the Bank Merger, after which we became a bank holding company and Golden Pacific began operating as SoFi Bank. We believe operating a national bank allows us to provide members and prospective members broader and more competitive options across their financial services needs and lowers our cost of asset-backed financing (by utilizing deposits held at SoFi Bank to fund our loans). We also believe that operating as a national bank enables us to offer lower interest rates on loans to members as well as offer higher interest rates on deposit accounts. See “*Business Overview—National Bank Charter*” herein and Note 2 to the Notes to Unaudited Condensed Consolidated Financial Statements for additional information on the Bank Merger.

Non-GAAP Financial Measures

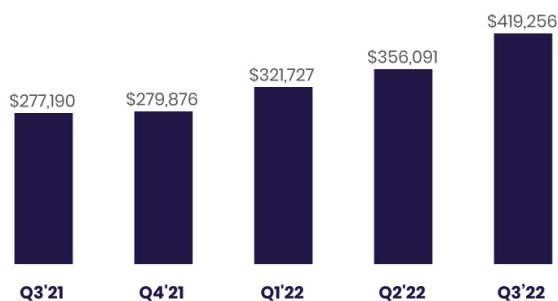
Our management and Board of Directors use adjusted net revenue and adjusted EBITDA, which are non-GAAP financial measures, to evaluate our operating performance, formulate business plans, help better assess our overall liquidity position, and make strategic decisions, including those relating to operating expenses and the allocation of internal resources. Accordingly, we believe that adjusted net revenue and adjusted EBITDA provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors.

Adjusted Net Revenue

Adjusted net revenue is defined as total net revenue, adjusted to exclude the fair value changes in servicing rights and residual interests classified as debt due to valuation inputs and assumptions changes, which relate only to our Lending segment. We adjust total net revenue to exclude these items, as they are non-cash charges that are not realized during the period, and therefore positive or negative changes do not impact the cash available to fund our operations. This measure helps provide our management with an understanding of the net revenue available to finance our operations and helps management better decide on the proper expenses to authorize for each of our operating segments, to ultimately help achieve target contribution profit margins. Therefore, the measure of adjusted net revenue serves as both the starting point for how we think about the liquidity generated from our operations and also the starting point for our annual financial planning, the latter of which focuses on the cash we expect to generate from our operating segments to help fund the current year’s strategic objectives. Adjusted net revenue has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, the analysis of other GAAP financial measures, such as total net revenue. The primary limitation of adjusted net revenue is its lack of comparability to other companies that do not utilize this measure or that use a similar measure that is defined in a different manner.

Quarterly Adjusted Net Revenue

In Thousands



We reconcile adjusted net revenue to total net revenue, the most directly comparable GAAP measure, as presented below:

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total net revenue	\$ 423,985	\$ 272,006	\$ 1,116,856	\$ 699,264
Servicing rights – change in valuation inputs or assumptions ⁽¹⁾	(6,182)	(409)	(26,860)	11,924
Residual interests classified as debt – change in valuation inputs or assumptions ⁽²⁾	1,453	5,593	7,078	19,261
Adjusted net revenue	<u>\$ 419,256</u>	<u>\$ 277,190</u>	<u>\$ 1,097,074</u>	<u>\$ 730,449</u>

- (1) Reflects changes in fair value inputs and assumptions on servicing rights, including conditional prepayment, default rates and discount rates. These assumptions are highly sensitive to market interest rate changes and are not indicative of our performance or results of operations. Moreover, these non-cash charges are unrealized during the period and, therefore, have no impact on our cash flows from operations. As such, these positive and negative changes are adjusted out of total net revenue to provide management and financial users with better visibility into the net revenue available to finance our operations and our overall performance.
- (2) Reflects changes in fair value inputs and assumptions on residual interests classified as debt, including conditional prepayment, default rates and discount rates. When third parties finance our consolidated securitization variable interest entities (“VIEs”) by purchasing residual interests, we receive proceeds at the time of the closing of the securitization and, thereafter, pass along contractual cash flows to the residual interest owner. These residual debt obligations are measured at fair value on a recurring basis, but they have no impact on our initial financing proceeds, our future obligations to the residual interest owner (because future residual interest claims are limited to contractual securitization collateral cash flows), or the general operations of our business. As such, these positive and negative non-cash changes in fair value attributable to assumption changes are adjusted out of total net revenue to provide management and financial users with better visibility into the net revenue available to finance our operations.

We reconcile adjusted net revenue to total net revenue, the most directly comparable GAAP measure, as presented below:

(\$ in thousands)	Quarter Ended				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total net revenue	\$ 423,985	\$ 362,527	\$ 330,344	\$ 285,608	\$ 272,006
Servicing rights – change in valuation inputs or assumptions ⁽¹⁾	(6,182)	(9,098)	(11,580)	(9,273)	(409)
Residual interests classified as debt – change in valuation inputs or assumptions ⁽²⁾	1,453	2,662	2,963	3,541	5,593
Adjusted net revenue	<u>\$ 419,256</u>	<u>\$ 356,091</u>	<u>\$ 321,727</u>	<u>\$ 279,876</u>	<u>\$ 277,190</u>

- (1) See footnote (1) to the table above.
- (2) See footnote (2) to the table above.

The reconciling items to determine our non-GAAP measure of adjusted net revenue are applicable only to the Lending segment. The table below presents adjusted net revenue for the Lending segment:

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total net revenue – Lending	\$ 301,694	\$ 210,291	\$ 811,800	\$ 524,559
Servicing rights – change in valuation inputs or assumptions ⁽¹⁾	(6,182)	(409)	(26,860)	11,924
Residual interests classified as debt – change in valuation inputs or assumptions ⁽²⁾	1,453	5,593	7,078	19,261
Adjusted net revenue – Lending	<u>\$ 296,965</u>	<u>\$ 215,475</u>	<u>\$ 792,018</u>	<u>\$ 555,744</u>

(1) See footnote (1) to the table above.

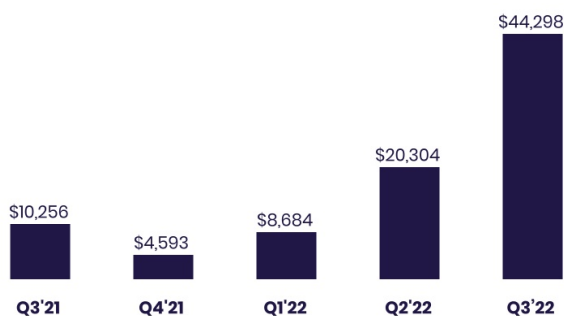
(2) See footnote (2) to the table above.

Adjusted EBITDA

Adjusted EBITDA is defined as net income (loss), adjusted to exclude, as applicable: (i) corporate borrowing-based interest expense (our adjusted EBITDA measure is not adjusted for warehouse or securitization-based interest expense, nor deposit interest expense and finance lease liability interest expense, as these are not direct operating expenses), (ii) income tax expense (benefit), (iii) depreciation and amortization, (iv) share-based expense (inclusive of equity-based payments to non-employees), (v) impairment expense (inclusive of goodwill impairment and property, equipment and software abandonments), (vi) transaction-related expenses, (vii) fair value changes in warrant liabilities, and (viii) fair value changes in each of servicing rights and residual interests classified as debt due to valuation assumptions. We believe adjusted EBITDA provides a useful measure for period-over-period comparisons of our business, as it removes the effect of certain non-cash items and certain charges that are not indicative of our core operating performance or results of operations. It is also a measure that management relies upon to evaluate cash flows generated from operations, and therefore the extent of additional capital, if any, required to invest in strategic initiatives. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, the analysis of other GAAP financial measures, such as net income (loss). Some of the limitations of adjusted EBITDA include that it does not reflect the impact of working capital requirements or capital expenditures and it is not a universally consistent calculation among companies in our industry, which limits its usefulness as a comparative measure.

Quarterly Adjusted EBITDA

In Thousands



The tables below reconcile adjusted EBITDA to net loss, the most directly comparable GAAP measure:

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	\$ (74,209)	\$ (30,047)	\$ (280,401)	\$ (372,925)
Non-GAAP adjustments:				
Interest expense – corporate borrowings ⁽¹⁾	5,270	1,366	11,369	7,752
Income tax expense (benefit) ⁽²⁾	(242)	181	629	1,202
Depreciation and amortization ⁽³⁾	40,253	24,075	109,007	75,041
Share-based expense	77,855	72,681	235,018	162,289
Transaction-related expense ⁽⁴⁾	100	1,221	17,446	24,580
Fair value changes in warrant liabilities ⁽⁵⁾	—	(64,405)	—	96,504
Servicing rights – change in valuation inputs or assumptions ⁽⁶⁾	(6,182)	(409)	(26,860)	11,924
Residual interests classified as debt – change in valuation inputs or assumptions ⁽⁷⁾	1,453	5,593	7,078	19,261
Total adjustments	118,507	40,303	353,687	398,553
Adjusted EBITDA	\$ 44,298	\$ 10,256	\$ 73,286	\$ 25,628

- (1) Our adjusted EBITDA measure adjusts for corporate borrowing-based interest expense, as these expenses are a function of our capital structure. Corporate borrowing-based interest expense primarily included (i) interest on our revolving credit facility, (ii) for the 2022 periods, the amortization of debt discount and debt issuance costs on our convertible notes, and (iii) for the nine-month 2021 period, interest on the seller note issued in connection with our acquisition of Galileo. Revolving credit facility interest expense for the three- and nine-month periods increased due to higher interest rates during the 2022 periods on identical outstanding debt period over period.
- (2) Our income tax expense positions for the nine-month periods were primarily a function of SoFi Lending Corp.'s profitability, and for the 2022 period, SoFi Bank, in state jurisdictions where separate filings are required. The income tax expense in the 2022 period was partially offset by an income tax benefit at Technisys. See Note 13 to the Notes to Unaudited Condensed Consolidated Financial Statements for additional information.
- (3) Depreciation and amortization expense for the three- and nine-month 2022 periods increased compared to the comparable 2021 periods primarily in connection with our recent acquisitions and growth in our software balance, partially offset by the acceleration of core banking infrastructure amortization during the nine-month 2021 period.
- (4) Transaction-related expenses in the nine-month 2022 period primarily included financial advisory and professional services costs associated with our acquisition of Technisys. Transaction-related expenses in the three-month 2021 period included costs associated with our then-exploratory acquisition of Technisys. Transaction-related expenses in the nine-month 2021 period also included the special payment to the holders of Series I Redeemable Preferred Stock in conjunction with the Business Combination and financial advisory and professional services costs associated with our then-pending acquisition of Golden Pacific.
- (5) Our adjusted EBITDA measure excludes the non-cash fair value changes in warrants accounted for as liabilities, which were measured at fair value through earnings. In conjunction with the Business Combination, SoFi Technologies assumed certain common stock warrants ("SoFi Technologies warrants") that were accounted for as liabilities and measured at fair value on a recurring basis. The amount in the three-month 2021 period and a portion of the nine-month 2021 period relate to the SoFi Technologies warrants. The fair value of the SoFi Technologies warrants was based on the closing price of ticker SOFIW and, therefore, fluctuated based on market activity. In addition, a portion of the amount in the nine-month 2021 period related to changes in the fair value of Series H warrants issued by Social Finance in 2019 in connection with certain redeemable preferred stock issuances. We did not measure the Series H warrants at fair value subsequent to May 28, 2021 in conjunction with the Business Combination, as they were reclassified into permanent equity.
- (6) Reflects changes in fair value inputs and assumptions, including market servicing costs, conditional prepayment, default rates and discount rates. This non-cash change is unrealized during the period and, therefore, has no impact on our cash flows from operations. As such, these positive and negative changes in fair value attributable to assumption changes are adjusted out of net loss to provide management and financial users with better visibility into the earnings available to finance our operations.
- (7) Reflects changes in fair value inputs and assumptions, including conditional prepayment, default rates and discount rates. When third parties finance our consolidated VIEs through purchasing residual interests, we receive proceeds at the time of the securitization close and, thereafter, pass along contractual cash flows to the residual interest owner. These obligations are measured at fair value on a recurring basis, which has no impact on our initial financing proceeds, our future obligations to the residual interest owner (because future residual interest claims are limited to contractual securitization collateral cash flows), or the general operations of our business. As such, these positive and negative non-cash changes in fair value attributable to assumption changes are adjusted out of net loss to provide management and financial users with better visibility into the earnings available to finance our operations.

(\$ in thousands)	Quarter Ended				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Net loss	\$ (74,209)	\$ (95,835)	\$ (110,357)	\$ (111,012)	\$ (30,047)
Non-GAAP adjustments:					
Interest expense – corporate borrowings	5,270	3,450	2,649	2,593	1,366
Income tax expense (benefit)	(242)	119	752	1,558	181
Depreciation and amortization	40,253	38,056	30,698	26,527	24,075
Share-based expense	77,855	80,142	77,021	77,082	72,681
Transaction-related expense	100	808	16,538	2,753	1,221
Fair value changes in warrant liabilities	—	—	—	10,824	(64,405)
Servicing rights – change in valuation inputs or assumptions	(6,182)	(9,098)	(11,580)	(9,273)	(409)
Residual interests classified as debt – change in valuation inputs or assumptions	1,453	2,662	2,963	3,541	5,593
Total adjustments	118,507	116,139	119,041	115,605	40,303
Adjusted EBITDA	<u>\$ 44,298</u>	<u>\$ 20,304</u>	<u>\$ 8,684</u>	<u>\$ 4,593</u>	<u>\$ 10,256</u>

Key Business Metrics

The table below presents the key business metrics that management uses to evaluate our business, measure our performance, identify trends and make strategic decisions:

	September 30, 2022	September 30, 2021	% Change
Members	4,742,673	2,937,379	61 %
Total Products	7,199,298	4,267,665	69 %
Total Products — Lending segment	1,280,493	1,030,882	24 %
Total Products — Financial Services segment	5,918,805	3,236,783	83 %
Total Accounts — Technology Platform segment ⁽¹⁾	124,332,810	88,811,022	40 %

(1) Total accounts refers to the number of open accounts at Galileo as of the reporting date. Beginning in the fourth quarter of 2021, we included SoFi accounts on the Galileo platform-as-a-service in our total accounts metric to better align with the Technology Platform segment revenue reported in Note 17 to the Notes to Unaudited Condensed Consolidated Financial Statements. Intercompany revenue is eliminated in consolidation. We did not recast the total accounts as of September 30, 2021 to conform to the current year presentation, as the impact was determined to be immaterial.

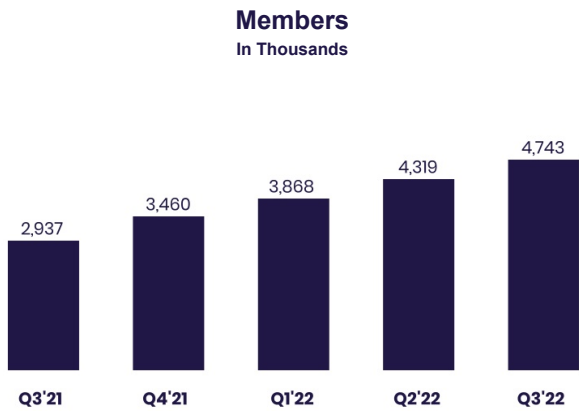
See “*Summary Results by Segment*” for additional metrics we review at the segment level.

Members

We refer to our customers as “members”, which we define as someone who has a lending relationship with us through origination and/or ongoing servicing, opened a financial services account, linked an external account to our platform, or signed up for our credit score monitoring service. Once someone becomes a member, they are always considered a member unless they violate our terms of service. Our members have continuous access to our certified financial planners (“CFPs”), our career advice services, our member events, our content, educational material, news, and our tools and calculators, which are provided at no cost to the member. Additionally, our mobile app and website have a member home feed that is personalized and delivers content to a member about what they must do that day in their financial life, what they should consider doing that day in their financial life, and what they can do that day in their financial life.

We view members as an indication not only of the size and a measurement of growth of our business, but also as a measure of the significant value of the data we have collected over time. The data we collect from our members helps us to, among other things: (i) assess loan life performance data on each loan in our ecosystem, which can inform risk-based interest rates that we can offer our members, (ii) understand our members’ spending behavior to identify and suggest other products we offer that may align with the members’ financial needs, and (iii) enhance our opportunities to sell additional products to our members, as our members represent a vital source of marketing opportunities. When we provide additional products to members, it helps improve our unit economics per member, as we save on marketing costs that we would otherwise incur to attract new members. It also increases the lifetime value of an individual member. This in turn enhances our Financial Services Productivity Loop. Member growth is generally an indicator of future revenue, but is not directly correlated with revenues, since not all members who sign up for one of our products fully utilize or continue to use our products, and not all of our products (such as our complimentary product, SoFi Relay) provide direct sources of revenue.

Since our inception through September 30, 2022, we have served approximately 4.7 million members who have used approximately 7.2 million products on the SoFi platform.

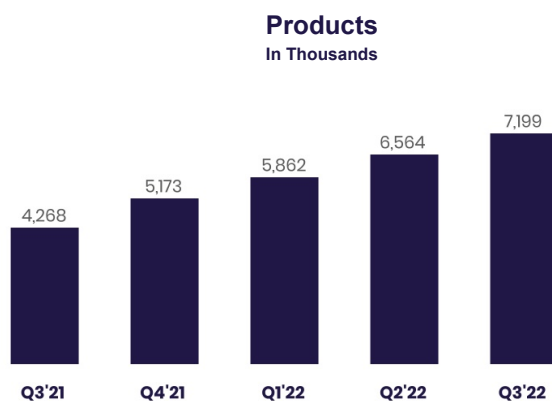


Total Products

Total products refers to the aggregate number of lending and financial services products that our members have selected on our platform since our inception through the reporting date, whether or not the members are still registered for such products. In our Lending segment, total products refers to the number of home loans, personal loans and student loans that have been originated through our platform through the reporting date, whether or not such loans have been paid off. If a member has multiple loan products of the same loan product type, such as two personal loans, that is counted as a single product. However, if a member has multiple loan products across loan product types, such as one personal loan and one home loan, that is counted as two products.

In our Financial Services segment, total products refers to the number of SoFi Money accounts (presented inclusive of cash management accounts and SoFi Checking and Savings accounts held at SoFi Bank), SoFi Invest accounts, SoFi Credit Card accounts (including accounts with a zero dollar balance at the reporting date), referred loans (which are originated by a third-party partner to which we provide pre-qualified borrower referrals), SoFi At Work accounts and SoFi Relay accounts (with either credit score monitoring enabled or external linked accounts) that have been opened through our platform through the reporting date. Our SoFi Invest service is composed of three products: active investing accounts, robo-advisory accounts and digital assets accounts. Our members can select any one or combination of the three types of SoFi Invest products. If a member has multiple SoFi Invest products of the same account type, such as two active investing accounts, that is counted as a single product. However, if a member has multiple SoFi Invest products across account types, such as one active investing account and one robo-advisory account, those separate account types are considered separate products.

Total products is a primary indicator of the size and reach of our Lending and Financial Services segments. Management relies on total products metrics to understand the effectiveness of our member acquisition efforts and to gauge the propensity for members to use more than one product.



Total lending products were composed of the following:

Lending Products	September 30, 2022	September 30, 2021	Variance	% Change
Home loans	25,707	21,318	4,389	21 %
Personal loans	783,645	578,772	204,873	35 %
Student loans	471,141	430,792	40,349	9 %
Total lending products	1,280,493	1,030,882	249,611	24 %

Total financial services products were composed of the following:

Financial Services Products	September 30, 2022	September 30, 2021	Variance	% Change
Money ⁽¹⁾	2,002,791	1,161,322	841,469	72 %
Invest	2,067,621	1,233,527	834,094	68 %
Credit Card	153,978	65,595	88,383	135 %
Referred loans ⁽²⁾	36,538	—	36,538	n/m
Relay	1,600,102	749,972	850,130	113 %
At Work	57,775	26,367	31,408	119 %
Total financial services products	5,918,805	3,236,783	2,682,022	83 %

(1) Includes SoFi Checking and Savings accounts held at SoFi Bank, beginning in the first quarter of 2022, and cash management accounts.

(2) Limited to loans wherein we provide third party fulfillment services.

Technology Platform Total Accounts

In our Technology Platform segment, total accounts refers to the number of open accounts at Galileo as of the reporting date. Beginning in the fourth quarter of 2021, we included SoFi accounts on the Galileo platform-as-a-service in our total accounts metric to better align with the Technology Platform segment revenue reported in Note 17 to the Notes to Unaudited Condensed Consolidated Financial Statements, which includes intercompany revenue from SoFi. Intercompany revenue is eliminated in consolidation. We did not recast total accounts as of September 30, 2021 to conform to the current year presentation, as the impact was determined to be immaterial. Total accounts is a primary indicator of the accounts dependent upon our technology platform to use virtual card products, virtual wallets, make peer-to-peer and bank-to-bank transfers, receive early paychecks, separate savings from spending balances, make debit transactions and rely upon real-time authorizations, all of which result in revenues for the Technology Platform segment. We do not measure total accounts for the

Technisys products and solutions, as the revenue model is not primarily dependent upon being a fully integrated, stand-ready service.

	September 30, 2022	September 30, 2021	Variance	% Change
Total Accounts	124,332,810	88,811,022	35,521,788	40 %

Key Factors Affecting Operating Results

Our future operating results and cash flows are dependent upon a number of opportunities, challenges and other factors, including our loan origination volume, financial services products and member activity on our platform, growth in technology platform customers, competition and industry trends, general economic conditions and our ability to optimize our national bank charter. The key factors affecting our operating results are discussed in our Annual Report on Form 10-K, with notable updates provided herein.

Industry Trends and General Economic Conditions

The Federal Reserve has increased the benchmark interest rate multiple times in 2022, largely in response to increasing inflation. We anticipate that in a rising interest rate environment, and operating under a bank charter, we will be able to offer more competitive interest rates to our members on their deposits, which we believe would result in increasing demand for our deposits. However, rising interest rates could unfavorably impact demand for refinancing loan products. In addition, if the Federal Reserve does not effectively curb inflation or interest rates rise unexpectedly or too quickly, it could have a negative impact on the overall economy which could adversely impact our results of operations. In addition to rising interest rates, the U.S. economy has experienced negative gross domestic product growth during 2022 and consumer confidence indicators are down. Negative changes to macroeconomic conditions may result in decreased demand for our products, increased operating costs and negatively impact our results of operations.

Student Loan Relief

In August 2022, President Biden directed a final extension of the federal student loan payment moratorium through December 31, 2022. President Biden also announced additional relief measures for federal student loan borrowers, subject to income caps, including up to \$20,000 in debt cancellation for Pell Grant recipients, and up to \$10,000 in debt cancellation for non-Pell Grant recipients, as well as certain changes to income-driven repayment plans. While the number of applicants under President Biden's program and the impact of legal challenges to the program are unknown, we expect demand for our student loan refinancing products to benefit from these factors beginning in the fourth quarter of 2022, as borrowers who are not eligible for the debt relief or whose debt relief was processed timely may look to refinance ahead of the moratorium expiration. The timing and extent of such benefits to our student loan refinancing product will largely depend on the timing of execution of debt cancellation as well as the interest rate environment.

Results of Operations

The following table sets forth condensed consolidated statements of income data:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Interest income						
Loans	\$ 191,525	\$ 89,844	113 %	\$ 451,247	\$ 246,743	83 %
Securitizations	2,633	2,999	(12)%	7,958	11,260	(29)%
Related party notes	—	—	— %	—	211	(100)%
Other	3,881	758	412 %	6,758	2,023	234 %
Total interest income	198,039	93,601	112 %	465,963	260,237	79 %
Interest expense						
Securitizations and warehouses	20,653	19,360	7 %	59,158	75,418	(22)%
Deposits	14,149	—	n/m	19,123	—	n/m
Corporate borrowings	5,270	1,366	286 %	11,369	7,752	47 %
Other	117	500	(77)%	801	1,400	(43)%
Total interest expense	40,189	21,226	89 %	90,451	84,570	7 %
Net interest income	157,850	72,375	118 %	375,512	175,667	114 %
Noninterest income						
Loan origination and sales	163,697	142,147	15 %	465,815	362,211	29 %
Securitizations	(8,772)	(4,551)	93 %	(31,790)	(6,613)	381 %
Servicing	7,296	458	n/m	30,003	(11,875)	(353)%
Technology products and solutions	82,035	49,951	64 %	223,562	140,560	59 %
Other	21,879	11,626	88 %	53,754	39,314	37 %
Total noninterest income	266,135	199,631	33 %	741,344	523,597	42 %
Total net revenue	423,985	272,006	56 %	1,116,856	699,264	60 %
Noninterest expense						
Technology and product development	110,702	74,434	49 %	291,976	209,771	39 %
Sales and marketing	162,129	114,985	41 %	444,121	297,170	49 %
Cost of operations	83,083	69,591	19 %	232,611	187,785	24 %
General and administrative	126,199	40,461	212 %	388,533	373,374	4 %
Provision for credit losses	16,323	2,401	580 %	39,387	2,887	n/m
Total noninterest expense	498,436	301,872	65 %	1,396,628	1,070,987	30 %
Loss before income taxes	(74,451)	(29,866)	149 %	(279,772)	(371,723)	(25)%
Income tax benefit (expense)	242	(181)	(234)%	(629)	(1,202)	(48)%
Net loss	\$ (74,209)	\$ (30,047)	147 %	\$ (280,401)	\$ (372,925)	(25)%
Other comprehensive loss						
Unrealized losses on available-for-sale securities, net	(1,914)	(150)	n/m	(8,360)	(150)	n/m
Foreign currency translation adjustments, net	325	204	59 %	231	(142)	(263)%
Total other comprehensive income (loss)	(1,589)	54	n/m	(8,129)	(292)	n/m
Comprehensive loss	\$ (75,798)	\$ (29,993)	153 %	\$ (288,530)	\$ (373,217)	(23)%

Interest Income

The following table presents the components of our total interest income:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Loans	\$ 191,525	\$ 89,844	113 %	\$ 451,247	\$ 246,743	83 %
Securitizations	2,633	2,999	(12)%	7,958	11,260	(29)%
Related party notes	—	—	— %	—	211	(100)%
Other	3,881	758	412 %	6,758	2,023	234 %
Total interest income	\$ 198,039	\$ 93,601	112 %	\$ 465,963	\$ 260,237	79 %

Total interest income increased by \$104.4 million, or 112%, for the three months ended September 30, 2022 compared to the three months ended September 30, 2021, and increased by \$205.7 million, or 79%, for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, the components of which are discussed below.

Loans

Three Months. Loans interest income increased by \$101.7 million, or 113%, primarily driven by increases in non-securitization personal loan and student loan interest income of \$94.1 million (202%) and \$10.0 million (43%), respectively, which were primarily a function of increases in aggregate average balances for personal loans and student loans of \$2.9 billion (179%) and \$1.2 billion (57%), respectively. The personal loan average balance increase was primarily attributable to higher origination volume combined with a higher weighted average interest rate earned on whole loans and longer loan holding periods. The student loan average balance increase was primarily attributable to longer loan holding periods, partially offset by a lower weighted average interest rate earned on whole loans. These increases were offset by decreases in interest income from consolidated personal loan and student loan securitizations of \$5.7 million (65%) and \$2.2 million (25%), respectively, which were impacted by decreases in average balances primarily attributable to payment activity and the absence of additions to our consolidated securitization loan balances. The remaining increase in interest income also included \$4.1 million attributable to credit card loans.

Nine Months. Loans interest income increased by \$204.5 million, or 83%, primarily driven by increases in non-securitization personal loan and student loan interest income of \$191.6 million (169%) and \$28.5 million (43%), respectively, which were primarily a function of increases in average balances for personal loans and student loans of \$2.1 billion (150%) and \$1.2 billion (59%), respectively. The personal loan average balance increase was primarily attributable to higher origination volume combined with a higher weighted average interest rate earned on whole loans and longer loan holding periods. The student loan average balance increase was primarily attributable to longer loan holding periods, partially offset by a lower weighted average interest rate earned on whole loans. These increases were offset by decreases in interest income from consolidated personal loan and student loan securitizations of \$19.9 million (61%) and \$9.3 million (31%), respectively, which were impacted by decreases in average balances for personal loans and student loans of \$265.9 million (63%) and \$255.3 million (34%), respectively. The decreases in aggregate average balances were primarily attributable to payment activity and the absence of additions to our consolidated securitization loan balances. The remaining increase in interest income also included \$9.9 million attributable to credit card loans.

Securitizations

Three Months. Securitizations interest income decreased by \$0.4 million, or 12%, which was primarily attributable to decreases in residual investment interest income and asset-backed bonds related to decreases in average securitization investment balances period over period due to securitization payment activity.

Nine Months. Securitizations interest income decreased by \$3.3 million, or 29%, which was primarily attributable to decreases in residual investment interest income of \$1.8 million and asset-backed bonds of \$2.0 million related to decreases in average securitization investment balances period over period due to securitization payment activity.

Other

Three Months. Other interest income increased by \$3.1 million, or 412%, primarily due to \$3.2 million higher interest income earned on our interest-bearing cash and cash equivalents balances primarily due to higher average balances period over period.

Nine Months. Other interest income increased by \$4.7 million, or 234%, primarily due to \$4.4 million higher interest income earned on our interest-bearing cash and cash equivalents balances primarily due to higher average balances period over period.

Interest Expense

The following table presents the components of our total interest expense:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Securitizations and warehouses	\$ 20,653	\$ 19,360	7 %	\$ 59,158	\$ 75,418	(22)%
Deposits	14,149	—	n/m	19,123	—	n/m
Corporate borrowings	5,270	1,366	286 %	11,369	7,752	47 %
Other	117	500	(77)%	801	1,400	(43)%
Total interest expense	\$ 40,189	\$ 21,226	89 %	\$ 90,451	\$ 84,570	7 %

Total interest expense increased by \$19.0 million, or 89%, for the three months ended September 30, 2022 compared to the three months ended September 30, 2021, and increased by \$5.9 million, or 7%, for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, the components of which are discussed below.

Securitizations and Warehouses. The following tables present the components of securitizations and warehouses interest expense and other pertinent information.

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Securitization debt interest expense	\$ 4,492	\$ 8,186	(45)%	\$ 15,229	\$ 28,548	(47)%
Warehouse debt interest expense	12,539	6,360	97 %	32,159	26,261	22 %
Residual interests classified as debt interest expense	904	2,036	(56)%	3,469	6,381	(46)%
Debt issuance cost interest expense	2,718	2,778	(2)%	8,301	14,228	(42)%
Securitizations and warehouses interest expense	\$ 20,653	\$ 19,360	7 %	\$ 59,158	\$ 75,418	(22)%

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Average debt balances⁽¹⁾						
Securitization debt	\$ 487,141	\$ 844,747	(42)%	\$ 553,790	\$ 999,752	(45)%
Warehouse facilities	1,752,032	1,620,392	8 %	2,167,493	2,258,908	(4)%
Weighted average interest rates⁽²⁾						
Securitization debt	3.7%	3.9%	n/m	3.7%	3.8%	n/m
Warehouse facilities	2.9%	1.6%	n/m	2.0%	1.5%	n/m

(1) Average balances were calculated based on four- and ten-month ending balances.

(2) Calculated as annualized interest expense divided by average debt balance for the respective debt category. Interest rates on securitization debt and warehouse facilities exclude the effect of debt issuance cost interest expense and amortization of debt discounts and premiums. Table excludes residual interests classified as debt, as interest expense is dependent on the timing and extent of securitization loan cash flows and, therefore, a derived weighted average interest rate using the methodology in the table herein is not meaningful for the purposes of understanding the change in residual interests classified as debt interest expense.

Securitizations and warehouses interest expense increased by \$1.3 million, or 7%, for the three months ended September 30, 2022 compared to the three months ended September 30, 2021, and decreased by \$16.3 million, or 22%, for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, driven by the following:

- Securitization debt interest expense (exclusive of debt issuance and discount amortization) decreased by \$3.7 million (45%) for the three-month period, and decreased by \$13.3 million (47%) for the nine-month period primarily driven by

declines in the average balances of securitization debt of 42% and 45%, respectively, which were attributable to payment activity and the absence of additional securitization debt during the 2022 periods.

- Warehouse debt interest expense (exclusive of debt issuance amortization) increased by \$6.2 million (97%) for the three-month period, and by \$5.9 million (22%) for the nine-month period. The three-month increase in interest expense was attributable to sharp increases in benchmark rates combined with an increase in our average warehouse debt balance. The nine-month increase in interest expense was primarily related to share increases in benchmark rates, partially offset by the utilization of warehouse facilities with lower spreads during the 2022 period combined with a moderate decrease in our average warehouse debt balance.
- Residual interests classified as debt interest expense decreased by \$1.1 million (56%) for the three-month period, and by \$2.9 million (46%) for the nine-month period, which were correlated with lower balances of residual interests classified as debt during the 2022 periods, as the residual debt balances continue to pay down over time and there were no additions to the balances during the 2022 periods.
- Debt issuance cost interest expense decreased by \$5.9 million (42%) for the nine-month period, which was primarily driven by a lower run rate on our issuance cost amortization related to our loan warehouse facilities, as we have extended certain loan warehouse facilities over time, which had the effect of lowering the quarterly debt issuance cost amortization. The variance was also impacted by the acceleration of certain debt issuance costs during the nine-month 2021 period, which contributed to a favorable variance of \$2.8 million period over period.

Deposits. Deposits interest expense of \$14.1 million and \$19.1 million for the three and nine months ended September 30, 2022, respectively, was related to interest earned by members on deposits held at SoFi Bank, which had average balances of \$3.8 billion and \$2.1 billion, respectively. Deposit accounts also earned a higher interest rate during the third quarter of 2022.

Corporate Borrowings. Corporate borrowings interest expense increased by \$3.9 million, or 286%, for the three months ended September 30, 2022 compared to the three months ended September 30, 2021, and increased by \$3.6 million, or 47%, for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily due to the following:

- Interest expense of \$1.3 million and \$3.8 million for the three- and nine-month 2022 periods, respectively, was associated with our issuance of convertible notes in the fourth quarter of 2021, which consisted of the amortization of the debt discount and debt issuance costs.
- Interest expense on our revolving credit facility increased by \$2.6 million and \$3.5 million for the three- and nine-month periods, respectively, as one-month LIBOR increased during 2022, while the average balance remained constant.
- Interest expense incurred on the Galileo seller note, which was repaid in February 2021, decreased by \$3.6 million for the nine-month period.

Noninterest Income and Net Revenue

The following table presents the components of our total noninterest income, as well as total net revenue:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Loan origination and sales	\$ 163,697	\$ 142,147	15 %	\$ 465,815	\$ 362,211	29 %
Securitizations	(8,772)	(4,551)	93 %	(31,790)	(6,613)	381 %
Servicing	7,296	458	n/m	30,003	(11,875)	(353)%
Technology products and solutions	82,035	49,951	64 %	223,562	140,560	59 %
Other	21,879	11,626	88 %	53,754	39,314	37 %
Total noninterest income	\$ 266,135	\$ 199,631	33 %	\$ 741,344	\$ 523,597	42 %
Total net revenue	\$ 423,985	\$ 272,006	56 %	\$ 1,116,856	\$ 699,264	60 %

Total noninterest income increased by \$66.5 million, or 33%, for the three months ended September 30, 2022 compared to the three months ended September 30, 2021, and increased by \$217.7 million, or 42%, for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, the components of which are discussed below.

Loan Origination and Sales

The following table presents the components of *noninterest income—loan origination and sales*:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 Change	Nine Months Ended September 30,		2022 vs 2021 Change
	2022	2021		2022	2021	
In period originations, loan sale execution and fair value adjustments ⁽¹⁾	\$ 88,026	\$ 133,196	\$ (45,170)	\$ 183,098	\$ 342,319	\$ (159,221)
Economic derivative hedges of loan fair values	106,240	1,305	104,935	336,382	23,439	312,943
Other derivative instruments ⁽²⁾	(6,087)	3,974	(10,061)	(10,711)	(3,886)	(6,825)
Home loan origination fees	2,238	3,502	(1,264)	6,169	11,292	(5,123)
Loan write-off expense – whole loans ⁽³⁾	(26,021)	(3,830)	(22,191)	(47,698)	(12,555)	(35,143)
Loan repurchase (expense) benefit ⁽⁴⁾	479	(190)	669	2,266	(2,588)	4,854
Other	(1,178)	4,190	(5,368)	(3,691)	4,190	(7,881)
Loan origination and sales noninterest income	\$ 163,697	\$ 142,147	\$ 21,550	\$ 465,815	\$ 362,211	\$ 103,604

(1) Includes fair value adjustments on loans originated during the period, fair value adjustments of loans held at the balance sheet date, as well as gains (losses) on loans sold during the period.

(2) Includes IRLCs, interest rate caps and purchase price earn-out.

(3) For the three months ended September 30, 2022 and 2021, includes gross write-offs of \$31.4 million and \$6.1 million, respectively. During the three-month 2022 period, \$2.7 million of the \$5.4 million of recoveries were captured via loan sales to a third-party collection agency. During the three-month 2021 period, \$0.5 million of the \$2.3 million of recoveries were captured via loan sales to a third-party collection agency. For the nine months ended September 30, 2022 and 2021, includes gross write-offs of \$60.9 million and \$20.1 million, respectively. During the nine-month 2022 period, \$4.4 million of the \$13.2 million of recoveries were captured via loan sales to a third-party collection agency. During the nine-month 2021 period, \$2.4 million of the \$7.5 million of recoveries were captured via loan sales to a third-party collection agency.

(4) Represents the (expense) benefit associated with our estimated loan repurchase obligation. See Note 15 to the Notes to Unaudited Condensed Consolidated Financial Statements for additional information.

Three Months. Loan origination and sales increased by \$21.6 million, or 15%, primarily due to the following:

- an increase of \$43.8 million (53%) in personal loan origination and sales income, which was attributable to increases of \$45.8 million related to personal loan interest rate swap positions primarily driven by increases in interest rates, and \$26.9 million related to fair value adjustments primarily driven by higher origination volume in the 2022 period. These increases were partially offset by \$21.8 million higher loan write offs, which were primarily attributable to a higher average loan balance and elevated charge off rates in the 2022 period;
- an increase of \$1.0 million (3%) in student loan origination and sales income, which was attributable to an increase of \$48.4 million on our student loan interest rate swap positions primarily driven by increases in interest rates, largely offset by a decrease of \$41.6 million related to fair value adjustments primarily driven by lower origination volume in the 2022 period, and lower execution prices on sales activity, combined with a \$5.4 million loss related to student loan commitments; and
- a decrease of \$22.7 million (106%) in home loan origination and sales related income, which was attributable to a decrease of \$30.5 million related to fair value adjustments primarily driven by lower origination volume in the 2022 period, and lower execution prices on sales activity. This decline was partially offset by the favorable impact related to hedging activities of \$7.8 million, which was primarily related to gains on home loan pipeline hedges due to decreases in the underlying hedge price index.

Nine Months. Loan origination and sales increased by \$103.6 million, or 29%, primarily due to the following:

- an increase of \$152.3 million (89%) in personal loan origination and sales income, which was attributable to increases of \$119.6 million related to personal loan interest rate swap positions primarily driven by increases in interest rates, and \$72.4 million related to fair value adjustments primarily driven by higher origination volume in the 2022 period, net of lower execution prices on sales activity. These increases were partially offset by \$33.6 million higher loan write offs, which were primarily attributable to a higher average loan balance and elevated charge off rates in the 2022 period;

- an increase of \$8.1 million (7%) in student loan origination and sales income, which was attributable to an increase of \$146.4 million on our student loan hedging activities primarily related to our student loan interest rate swap positions, which were primarily driven by increases in interest rates, largely offset by a decrease of \$128.9 million related to fair value adjustments, which were primarily driven by lower origination volume in the 2022 period, and lower execution prices on sales activity, combined with a \$7.9 million loss related to student loan commitments; and
- a decrease of \$56.5 million (88%) in home loan origination and sales related income, which was attributable to a decrease of \$102.7 million related to fair value adjustments primarily driven by lower origination volume in the 2022 period, and lower execution prices on sales activity. This decline was partially offset by the favorable impact related to hedging activities of \$46.2 million, which was primarily related to gains on home loan pipeline hedges due to decreases in the underlying hedge price index.

Securitizations

Three Months. Securitizations income decreased by \$4.2 million, or 93%, primarily due to an aggregate decrease of \$8.6 million in securitization loan fair market value changes, principally due to increases in market interest rates. We also had a decline in securitization investment fair values of \$4.3 million, which was primarily attributable to negative fair value adjustments on our securitization bonds that were impacted by the interest rate volatility during the 2022 period. These unfavorable variances were partially offset by gains of \$5.1 million in the 2022 period on our economic hedges of securitization investments. Offsetting these declines, securitizations income was favorably impacted by a reduction in securitization loan write-offs of \$0.7 million in the 2022 period, which was correlated with lower average securitization loan balances and stronger securitization loan credit performance during the 2022 period, as well as favorable changes in residual debt fair value adjustments of \$3.0 million.

Nine Months. Securitizations income decreased by \$25.2 million, or 381%, primarily due to an aggregate decrease of \$36.5 million in securitization loan fair market value changes, principally due to increases in market interest rates. We also had a decline in securitization investment fair values of \$17.6 million, which was primarily attributable to negative fair value adjustments on our securitization bonds that were impacted by the interest rate volatility during the 2022 period. These unfavorable variances were partially offset by gains of \$14.2 million in the 2022 period on our economic hedges of securitization investments. Offsetting these declines, securitizations income was favorably impacted by a reduction in securitization loan write-offs of \$6.3 million in the 2022 period, which was correlated with lower average securitization loan balances and stronger securitization loan credit performance during the 2022 period, as well as favorable changes in residual debt fair value adjustments of \$9.3 million.

Servicing

We own the master servicing on all of the servicing rights that we retain and, in each case, recognize the gross servicing rate applicable to each serviced loan. Sub-servicers are utilized for all serviced student loans and home loans, which represents a cost to SoFi, but these arrangements do not impact our calculation of the weighted average basis points earned for each loan type serviced. Further, there is no impact on servicing income due to forbearance and moratoriums on certain debt collection activities, and there are no waivers of late fees. The table below presents information related to our loan servicing activities:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Servicing income recognized						
Home loans ⁽¹⁾	\$ 3,387	\$ 2,398	41 %	\$ 9,416	\$ 6,207	52 %
Student loans ⁽²⁾	9,293	11,305	(18)%	29,119	35,533	(18)%
Personal loans ⁽³⁾	9,806	8,216	19 %	27,901	25,020	12 %
Servicing rights fair value change						
Home loans	\$ (1,460)	\$ 6,588	(122)%	\$ 10,173	\$ 20,231	(50)%
Student loans	(4,053)	(3,582)	13 %	(9,137)	(4,618)	98 %
Personal loans	(3,013)	701	(530)%	(857)	(1,736)	(51)%

(1) The contractual servicing earned on our home loan servicing portfolio was 25 bps during all periods presented.

(2) The weighted average bps earned for student loan servicing was 42 bps and 43 bps during the three months ended September 30, 2022 and 2021, respectively, and 42 bps during each of the nine months ended September 30, 2022 and 2021.

- (3) The weighted average bps earned for personal loan servicing was 78 bps and 70 bps during the three months ended September 30, 2022 and 2021, respectively, and 73 bps and 70 bps during the nine months ended September 30, 2022 and 2021, respectively.

Three Months. Servicing income increased by \$6.8 million, of which \$5.8 million was related to favorable changes in valuation inputs and assumptions, consisting of \$6.5 million related to student loans and \$1.3 million related to personal loans, partially offset by \$2.0 million related to home loans. The favorable variances in student loans and personal loans were primarily attributable to decreased prepayment rate assumptions during the 2022 period compared to increased assumptions during the 2021 period, partially offset by increased discount rate assumptions during the 2022 period. The unfavorable variance in home loans was primarily attributable to decreased prepayment rate assumptions in the 2021 period combined with increased discount rate assumptions in the 2022 period. We also earned increased servicing income of \$1.0 million in the 2022 period associated with referral activity we facilitate through our platform.

Nine Months. Servicing income increased by \$41.9 million, or 353%, of which \$38.8 million was related to favorable changes in valuation inputs and assumptions, consisting of \$29.6 million related to student loans, \$5.3 million related to home loans and \$3.8 million related to personal loans. The favorable variances in student loans and personal loans were primarily attributable to decreased prepayment rate assumptions during the 2022 period compared to increased assumptions during the 2021 period, partially offset by increased discount rate assumptions during the 2022 period. The favorable variance in home loans was primarily attributable to a larger decrease in prepayment rate assumptions during the 2022 period compared to the 2021 period, partially offset by increased discount rate assumptions during the 2022 period. We also earned increased servicing income of \$3.0 million in the 2022 period associated with referral activity we facilitate through our platform that began in the third quarter of 2021.

Technology Products and Solutions

Three and Nine Months. Technology products and solutions fees for the three and nine months ended September 30, 2022 increased by \$32.1 million, or 64%, and \$83.0 million, or 59%, respectively, relative to the comparable periods in 2021. The 2022 periods were bolstered by \$18.5 million and \$45.0 million, respectively, of revenue contribution from the Technisys Merger, which closed in March 2022. In addition, our existing integrated technology solutions contributed increases in revenue of \$13.5 million and \$38.0 million, respectively, which was predominantly a function of account growth combined with increased activity from existing clients.

Other

Three Months. Other income increased by \$10.3 million, or 88%, primarily due to increases in referral fees of \$5.8 million, and payment network fees of \$2.1 million. The increase in referral fees was primarily attributable to growth in our partner relationships and related activity, as well as an increase associated with referral fulfillment activity. The increase in payment network fees (which includes interchange fees) was primarily attributable to increased credit card spending on our platform.

Nine Months. Other income increased by \$14.4 million, or 37%, primarily due to increases in referral fees of \$17.0 million and payment network fees of \$6.7 million. The increase in referral fees was primarily attributable to growth in our partner relationships and related activity, as well as an increase associated with a referral fulfillment activity that we began in the third quarter of 2021. The increase in payment network fees (which includes interchange fees) was primarily attributable to increased credit card spending on our platform. The favorable variance was also impacted by lower SoFi Invest trading losses of \$1.6 million period over period. These impacts were partially offset by (i) a \$7.0 million impact from losses on venture capital investments in the 2022 period compared to gains in the 2021 period, (ii) a \$3.2 million decrease in brokerage fees related to lower digital assets trading activity, and (iii) a \$2.1 million decrease in enterprise services revenue primarily due to the absence of advisory service revenues in the 2022 period.

Noninterest Expense

The following table presents the components of our total noninterest expense:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Technology and product development	\$ 110,702	\$ 74,434	49 %	\$ 291,976	\$ 209,771	39 %
Sales and marketing	162,129	114,985	41 %	444,121	297,170	49 %
Cost of operations	83,083	69,591	19 %	232,611	187,785	24 %
General and administrative	126,199	40,461	212 %	388,533	373,374	4 %
Provision for credit losses	16,323	2,401	580 %	39,387	2,887	n/m
Total noninterest expense	\$ 498,436	\$ 301,872	65 %	\$ 1,396,628	\$ 1,070,987	30 %

Total noninterest expense increased by \$196.6 million, or 65%, for the three months ended September 30, 2022 compared to the three months ended September 30, 2021, and increased by \$325.6 million, or 30%, for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, the components of which are discussed below.

Technology and Product Development

Three Months. Technology and product development expenses increased by \$36.3 million, or 49%, primarily due to:

- an increase in employee compensation and benefits of \$18.0 million (inclusive of an increase in share-based compensation expense of \$1.2 million), of which \$12.9 million was attributable to Technisys. The remaining increase was related to an increase in technology and product personnel in support of our growth, as well as an increase in average compensation in the 2022 period;
- an increase in purchased and internally-developed software amortization of \$7.6 million, which was primarily reflective of increased investments in technology in our Technology Platform segment; and
- an increase in amortization expense on intangible assets of \$5.6 million, which was primarily associated with acquired intangible assets in the Technisys Merger.

Nine Months. Technology and product development expenses increased by \$82.2 million, or 39%, primarily due to:

- an increase in employee compensation and benefits of \$45.0 million (inclusive of an increase in share-based compensation expense of \$8.8 million), of which \$26.6 million was attributable to Technisys. The remaining increase was related to an increase in technology and product personnel in support of our growth, as well as an increase in average compensation in the 2022 period;
- an increase in purchased and internally-developed software amortization of \$18.0 million, which was primarily reflective of increased investments in technology in our Technology Platform segment; and
- an increase in amortization expense on intangible assets of \$8.8 million, which was primarily related to intangible asset amortization of \$12.9 million associated with acquired intangible assets in the Technisys Merger, partially offset by \$4.1 million associated with the acceleration of our core banking infrastructure in the first half of 2021.

Sales and Marketing

Three Months. Sales and marketing expenses increased by \$47.1 million, or 41%, primarily due to:

- an increase in advertising expenditures of \$17.3 million, which was primarily attributable to an increase in direct mail, digital media, search and social network advertising expenditures in the 2022 period;
- an increase of \$13.8 million related to increasing utilization of lead generation channels during the 2022 period;
- an increase in employee compensation and benefits of \$8.6 million (inclusive of an increase in share-based compensation expense of \$1.9 million), of which \$1.9 million was attributable to Technisys. The remaining increase was correlated with an increase in sales and marketing personnel to support our growth, as well as an increase in average compensation in the 2022 period; and
- an increase in direct customer promotional expenditures of \$4.6 million, which is one of our levers for stimulating member product adoption and engagement.

Nine Months. Sales and marketing expenses increased by \$147.0 million, or 49%, primarily due to:

- an increase in advertising expenditures of \$56.6 million, which was primarily attributable to an increase in direct mail, digital media, search and social network advertising expenditures in the 2022 period;
- an increase of \$42.1 million related to increasing utilization of lead generation channels during the 2022 period;
- an increase in employee compensation and benefits of \$23.7 million (inclusive of an increase in share-based compensation expense of \$6.9 million), of which \$4.3 million was attributable to Technisys. The remaining increase was correlated with an increase in sales and marketing personnel to support our growth, as well as a modest increase in average compensation in the 2022 period;
- an increase in direct customer promotional expenditures of \$11.1 million, which is one of our levers for stimulating member product adoption and engagement; and
- an increase in amortization expense on intangible assets of \$5.0 million, which was associated with acquired intangible assets in the Technisys Merger.

Cost of Operations

Three Months. Cost of operations increased by \$13.5 million, or 19%, primarily due to:

- an increase in employee compensation and benefits of \$8.8 million (inclusive of an increase in share-based compensation expense of \$1.6 million), which was correlated with an increase in cost of operations personnel in support of our growth, as well as an increase in average compensation in the 2022 period;
- an increase of \$2.8 million in third-party fulfillment costs, which was primarily related to payment processing network association fees associated with increased activity in the Technology Platform segment;
- an increase in software licenses, tools and subscriptions and other related fees of \$1.9 million, consistent with headcount increases and internal technology initiatives; and
- a decrease in loan origination and servicing expenses of \$5.1 million, of which \$6.2 million was related to home loans, partially offset by an increase of \$1.2 million related to personal loans, which were primarily attributable to changes in origination volume period over period.

Nine Months. Cost of operations increased by \$44.8 million, or 24%, primarily due to:

- an increase in employee compensation and benefits of \$28.1 million (inclusive of an increase in share-based compensation expense of \$6.4 million), which was correlated with an increase in cost of operations personnel in support of our growth, as well as an increase in average compensation in the 2022 period;
- an increase of \$7.2 million in third-party fulfillment costs, which was primarily related to payment processing network association fees associated with increased activity in the Technology Platform segment;
- an increase in software licenses, tools and subscriptions and other related fees of \$7.1 million, consistent with headcount increases and internal technology initiatives;
- an increase in operational losses of \$3.0 million; and
- a decrease in loan origination and servicing expenses of \$11.5 million, of which \$15.2 million was related to home loans, partially offset by an increase of \$4.1 million related to personal loans, which were primarily attributable to changes in origination volume period over period.

General and Administrative

Three Months. General and administrative expenses increased by \$85.7 million, or 212%, primarily due to:

- unfavorability resulting from a \$64.4 million decrease in the fair value of the SoFi Technologies warrants assumed in the Business Combination during the 2021 period. The SoFi Technologies warrants were exercised or redeemed during the fourth quarter of 2021 and, therefore, had no impact on the 2022 period;
- an increase in employee compensation and benefits of \$14.1 million (inclusive of an increase in share-based compensation expense of \$0.4 million), of which \$1.4 million was attributable to Technisys. The remaining increase was related to an increase in personnel to support our growing infrastructure and administrative needs, as well as a modest increase in average compensation in the 2022 period; and
- an increase of \$5.0 million related to third party fraud events in the 2022 period.

Nine Months. General and administrative expenses increased by \$15.2 million, or 4%, primarily due to:

- favorability of \$96.5 million related to our warrant liabilities, resulting from the absence in the 2022 period of \$160.9 million of expense incurred in the 2021 period associated with the fair value increase of our Series H warrant liabilities, which were reclassified to permanent equity in the second quarter of 2021 in conjunction with the Business Combination and, therefore, had no impact on the 2022 period, partially offset by a fair value decrease of \$64.4 million related to the SoFi Technologies warrants assumed in the Business Combination during the 2021 period, which were exercised or redeemed during the fourth quarter of 2021 and, therefore, had no impact on the 2022 period;
- an increase in employee compensation and benefits of \$86.4 million (inclusive of an increase in share-based compensation expense of \$50.6 million), of which \$4.0 million was attributable to Technisys. The remaining increase was related to an increase in personnel to support our growing infrastructure and administrative needs in addition to a modest increase in average compensation in the 2022 period;
- an increase of \$18.7 million related to third party fraud events in the 2022 period;
- an increase in corporate insurance of \$3.6 million and professional services costs of \$0.9 million, which were primarily attributable to the increased costs of being a public company;
- an increase in software licenses, tools and subscriptions and other related fees of \$3.8 million; and
- a decrease in transaction-related expenses of \$7.1 million during the 2022 period, which was attributable to the special payment of \$21.2 million to the Series 1 preferred stockholders in the second quarter of 2021 associated with the Business Combination, partially offset by costs associated with our acquisitions in the 2022 period.

Provision for Credit Losses

Three and Nine Months. The provision for credit losses for the three and nine months ended September 30, 2022 increased by \$13.9 million and \$36.5 million, respectively, relative to the comparable periods in 2021, which reflected higher average credit card balances combined with elevated credit card loss rates during the 2022 periods.

Net Loss

We had a net loss of \$74.2 million for the three months ended September 30, 2022 compared to \$30.0 million for the three months ended September 30, 2021, and a net loss of \$280.4 million for the nine months ended September 30, 2022 compared to \$372.9 million for the nine months ended September 30, 2021. The changes in losses for the current periods were due to the factors discussed above, net of the changes in income taxes.

For the three months ended September 30, 2022 and 2021, we recorded income tax benefit (expense) of \$0.2 million and \$(0.2) million, respectively. For the nine months ended September 30, 2022 and 2021, we recorded income tax expense of \$(0.6) million and \$(1.2) million, respectively. The income tax expense in the nine month periods was primarily due to income tax expense associated with the profitability of SoFi Lending Corp. and, for the 2022 periods, SoFi Bank, in some state jurisdictions where separate company filing is required. In the 2022 periods, this expense was partially offset by income tax benefits from foreign losses in jurisdictions with net deferred tax liabilities related to the Technisys Merger.

Summary Results by Segment

Lending Segment

In the table below, we present certain metrics related to our Lending segment:

Metric	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Total products (number, as of period end)	1,280,493	1,030,882	24 %	1,280,493	1,030,882	24 %
Origination volume (\$ in thousands, during period)						
Home loans	\$ 216,246	\$ 793,086	(73)%	\$ 860,676	\$ 2,320,918	(63)%
Personal loans	2,809,759	1,640,572	71 %	7,307,612	3,740,645	95 %
Student loans	457,184	967,939	(53)%	1,839,710	2,832,121	(35)%
Total	\$ 3,483,189	\$ 3,401,597	2 %	\$ 10,007,998	\$ 8,893,684	13 %
Loans with a balance (number, as of period end) ⁽¹⁾	717,148	594,730	21 %	717,148	594,730	21 %
Average loan balance (\$, as of period end) ⁽¹⁾						
Home loans	\$ 286,855	\$ 286,522	— %	\$ 286,855	\$ 286,522	— %
Personal loans	24,772	22,207	12 %	24,772	22,207	12 %
Student loans ⁽²⁾	47,152	49,723	(5)%	47,152	49,723	(5)%

(1) Loans with a balance and average loan balance include loans on our balance sheet and transferred loans with which we have a continuing involvement through our servicing agreements.

(2) In-school loans carry a lower average balance than student loan refinancing products.

Total Products

Total products in our Lending segment is a subset of our total products metric. See “*Key Business Metrics*” for further discussion of this measure as it relates to our Lending segment.

Origination Volume

We refer to the aggregate dollar amount of loans originated through our platform in a given period as origination volume. Origination volume is an indicator of the size and health of our Lending segment and an indicator (together with the relevant loan characteristics, such as interest rate and prepayment and default expectations) of revenues and profitability. Changes in origination volume are driven by the addition of new members and existing members, the latter of which at times will either refinance into a new SoFi loan or secure an additional, concurrent loan, as well as macroeconomic factors impacting consumer spending and borrowing behavior. Since the profitability of the Lending segment is largely correlated with origination volume, management relies on origination volume trends to assess the need for external financing to support the Financial Services segment and the expense budgets for unallocated expenses.

Home Loans. During the three and nine months ended September 30, 2022, home loan origination volume declined relative to the corresponding 2021 periods due to continued rising interest rates relative to the 2021 levels, which tends to lower demand for home loans overall and shift demand from refinance originations to purchase originations, the latter of which is a more competitive landscape. Although purchase originations have historically represented a smaller percentage of our home loan originations, our mix has shifted toward more purchase originations in the third quarter of 2022.

Personal Loans. During the three and nine months ended September 30, 2022, personal loan origination volume increased significantly relative to the corresponding 2021 periods, primarily due to increased demand driven by expanded marketing efforts and increased demand for debt consolidation products in a rising interest rate environment, combined with a positive impact from increased loan application approval rates that were implemented during the second half of 2021 and largely maintained during 2022.

Student Loans. During the three and nine months ended September 30, 2022, student loan origination volume decreased relative to the corresponding 2021 periods, as demand for student loan refinancing products continued to be unfavorably impacted by the suspension of principal and interest payments on federally-held student loans through the end of 2022 and the debt cancellation for certain federal student loan borrowers that was announced during the third quarter, combined with a rising interest rate environment in 2022. See “*Key Factors Affecting Operating Results—Student Loan Relief*” for additional discussion of student loans.

Loans with a Balance and Average Loan Balance

Loans with a balance refers to the number of loans that have a balance greater than zero dollars as of the reporting date. Loans with a balance allows management to better understand the unit economics of acquiring a loan in relation to the lifetime value of that loan. Average loan balance is defined as the total unpaid principal balance of the loans divided by loans with a balance within the respective loan product category as of the reporting date. Average loan balance tends to fluctuate based on the pace of loan originations relative to loan repayments and the initial loan origination size.

The following table presents additional information on the terms as of September 30, 2022 of the lending products we offer:

Product	Loan Size	Rates ⁽¹⁾	Term
Student Loan Refinancing	\$5,000+ ⁽²⁾	Variable rate: 2.99% – 8.24% Fixed rate: 3.49% – 8.24%	5 – 20 years
In-School Loans	\$1,000+ ⁽²⁾	Variable rate: 1.44% – 13.79% Fixed rate: 3.75% – 13.60%	5 – 15 years
Personal Loans	\$5,000 – \$100,000 ⁽²⁾ \$100,000 – \$647,200 ⁽³⁾⁽⁴⁾ (Conforming Normal Cost Areas) OR \$970,800 ⁽⁴⁾ (Conforming High Cost Areas) OR \$3,000,000 ⁽⁴⁾ (Jumbo Loans)	Fixed rate: 7.99% – 23.43%	2 – 7 years
Home Loans		Fixed rate: 2.75% – 7.63%	10, 15, 20 or 30 years

(1) Loan annual percentage rates reflect rates as advertised as of the date indicated, inclusive of an auto-pay discount, as applicable.

(2) Minimum loan size may be higher within certain states due to legal or licensing requirements.

(3) Exceptions for loan sizes less than \$100,000 are considered on a case-by-case basis.

(4) Represents the maximum loan size offered within each category as of the reporting date. “Conforming High Cost Areas” refers to Government-Sponsored Enterprises (“GSE”) eligible loans above the normal conforming limit, which is determined by county. “Jumbo Loans” refers to loans in the jumbo loan program.

In the table below, we present additional information related to our lending products during the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Overall weighted average origination FICO	749	758	752	761
Student Loans				
Weighted average origination FICO	771	775	773	775
Weighted average interest rate earned ⁽¹⁾	4.23 %	4.64 %	4.09 %	4.59 %
Interest income recognized (\$ in thousands) ⁽²⁾	\$ 40,019	\$ 32,210	\$ 115,859	\$ 96,578
Sales of loans (\$ in thousands)	\$ 74,080	\$ 922,271	\$ 877,920	\$ 2,469,372
Home Loans				
Weighted average origination FICO	747	753	747	756
Weighted average interest rate earned ⁽¹⁾	4.37 %	2.01 %	3.24 %	1.85 %
Interest income recognized (\$ in thousands) ⁽²⁾	\$ 1,499	\$ 1,002	\$ 3,731	\$ 2,678
Sales of loans (\$ in thousands)	\$ 251,821	\$ 789,259	\$ 959,971	\$ 2,308,467
Personal Loans				
Weighted average origination FICO	746	749	747	754
Weighted average interest rate earned ⁽¹⁾	12.22 %	11.20 %	11.65 %	10.70 %
Interest income recognized (\$ in thousands) ⁽²⁾	\$ 143,757	\$ 55,368	\$ 317,342	\$ 145,574
Sales of loans (\$ in thousands)	\$ 749,648	\$ 1,196,798	\$ 2,851,466	\$ 2,946,374

(1) Weighted average interest rate earned represents annualized interest income recognized divided by the average of the four- and ten-month unpaid principal balances of loans outstanding during the period, which are impacted by the timing and extent of loan sales and purchases. The weighted average interest rates earned for the comparative 2021 periods were recast to conform to the current period methodology for calculating average balances.

(2) See “Results of Operations—Interest Income” for a discussion of interest income recognized during the periods indicated.

Lending Segment Results of Operations

The following table presents the measure of contribution profit for the Lending segment. The information is derived from our internal financial reporting used for corporate management purposes. In the first quarter of 2022, we implemented an FTP framework to attribute net interest income to our business segments based on their usage and/or provision of funding, as further discussed below.

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Net interest income	\$ 139,516	\$ 72,257	93 %	\$ 347,873	\$ 180,856	92 %
Noninterest income	162,178	138,034	17 %	463,927	343,703	35 %
Total net revenue	301,694	210,291	43 %	811,800	524,559	55 %
Servicing rights – change in valuation inputs or assumptions ⁽¹⁾	(6,182)	(409)	n/m	(26,860)	11,924	(325)%
Residual interests classified as debt – change in valuation inputs or assumptions ⁽²⁾	1,453	5,593	(74)%	7,078	19,261	(63)%
Directly attributable expenses ⁽³⁾	(116,403)	(97,807)	19 %	(336,814)	(261,202)	29 %
Contribution profit	\$ 180,562	\$ 117,668	53 %	\$ 455,204	\$ 294,542	55 %
Adjusted net revenue⁽⁴⁾	\$ 296,965	\$ 215,475	38 %	\$ 792,018	\$ 555,744	43 %

- (1) Reflects changes in fair value inputs and assumptions, including market servicing costs, conditional prepayment, default rates and discount rates. This non-cash change, which is recorded within *noninterest income* in the unaudited condensed consolidated statements of operations and comprehensive income (loss) is unrealized during the period and, therefore, has no impact on our cash flows from operations. As such, the changes in fair value attributable to assumption changes are adjusted to provide management and financial users with better visibility into the cash flows available to finance our operations.
- (2) Reflects changes in fair value inputs and assumptions, including conditional prepayment and default rates and discount rates. When third parties finance our consolidated VIEs through purchasing residual interests, we receive proceeds at the time of the securitization close and, thereafter, pass along contractual cash flows to the residual interest owner. These obligations are measured at fair value on a recurring basis, with fair value changes recorded within *noninterest income* in the unaudited condensed consolidated statements of operations and comprehensive income (loss). The fair value change attributable to assumption changes has no impact on our initial financing proceeds, our future obligations to the residual interest owner (because future residual interest claims are limited to contractual securitization collateral cash flows), or the general operations of our business. As such, this non-cash change in fair value is adjusted to provide management and financial users with better visibility into the cash flows available to finance our operations.
- (3) For a disaggregation of the directly attributable expenses allocated to the Lending segment in each of the periods presented, see “*Directly Attributable Expenses*” below.
- (4) Adjusted net revenue is a non-GAAP financial measure. For information regarding our use and definition of this measure and for a reconciliation to the most directly comparable U.S. GAAP measure, total net revenue, see “*Non-GAAP Financial Measures*” herein.

Net interest income

Net interest income in our Lending segment increased by \$67.3 million, or 93%, and by \$167.0 million, or 92%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021, the components of which are discussed below.

Loans Interest Income. Loans interest income increased by \$96.7 million, or 109%, and by \$192.0 million, or 78%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021. See “*Results of Operations—Interest Income—Loans*” for information on the primary drivers of the variances related to our personal loans, student loans and home loans.

Securitizations Interest Income. Securitizations interest income decreased by \$0.4 million, or 12%, and by \$3.3 million, or 29%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021. See “*Results of Operations—Interest Income—Securitizations*” for information on the primary drivers of the variances.

Interest Expense. Interest expense increased by \$29.1 million, or 150%, and by \$21.7 million, or 29%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021.

For the three and nine month 2022 periods relative to the comparable 2021 periods, interest expense in our Lending segment reflected the following: (i) a decline in securitization debt interest expense (exclusive of debt issuance and discount amortization) of \$3.7 million and \$13.3 million, respectively; (ii) a decline in residual interests classified as debt interest expense of \$1.1 million and \$2.9 million, respectively; and (iii) a decline in debt issuance cost interest expense of \$0.1 million

and \$6.2 million, respectively. Additionally, in the three-month 2022 period, we recognized FTP interest expense of \$40.3 million compared to \$6.3 million of actual interest incurred on our use of securitizations and warehouse facilities in the corresponding 2021 period prior to our implementation of the FTP framework. In the nine-month 2022 period, we recognized the actual interest incurred on our use of securitizations and warehouse facilities for one month of \$1.7 million and FTP interest expense for eight months of \$68.5 million, compared to \$26.1 million of actual interest expense on our use of securitizations and warehouse facilities in the corresponding 2021 period.

Noninterest income

Noninterest income in our Lending segment increased by \$24.1 million, or 17%, and by \$120.2 million, or 35%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021, the components of which are discussed below.

Loan Origination and Sales. Loan origination and sales increased by \$21.6 million, or 15%, and by \$103.6 million, or 29%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021. See “Results of Operations—Noninterest Income and Net Revenue—Loan Origination and Sales” for information on the primary drivers of the variances.

Securitizations. Securitizations income decreased by \$4.2 million, or 93%, and by \$25.2 million, or 381%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021. See “Results of Operations—Noninterest Income and Net Revenue—Securitizations” for information on the primary drivers of the variances.

Servicing. Servicing income increased by \$6.8 million and by \$41.7 million, or 352%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021. See “Results of Operations—Noninterest Income and Net Revenue—Servicing” for information on the primary drivers of the variances.

Directly attributable expenses

The directly attributable expenses allocated to the Lending segment that were used in the determination of the segment's contribution profit were as follows:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Direct advertising	\$ 44,813	\$ 31,581	42 %	\$ 127,704	\$ 88,897	44 %
Compensation and benefits	27,717	23,697	17 %	77,855	66,004	18 %
Lead generation	25,999	17,278	50 %	69,381	35,690	94 %
Loan origination and servicing costs	10,736	15,810	(32)%	31,838	43,347	(27)%
Professional services	1,896	1,896	— %	5,765	4,593	26 %
Other ⁽¹⁾	5,242	7,545	(31)%	24,271	22,671	7 %
Directly attributable expenses	<u>\$ 116,403</u>	<u>\$ 97,807</u>	19 %	<u>\$ 336,814</u>	<u>\$ 261,202</u>	29 %

(1) Other expenses primarily include loan marketing expenses, third party loan fraud, member promotional expenses, tools and subscriptions, travel and occupancy-related costs.

Lending segment directly attributable expenses for the three and nine months ended September 30, 2022 increased by \$18.6 million, or 19%, and \$75.6 million, or 29%, respectively, compared to the same periods in 2021, primarily due to the following:

- increases of \$13.2 million for the three-month period and \$38.8 million for the nine-month period in direct advertising related to direct mail, search engine and social network advertising, partially offset by declines in television advertisement;
- increases of \$8.7 million for the three-month period and \$33.7 million for the nine-month period due to increasing utilization of lead generation channels primarily associated with increased personal loan origination volume in the 2022 periods;
- increases of \$4.0 million for the three-month period and \$11.9 million for the nine-month period in allocated compensation and related benefits, which primarily reflected increases in headcount allocated to the lending segment, partially offset by decreases in home loan commissions attributable to decreases in home loan originations;

- an increase for the nine-month 2022 period related to third-party personal loan fraud of \$5.3 million; and
- decreases of \$5.1 million for the three-month period and \$11.5 million for the nine-month period in loan origination and servicing costs, which were largely attributable to decreases in home loan origination costs of \$6.2 million and \$15.2 million, respectively, that correlated with decreases in home loan origination volume. These decreases were partially offset by increases in personal loan origination costs of \$1.6 million and \$4.4 million, respectively, which corresponded with increases in personal loan origination volume.

Technology Platform Segment

In the table below, we present a metric that is related to Galileo within our Technology Platform segment:

	September 30, 2022	September 30, 2021	2022 vs 2021 % Change
Total accounts	124,332,810	88,811,022	40 %

See “*Key Business Metrics*” for further discussion of this measure as it relates to our Technology Platform segment.

Technology Platform Segment Results of Operations

The following table presents the measure of contribution profit for the Technology Platform segment. The information is derived from our internal financial reporting used for corporate management purposes. Refer to Note 17 to the Notes to Unaudited Condensed Consolidated Financial Statements for further information regarding Technology Platform segment performance.

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Net interest income (expense)	\$ —	\$ 39	(100)%	\$ —	\$ (29)	(100)%
Noninterest income	84,777	50,186	69 %	229,481	141,616	62 %
Total net revenue	84,777	50,225	69 %	229,481	141,587	62 %
Directly attributable expenses	(65,241)	(34,484)	89 %	(169,849)	(97,148)	75 %
Contribution profit	\$ 19,536	\$ 15,741	24 %	\$ 59,632	\$ 44,439	34 %

Noninterest income

Noninterest income in our Technology Platform segment increased by \$34.6 million, or 69%, and by \$87.9 million, or 62%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021.

Technology Products and Solutions. Technology products and solutions revenues increased by \$33.8 million, or 68%, and by \$87.2 million, or 62%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021. See “*Results of Operations—Noninterest Income and Net Revenue—Technology Products and Solutions*” for information on the primary drivers of the variances. In addition, the variances are inclusive of \$1.8 million and \$4.2 million of intercompany revenue for the three and nine months ended September 30, 2022, respectively.

Directly attributable expenses

The directly attributable expenses allocated to the Technology Platform segment that were used in the determination of the segment's contribution profit were as follows:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Compensation and benefits	\$ 39,862	\$ 17,469	128 %	\$ 101,544	\$ 49,971	103 %
Product fulfillment	10,531	8,696	21 %	29,489	23,154	27 %
Tools and subscriptions	5,425	2,840	91 %	13,552	7,433	82 %
Professional services	3,609	912	296 %	10,492	4,828	117 %
Other ⁽¹⁾	5,814	4,567	27 %	14,772	11,762	26 %
Directly attributable expenses	\$ 65,241	\$ 34,484	89 %	\$ 169,849	\$ 97,148	75 %

(1) Other expenses are primarily related to advertising and marketing, travel and occupancy-related costs, bad debt and data center expenses.

Technology Platform segment directly attributable expenses increased by \$30.8 million, or 89%, and by \$72.7 million, or 75%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021, primarily due to the following:

- increases of \$22.4 million for the three-month period and \$51.6 million for the nine-month period in compensation and benefits expense, which was correlated with an increase in personnel to support segment growth. Technisys compensation and benefits contributed \$15.7 million and \$34.3 million during the three- and nine-month 2022 periods, respectively;
- increases of \$1.8 million for the three-month period and \$6.3 million for the nine-month period in product fulfillment costs, primarily related to payment processing network association fees associated with increased activity on the integrated platform-as-a-service;
- increases of \$2.6 million for the three-month period and \$6.1 million for the nine-month period in tools and subscriptions costs, primarily related to headcount increases and internal technology initiatives to support the growth of the platform, of which \$0.5 million and \$1.8 million, respectively, were related to the operations of Technisys;
- increases of \$2.7 million for the three-month period and \$5.7 million for the nine-month period in professional services costs, of which \$1.7 million and \$4.8 million, respectively, were related to the operations of Technisys; and
- increases of \$1.2 million for the three-month period and \$3.0 million for the nine-month period in other expenses, which were primarily related to advertising, marketing and travel and occupancy-related costs that were largely incurred at Technisys, partially offset by lower data center expenses.

Financial Services Segment

In the table below, we present a key metric related to our Financial Services segment:

Metric	September 30, 2022	September 30, 2021	2022 vs. 2021 % Change
Total products (number, as of period end)	5,918,805	3,236,783	83 %

Total products in our Financial Services segment is a subset of our total products metric. See “Key Business Metrics” for a further discussion of this measure as it relates to our Financial Services segment.

Financial Services Segment Results of Operations

The following table presents the measure of contribution loss for the Financial Services segment. The information is derived from our internal financial reporting used for corporate management purposes. During the first quarter of 2022, we implemented an FTP framework to attribute net interest income to our business segments based on their usage and/or provision of funding, as further discussed below.

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Net interest income ⁽¹⁾	\$ 28,158	\$ 1,209	n/m	\$ 46,965	\$ 1,980	n/m
Noninterest income	20,795	11,411	82 %	55,894	34,142	64 %
Total net revenue	48,953	12,620	288 %	102,859	36,122	185 %
Directly attributable expenses	(101,576)	(52,085)	95 %	(258,697)	(135,851)	90 %
Contribution loss	\$ (52,623)	\$ (39,465)	33 %	\$ (155,838)	\$ (99,729)	56 %

(1) Net interest income and, thereby, total net revenue and contribution loss for our Financial Services segment reported for the three and nine months ended September 30, 2022 reflects the implementation of an FTP framework, under which Financial Services segment net interest income reflects the difference between an FTP credit for the segment's provision of deposits as a source of funding and an FTP charge for the segment's use of funds to originate credit card loans. For the comparative periods ended September 30, 2021, our Financial Services segment net interest income was nominal, as it did not have deposits and the credit card product was nascent. If we had applied our current FTP framework during the comparative three and nine month periods, the Financial Services segment net interest income would not have materially changed.

Net interest income

Net interest income in our Financial Services segment increased by \$26.9 million and \$45.0 million for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021. For the three- and nine-month 2022 periods, net interest income primarily reflected net interest income earned on our deposits of \$22.3 million and \$33.7 million, respectively, which includes interest income based on our FTP framework (which eliminates in consolidation) and interest expense to members, and corresponds with the level of deposits at SoFi Bank. In addition, net interest income earned on our credit card loans increased by \$3.0 million and \$7.9 million for the three and nine month periods, respectively, which was primarily attributable to growth in the average balance.

Noninterest income

Noninterest income in our Financial Services segment increased by \$9.4 million, or 82%, and by \$21.8 million, or 64%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021, primarily due to the following:

- increases in referral fees of \$5.8 million for the three-month period and \$17.0 million for the nine-month period, which were primarily attributable to growth in referral fulfillment activity that we began in the third quarter of 2021, as well as growth in our partner relationships and related activity, as we continue to onboard new partners and help drive volume to these partners;
- increases in payment network fees of \$2.3 million for the three-month period and \$6.9 million for the nine-month period, which coincided with increased credit card and debit card transaction volume;
- increases of \$0.4 million for the three-month period and \$1.5 million for the nine-month period in non-payment network related credit card fees;
- a reduction in trading losses related to our SoFi Invest product during the nine-month period of \$1.6 million;
- decreases in brokerage-related fees of \$0.4 million for the three-month period and \$3.2 million for the nine-month period, which coincided with lower digital assets trading volume on our platform during the 2022 periods; and
- a decrease in enterprise service fees of \$2.1 million for the nine-month period, which was primarily related to advisory service revenues of \$2.6 million recognized in the second quarter of 2021 that did not recur in the 2022 period.

Directly attributable expenses

The directly attributable expenses allocated to the Financial Services segment that were used in the determination of the segment's contribution loss were as follows:

(\$ in thousands)	Three Months Ended September 30,		2022 vs 2021 % Change	Nine Months Ended September 30,		2022 vs 2021 % Change
	2022	2021		2022	2021	
Compensation and benefits	\$ 31,369	\$ 22,087	42 %	\$ 81,678	\$ 60,671	35 %
Provision for credit losses	16,323	2,401	580 %	39,387	2,887	n/m
Member incentives	11,712	4,456	163 %	27,517	13,746	100 %
Direct advertising	10,063	6,299	60 %	26,214	13,097	100 %
Product fulfillment	8,416	6,539	29 %	23,841	16,656	43 %
Lead generation	7,751	2,668	191 %	16,324	7,874	107 %
Professional services	1,020	1,003	2 %	3,354	3,407	(2)%
Intercompany technology platform expenses	1,065	—	n/m	2,788	—	n/m
Other ⁽¹⁾	13,857	6,632	109 %	37,594	17,513	115 %
Directly attributable expenses	<u>\$ 101,576</u>	<u>\$ 52,085</u>	95 %	<u>\$ 258,697</u>	<u>\$ 135,851</u>	90 %

(1) Other expenses primarily include tools and subscriptions, operational product losses, third party fraud expense, travel and occupancy-related costs, and marketing-related expenses.

Financial Services directly attributable expenses increased by \$49.5 million, or 95%, and by \$122.8 million, or 90%, for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021, primarily due to the following:

- increases of \$13.9 million for the three-month period and \$36.5 million for the nine-month period related to our provision for credit losses, which were primarily related to increases in the provision for credit card loans of \$13.7 million and \$35.5 million, respectively, due to higher average credit card balances combined with elevated credit card loss rates during the 2022 periods. The remaining changes were associated with loans acquired in the Bank Merger during the first quarter of 2022;
- increases of \$9.3 million for the three-month period and \$21.0 million for the nine-month period in compensation and benefits expense, which reflected our ongoing prioritization of growth in the Financial Services segment that required additional staffing;
- increases of \$7.3 million for the three-month period and \$13.8 million for the nine-month period primarily related to increased direct member incentives utilized to drive adoption and usage of our Financial Services products, the most significant of which was SoFi Checking and Savings, partially offset by lower incentives related to SoFi Invest;
- increases of \$3.8 million for the three-month period and \$13.1 million for the nine-month period in direct advertising costs primarily driven by an increase in search engine and social network marketing. The marketing initiatives were primarily related to the continued promotion of SoFi Checking and Savings;
- increases of \$5.1 million for the three-month period and \$8.5 million for the nine-month period related to lead generation, primarily related to SoFi Checking and Savings;
- increases of \$1.9 million for the three-month period and \$7.2 million for the nine-month period in product fulfillment costs related to SoFi Checking and Savings and cash management accounts, which included such activities as brokerage expenses and debit card fulfillment services, operating SoFi Bank, and operating our cash management sweep program. The nine-month variance was also driven by \$1.9 million of higher costs related to credit card fulfillment; and
- increases of \$7.2 million for the three-month period and \$20.1 million for the nine-month period in other costs, which were primarily related to increases in third-party credit card fraud of \$5.0 million and \$13.4 million, respectively, and increases in operational product losses of \$0.7 million and \$3.4 million, respectively. In addition, we had increases in travel and occupancy-related costs and tools and subscriptions costs.

Corporate/Other Non-Reportable Segment

Non-segment operations are classified as Corporate/Other (previously referred to as “Other”), which includes net revenues associated with corporate functions that are not directly related to a reportable segment, as well as, beginning in the first quarter of 2022, the financial impact of our capital management activities within the treasury function, which reflects the residual impact from the FTP charges and FTP credits on our reportable segments under our FTP framework.

Reconciliation of Directly Attributable Expenses

The following table reconciles directly attributable expenses allocated to our reportable segments to total noninterest expense in the unaudited condensed consolidated statements of operations and comprehensive income (loss):

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Reportable segments directly attributable expenses	\$ (283,220)	\$ (184,376)	\$ (765,360)	\$ (494,201)
Intercompany expenses	1,757	—	4,198	—
Expenses not allocated to segments:				
Share-based compensation expense	(77,855)	(72,681)	(235,018)	(162,289)
Depreciation and amortization expense	(40,253)	(24,075)	(109,007)	(75,041)
Employee-related costs ⁽¹⁾	(49,248)	(39,601)	(137,254)	(108,825)
Fair value change of warrant liabilities	—	64,405	—	(96,504)
Special payment ⁽²⁾	—	—	—	(21,181)
Other corporate and unallocated expenses ⁽³⁾	(49,617)	(45,544)	(154,187)	(112,946)
Total noninterest expense	<u>\$ (498,436)</u>	<u>\$ (301,872)</u>	<u>\$ (1,396,628)</u>	<u>\$ (1,070,987)</u>

(1) Includes compensation, benefits, recruiting, certain occupancy-related costs and various travel costs of executive management, certain technology groups and general and administrative functions that are not directly attributable to the reportable segments.

(2) Included a special payment to the Series 1 preferred stockholders in connection with the Business Combination in the second quarter of 2021.

(3) Represents corporate overhead costs that are not allocated to reportable segments, which primarily includes corporate marketing and advertising costs, tools and subscription costs, professional services costs, corporate and FDIC insurance costs and transaction-related expenses.

Liquidity and Capital Resources

Liquidity

We strive to maintain access to diverse funding sources and ample liquidity to fund our operating requirements, to pursue strategic growth initiatives and to meet our legal and regulatory requirements. Our principal sources of liquidity are our cash and cash equivalents, including cash from operations, and investments in other highly liquid assets.

We maintain a Capital and Asset Liability Management policy (“CALM”) that outlines specific requirements relating to the oversight of SoFi Technologies, Inc. (and its subsidiaries) capital planning, financial planning and forecasting, liquidity risk management, contingency funding planning, interest rate risk management, cash management and financial operations, among other activities. Oversight of these activities is the responsibility of our Asset Liability Committee (the “ALCO”). The ALCO is comprised of a cross-functional leadership team that is responsible for managing our use of capital, liquidity, sources and uses of funding, and sensitivities to various market risks, by identifying key risks and exposures, monitoring them appropriately, establishing tolerances and limits, and mitigating risks where appropriate, to ensure the company has the ability to meet its obligations.

The following table summarizes our on-balance sheet liquidity:

(\$ in thousands)	September 30, 2022	December 31, 2021
Cash and cash equivalents	\$ 935,159	\$ 494,711
Investments in available-for-sale debt securities	195,133	194,907
Available liquidity	<u>\$ 1,130,292</u>	<u>\$ 689,618</u>

We believe our existing balance sheet liquidity will be sufficient to cover net losses, meet our existing working capital and capital expenditure needs, as well as our planned growth for at least the next 12 months.

Sources of Funding

Our primary funding sources include SoFi Bank deposits, warehouse funding, common and preferred equity capital, convertible debt, corporate revolving credit facility, securitizations, and other financings.

Deposits

We commenced offering deposit accounts (SoFi Checking and Savings accounts) to our members through SoFi Bank in the first quarter of 2022. During the third quarter of 2022, we also sourced brokered and non-brokered wholesale deposits, which include certificates of deposit. As of September 30, 2022, time deposit balances due in less than one year totaled \$509.3 million. We did not have any deposits as of December 31, 2021.

Borrowing Capacity

The following table summarizes our available capacity on our borrowings:

(\$ in thousands)	September 30, 2022		December 31, 2021	
	Available Capacity	Maturity	Available Capacity	Maturity
Warehouse facilities	\$ 4,586,050	October 2022 - January 2032	\$ 5,561,130	January 2022 - January 2030
Revolving credit facility	74,000	September 2023	74,000	September 2023
Total available capacity	\$ 4,660,050		\$ 5,635,130	

Uses of Funding

Our primary uses of funds include loan originations, the losses generated by our Financial Services segment, and investments in our business, such as technology and product investments and sales and marketing initiatives. Our capital expenditures have historically been less significant relative to our operating and financing cash flows, and we expect this trend to continue for the foreseeable future.

As of September 30, 2022, we had debt obligations, common stock and redeemable preferred stock outstanding. Our borrowings primarily included our loan and risk retention warehouse facilities, asset-backed securitization debt, revolving credit facility and convertible notes. In connection with the issuance of the convertible notes, we entered into privately negotiated capped call transactions with certain financial institutions (the “capped call transactions”), which are expected to generally reduce the potential dilutive effect on the common stock upon any conversion of the notes and/or offset any cash payments we are required to make in excess of the principal amount of the converted notes, as the case may be. A detailed description of each of our borrowing arrangements is included in Note 9 to the Notes to Unaudited Condensed Consolidated Financial Statements in this Form 10-Q and in Note 10 to the Notes to Consolidated Financial Statements in our Form 10-K for the year ended December 31, 2021 (the “Form 10-K”). Refer to Note 12 in the Form 10-K for additional information on the Capped Call Transactions.

The amount owed and outstanding on our loan warehouse facilities fluctuates significantly based on our origination volume, sales volume, the amount of time we strategically hold loans on our balance sheet, and the amount of loans being self-funded with cash.

The amount of financing actually advanced on each individual loan under our loan warehouse facilities, as determined by agreed-upon advance rates, may be less than the stated advance rate depending, in part, on changes in underlying characteristics of the loans securing the financings.

Covenants

We have various affirmative and negative financial covenants, as well as non-financial covenants, related to our warehouse debt and revolving credit facility, as well as our Series 1 Redeemable Preferred Stock. Additionally, we have compliance requirements associated with our convertible notes, and certain provisions of the arrangement could change in the event of a “Make-Whole Fundamental Change”, as defined in the indenture.

The availability of funds under our warehouse facilities and revolving credit facility is subject to, among other conditions, our continued compliance with the covenants. These financial covenants include, but are not limited to, maintaining: (i) a certain minimum tangible net worth, (ii) minimum cash and cash equivalents, and (iii) a maximum leverage ratio of total debt to tangible net worth. A breach of these covenants can result in an event of default under these facilities and allows the

lenders to pursue certain remedies. Our subsidiaries are restricted in the amount that can be distributed to SoFi only to the extent that such distributions would cause the financial covenants to not be met.

In addition, pursuant to our amended and restated agreement related to our Series 1 Redeemable Preferred Stock, we are subject to the following financial covenants:

- Tangible net worth to total debt ratio requirement, which excludes our warehouse, risk retention and securitization related debt;
- Tangible net worth to Series 1 Redeemable Preferred Stock ratio requirement; and
- Minimum excess equity requirements, where the measure of equity includes permanent equity and SoFi Technologies Redeemable Preferred Stock (exclusive of Series 1 Redeemable Preferred Stock), as applicable.

We were in compliance with all covenants.

Capital Management

SoFi Technologies, a bank holding company, and SoFi Bank, a nationally chartered association, are required to comply with regulatory capital rules issued by the Federal Reserve and other U.S. banking regulators, including the OCC and FDIC. Shortly after we closed the Bank Merger, we allocated \$750 million in capital to SoFi Bank and may contribute more capital as SoFi Bank continues to grow. We are required to manage our capital position to maintain sufficient capital to satisfy these regulatory rules and support our business activities, including the requirement to maintain minimum regulatory capital ratios in accordance with the Basel Committee on Banking Supervision standardized approach for U.S. banking organizations (U.S. Basel III). If the Federal Reserve finds that we are not “well-capitalized” or “well-managed”, we would be required to take remedial action to comply with all applicable capital and management requirements, which may contain additional limitations or conditions relating to our activities. Additionally, the applicable federal regulatory authority is authorized to determine, under certain circumstances relating to the financial condition of a bank or bank holding company, that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof.

The requirements establish required minimum ratios for Common Equity Tier 1 (“CET1”) risk-based capital, Tier 1 risk-based capital, total risk-based capital and a Tier 1 leverage ratio; set risk-weighting for assets and certain other items for purposes of the risk-based capital ratios; and define what qualifies as capital for purposes of meeting the capital requirements. Additionally, regulatory capital rules include a capital conservation buffer of 2.5% that is added on top of each of the minimum risk-based capital ratios in order to avoid restrictions on capital distributions and discretionary bonuses.

The risk- and leverage-based capital ratios and amounts are presented below:

September 30, 2022	Amount	Ratio	Required Minimum ⁽¹⁾	Well-Capitalized Minimum ⁽²⁾
SoFi Bank				
CET1 risk-based capital	\$ 973,457	16.4 %	7.0 %	6.5 %
Tier 1 risk-based capital	973,457	16.4 %	8.5 %	8.0 %
Total risk-based capital	1,007,447	17.0 %	10.5 %	10.0 %
Tier 1 leverage	973,457	17.2 %	4.0 %	5.0 %
Risk-weighted assets	\$ 5,919,709			
Quarterly adjusted average assets	5,664,896			
SoFi Technologies				
CET1 risk-based capital	\$ 3,157,539	24.2 %	7.0 %	N/A
Tier 1 risk-based capital	3,157,539	24.2 %	8.5 %	N/A
Total risk-based capital	3,511,903	26.9 %	10.5 %	N/A
Tier 1 leverage	3,157,539	31.0 %	4.0 %	N/A
Risk-weighted assets	\$ 13,048,370			
Quarterly adjusted average assets	10,196,750			

(1) Required minimums presented for risk-based capital ratios include the required capital conservation buffer.

(2) The well-capitalized minimum measure is applicable at the bank level only.

As of September 30, 2022, our regulatory capital ratios exceeded the thresholds required to be regarded as a well-capitalized institution, and meet all capital adequacy requirements to which we are subject. There have been no events or conditions since September 30, 2022 that management believes would change the categorization.

Commitments

In addition to our warehouse facility borrowings, revolving credit facility borrowings and convertible senior notes, our material commitments requiring, or potentially requiring, the use of cash in future periods primarily include commitments associated with being the named sponsor of SoFi Stadium, including operating lease obligations and finance lease obligations, which expire in 2040, as well as sponsorship and advertising opportunities related to the stadium itself and the surrounding performance venue and planned retail district. Additional material commitments include operating lease obligations primarily associated with office premises and the remaining commitment related to a four-year cloud computing services arrangement that we executed in the fourth quarter of 2021.

Guarantees

We may require liquidity resources associated with our guarantee arrangements. As a component of our loan sale agreements, we make certain representations to third parties that purchased our previously held loans. We have a three-year obligation to GSEs on loans that we sell to GSEs, to repurchase any originated loans that do not meet certain GSE guidelines, and we are required to pay the full initial purchase price back to the GSEs. In addition, we make standard representations and warranties related to student, personal and home loan transfers, as well as limited credit-related repurchase guarantees on certain such transfers. If realized, any of the repurchases would require the use of cash. See Note 15 to the Notes to Unaudited Condensed Consolidated Financial Statements for further information on these and other guarantee obligations. We believe we have adequate liquidity to meet these expected obligations.

Factors Affecting Liquidity

We are currently dependent on the success of our lending business. The primary drivers of operating cash flows related to our Lending segment are origination volume, the holding period of our loans, loan sale execution and the timing of loan repayments. Our ability to access whole loan buyers, to sell our loans on favorable terms, to maintain adequate warehouse capacity at favorable terms, to access new SoFi bank deposits and grow existing bank deposits and to strategically manage our continuing financial interest in securitization-related transfers is critical to our growth strategy and our ability to have adequate

liquidity to fund our balance sheet. Our ability to attract and maintain bank deposits can be impacted by, among other things, general economic conditions, competition from other financial services firms, idiosyncratic events and the interest rates we offer, which can impact our liquidity from deposits. Additionally, there is no guarantee that we will be able to execute on our strategy as it relates to the timing and pricing of securitization-related transfers. Therefore, we may hold securitization interests for longer than planned or be forced to liquidate at suboptimal prices. Securitization transfers are also negatively impacted during recessionary periods, wherein purchasers may be more risk averse.

Our cash flows from operations have also been impacted by material net losses. If our current net losses continue for the foreseeable future, we may raise additional capital in the form of equity or debt, which may not be at favorable terms when compared to previous financing transactions.

Further, future uncertainties around the demand for our personal loans, home loans and around the student loan refinance market in general, including as a result of worsening macroeconomic conditions, should be considered when assessing our future liquidity and solvency prospects. In the future, our loan origination volume and our resulting loan balances, and any positive cash flows thereof, could also be lower based on strategic decisions to tighten our credit standards.

In addition to our ability to pledge unencumbered loans against available warehouse capacity, we have relationships with whole loan buyers who have historically demonstrated strong demand for our loans. Securitization markets can also generate additional liquidity; however, financing through the securitization market could result in worse execution as compared to whole loans sales depending on market conditions and, in certain cases, we are required to maintain a minimum investment due to securitization risk retention rules.

Additionally, our securitization transactions require us to maintain a continuing financial interest in the form of securitization investments when we deconsolidate the SPE or in consolidation of the SPE when we have a significant financial interest. In either instance, the continuing financial interest requires us to maintain capital in the SPE that would otherwise be available to us if we had sold loans through a different channel.

As it relates to our securitization debt, the maturity of the notes issued by the various trusts occurs upon either the maturity of the loan collateral or full payment of the loan collateral held in the trusts, the timing of which cannot be reasonably estimated. Our own liquidity resources are not required to make any contractual payments on our securitization borrowings.

Our long-term liquidity strategy includes continuing to grow our SoFi bank deposit base, maintaining adequate warehouse capacity, maintaining corporate debt and other sources of financing, as well as effectively managing the capital raised through debt and equity transactions. Although our goal is to increase our cash flow from operations, there can be no assurance that our future operating plans will lead to improved operating cash flows.

On August 16, 2022, the Inflation Reduction Act (the "IRA"), was signed into law. The IRA enacted a 15% corporate book minimum tax and a 1% excise tax on stock repurchases effective after December 31, 2022. The IRA is not expected to have a material impact on our operations or cash flows for the foreseeable future.

Cash Flow and Liquidity Analysis

The following table provides a summary of cash flow data:

(\$ in thousands)	Nine Months Ended September 30,	
	2022	2021
Net cash used in operating activities	\$ (4,837,023)	\$ (113,928)
Net cash provided by (used in) investing activities	(54,926)	79,536
Net cash provided by (used in) financing activities	5,384,714	(434,666)

Cash Flows from Operating Activities

For the nine months ended September 30, 2022, net cash used in operating activities of \$4.8 billion stemmed from a net loss of \$280.4 million and an unfavorable change in our operating assets net of operating liabilities of \$5.0 billion, partially offset by a positive adjustment for non-cash items of \$423.1 million. The change in operating assets net of operating liabilities was primarily a result of our loan origination and sales activities. We originated loans of \$10.0 billion during the period and also purchased loans of \$1.6 billion. These cash uses were largely offset by principal payments on loans of \$2.0 billion and proceeds from loan sales of \$4.7 billion.

For the nine months ended September 30, 2021, net cash used in operating activities of \$113.9 million stemmed from a net loss of \$372.9 million and an unfavorable change in our operating assets net of operating liabilities of \$97.5 million, which were offset by a positive adjustment for non-cash items of \$356.5 million. The change in operating assets net of operating liabilities was primarily a result of our loan origination and sales activities. We originated loans of \$9.1 billion during the period and also purchased loans of \$252.3 million. These cash uses were offset by principal payments on loans of \$1.7 billion and proceeds from loan sales of \$7.6 billion.

Cash Flows from Investing Activities

For the nine months ended September 30, 2022, net cash used in investing activities of \$54.9 million was primarily attributable to proceeds of \$99.8 million from our securitization investments, the aggregate net cash acquired from the Technisys Merger and Bank Merger of \$58.5 million, and proceeds of \$37.8 million from sales, maturities and paydowns of our investments in AFS debt securities. These sources were more than offset by net cash uses of \$130.1 million related to loan activities, primarily driven by credit card loans, \$76.0 million for purchases of property, equipment and software, which primarily included internally-developed software and purchased software, and cash uses of \$45.0 million related to purchases of AFS debt securities.

For the nine months ended September 30, 2021, net cash provided by investing activities of \$79.5 million was primarily attributable to proceeds of \$107.5 million from the call on our Apex equity method investment and \$16.7 million from repayment of the outstanding principal balance on related party notes, as well as proceeds of \$201.1 million from our securitization investments. These cash proceeds were partially offset by \$205.1 million of investments in AFS debt securities, reduced by proceeds of \$15.8 million from sales of these investments. Additionally, we made an equity method investment of \$20.0 million during the third quarter of 2021. Lastly, we used cash of \$38.4 million for purchases of property, equipment and software, which primarily included internally-developed software, purchased software, and furniture and fixtures.

Cash Flows from Financing Activities

For the nine months ended September 30, 2022, net cash provided by financing activities of \$5.4 billion was primarily attributable to net cash sources from our SoFi Bank deposits of \$4.9 billion. Additionally, our debt repayments related to our lending activities of \$7.3 billion, of which \$7.0 billion were related to our warehouse facilities, were largely offset by proceeds from debt financing activities of \$7.9 billion. Our payments of debt issuance costs were in the normal course of business and reflective of our recurring debt warehouse facility activity, which involves securing new warehouse facilities and extending existing warehouse facilities. Finally, we paid redeemable preferred stock dividends of \$20.0 million and taxes related to RSU vesting of \$7.5 million.

For the nine months ended September 30, 2021, net cash used in financing activities was \$434.7 million. We received proceeds from the Business Combination and PIPE Investment of \$2.0 billion, and paid costs directly related to the Business Combination and PIPE Investment of \$27.0 million. We received \$6.3 billion of proceeds from debt financing activities related to our lending activities. These debt proceeds were more than offset by \$8.4 billion of debt repayments, of which \$7.6 billion were related to our warehouse facilities. Our payments of debt issuance costs were in the normal course of business and reflective of our recurring debt warehouse facility activity, which involves securing new warehouse facilities and extending existing warehouse facilities. We also paid taxes related to RSU vesting of \$37.2 million, as well as redeemable preferred stock dividends of \$20.0 million. Finally, we paid \$282.9 million to repurchase redeemable common and preferred stock, of which \$150.0 million related to redeemable common stock repurchased in conjunction with the Business Combination, and \$0.5 million to repurchase common stock during the period.

Other Arrangements

We enter into arrangements in which we originate loans, establish an SPE and transfer loans to the SPE, which has historically served as an important source of liquidity. We also retain the servicing rights of the underlying loans and hold additional interests in the SPE. When an SPE is determined not to be a VIE or when an SPE is determined to be a VIE but we are not the primary beneficiary, the SPE is not consolidated. In addition, a significant change to the pertinent rights of other parties or our pertinent rights, or a significant change to the ranges of possible financial performance outcomes used in our assessment of the variability of cash flows due to us, could impact the determination of whether or not a VIE is consolidated. VIE consolidation and deconsolidation may lead to increased volatility in our financial results and impact period-over-period comparability.

Historically, we have established personal loan trusts and student loan trusts that were created and designed to transfer credit and interest rate risk associated with the underlying loans through the issuance of collateralized notes and residual certificates. We hold a variable interest in the trusts through our ownership of collateralized notes in the form of asset-backed

bonds and residual certificates in the trusts. The residual certificates absorb variability and represent the equity ownership interest in the equity portion of the personal loan trusts and student loan trusts.

We are also the servicer for all trusts in which we hold a financial interest. Although we have the power as servicer to perform the activities that most impact the economic performance of the VIE, we do not hold a significant financial interest in the trusts and, therefore, we are not the primary beneficiary. Further, we do not provide financial support beyond our initial equity investment, and our maximum exposure to loss as a result of our involvement with nonconsolidated VIEs is limited to our investment. For a more detailed discussion of nonconsolidated VIEs, including activity in relation to the establishment of trusts, the aggregate outstanding values of variable interests and the deconsolidation of VIEs, see Note 5 to the Notes to Unaudited Condensed Consolidated Financial Statements.

Financial Condition Summary

September 30, 2022 compared to December 31, 2021

Changes in the composition and balance of our assets and liabilities as of September 30, 2022 compared to December 31, 2021 were principally attributed to the following:

- an increase of \$493.0 million in cash and cash equivalents and restricted cash and restricted cash equivalents. See “*Cash Flow and Liquidity Analysis*” for further discussion of our cash flow activity;
- an increase in total loans of \$5.1 billion, which was primarily related to personal loans;
- an increase in goodwill of \$724.4 million related to our two acquisitions during the first quarter of 2022. See Note 2 to the Notes to Unaudited Condensed Consolidated Financial Statements for additional information;
- an increase in intangible assets of \$172.2 million, of which \$240.0 million was related to our two acquisitions during the first quarter of 2022, with a partially offsetting decrease attributable to amortization expense;
- a decrease in securitization investments of \$113.0 million, of which \$99.8 million was related to cash receipts. There were no securitization investments made during 2022;
- an increase in deposits of \$5.0 billion, which was attributable to our launch of SoFi Bank during the first quarter of 2022;
- an increase of \$821.1 million in gross warehouse facility debt to support our originations during the current period, which reflected the net impact of \$7.0 billion of cash repayments and \$7.9 billion of cash borrowings;
- a decrease of \$209.1 million in liabilities related to gross securitization debt, which was settled with proceeds from related collateral repayments; and
- an increase in deferred tax liabilities of \$51.1 million, which was primarily attributable to the separately identifiable intangible assets acquired in the Technisys Merger.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. In preparing our consolidated financial statements, we make judgments, estimates and assumptions that affect reported amounts of assets and liabilities, as well as revenues and expenses. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. The results involve judgments about the carrying values of assets and liabilities not readily apparent from other sources. Actual results could differ materially from these estimates under different assumptions or conditions. We regularly evaluate our estimates, assumptions and judgments, particularly those that include the most difficult, subjective or complex judgments and are often about matters that are inherently uncertain. We evaluate our critical accounting policies and estimates on an ongoing basis and update them as necessary based on changes in market conditions or factors specific to us. There have been no material changes in our significant accounting policies or critical accounting estimates during 2022. For a complete discussion of our significant accounting policies and critical accounting estimates, refer to our Annual Report on Form 10-K for the year ended December 31, 2021 within Note 1 to the Notes to Consolidated Financial Statements for a summary of our significant accounting policies and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates*”.

Recent Accounting Standards Issued, But Not Yet Adopted

See Note 1 to the Notes to Unaudited Condensed Consolidated Financial Statements herein and Note 1 to the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

In the normal course of business, we are subject to a variety of market-related risks that can affect our operations and profitability. We broadly define these areas of risk as interest rate risk, credit risk, market risk, and counterparty risk. Historically, substantially all of our revenue and operating expenses were denominated in United States dollars. We may in the future be subject to increasing foreign currency exchange rate risk with our recent acquisition of a foreign company. Foreign currency exchange rate risk is the risk that our financial position or results of operations could be positively or negatively impacted by fluctuations in exchange rates. Exchange rate risk was not a material risk for the Company during the periods presented. For additional information on our market risks, see Part II, Item 7A “Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K for the year ended December 31, 2021.

Interest Rate Risk

We are subject to interest rate risk associated with our loans, securitization investments (including residual investments and asset-backed bonds), servicing rights, variable-rate debt, deposit accounts and investments in AFS debt securities. Our loans with variable interest rates are exposed to interest rate volatility, which impacts the amount of recognized interest income. Our securitization residual investments are carried at fair value, which is subject to changes in market value by virtue of the impact of interest rates on the market yield of the residual investments. The value and earnings of our asset-backed bonds, which are associated with our personal loans and student loans, have a converse relationship to the movement of interest rates. That is, as interest rates rise, bond values and earnings fall and vice versa. Additionally, we are subject to interest rate risk on our variable-rate warehouse facilities and our revolving credit facility. Market interest rates may also drive the interest we offer to members on their deposits. Future funding activities may increase our exposure to interest rate risk, as the interest rates payable on such funding may be tied to SOFR or another representative alternative reference rate.

Interest rate risk also occurs in periods where changes in short-term interest rates result in loans being originated with terms that provide a smaller interest rate spread above the financing terms of our warehouse facilities or above the interest rate we offer on deposits, which can negatively impact our realized net interest income.

Credit Risk

We are subject to credit risk, which is the risk of default that results from a borrower’s inability or unwillingness to make contractually required loan payments, inclusive of our credit card product, or declines in home loan collateral values. Generally, all loans sold into the secondary market are sold without recourse. For such loans, our credit risk is limited to repurchase obligations due to fraud or origination defects. For loans that were repurchased or not sold in the secondary market, we are subject to credit risk to the extent a borrower defaults and we are not able to fully recover the principal balance. We believe that this risk is mitigated through the implementation of stringent underwriting standards, strong fraud detection tools and technology designed to comply with applicable laws and our standards. In addition, we believe that this risk is mitigated through the quality of our loan portfolio.

Market Risk

We are exposed to the risk of loss to future earnings, values or future cash flows that may result from changes in market discount rates or overall market conditions. We are exposed to such market risk directly through our investments in AFS debt securities, loans, servicing rights and securitization investments held on our unaudited condensed consolidated balance sheets, all of which are measured at fair value on a recurring basis. Investments in AFS debt securities are valued utilizing quoted prices in actively traded markets or rely upon observable inputs other than quoted prices, dealer quotes in markets that are not active and implied pricing derived from new issuances of similar securities. The other assets mentioned are measured at fair value using a discounted cash flow methodology in which the discount rate represents an estimate of the required rate of return by market participants. The discount rates for our loans and securitization investments may change due to expected loan performance or changes in the expected returns of similar financial instruments available in the market. For our servicing rights, the discount rate is commensurate with the risk of the servicing asset cash flow, which varies based on the characteristics of the serviced loan portfolio. We are also exposed to market risk through our investments in equity securities, which are either measured at fair value using the net asset value practical expedient or which may have positive or negative adjustments that impact our results of operations resulting from observable price changes based on current market conditions.

Counterparty Risk

We are subject to risk that arises from our debt warehouse facilities, interest rate risk hedging activities, third-party custodians, and capped call options on our common stock. These activities generally involve an exchange of obligations with unaffiliated lenders or other individuals or entities, referred to in such transactions as “counterparties”. If a counterparty was to default, we could potentially be exposed to reputational damage and financial loss if such counterparty was unable to meet its

obligations to us. We manage this risk by selecting only counterparties that we believe to be financially strong, spreading the risk among multiple such counterparties, placing contractual limits on the amount of dependence on any single counterparty, and entering into netting agreements with the counterparties, as appropriate.

In accordance with Treasury Market Practices Group's recommendation, we execute Securities Industry and Financial Markets Association trading agreements with all material trading partners. Each such agreement provides for an exchange of margin money should either party's exposure exceed a predetermined contractual limit. Such margin requirements limit our overall counterparty exposure. The master netting agreements contain a legal right to offset amounts due to and from the same counterparty. Derivative assets represent derivative contracts in a gain position net of loss positions with the same counterparty and, therefore, also represent our maximum counterparty credit risk. We incurred no losses due to nonperformance by any of our counterparties during the nine months ended September 30, 2022. As of September 30, 2022, gross derivative asset and liability positions subject to master netting arrangements were \$6.0 million and \$21.7 million, respectively.

In the case of our loan warehouse facilities, we are subject to risk if the counterparty chooses not to renew a borrowing agreement and we are unable to obtain financing to originate loans. With our loan warehouse facilities, we seek to mitigate this risk by ensuring that we have sufficient borrowing capacity with a variety of well-established counterparties to meet our funding needs. As of September 30, 2022, we had total borrowing capacity under loan warehouse facilities of \$7.1 billion, of which \$2.5 billion was utilized. Refer to Note 9 to the Notes to Unaudited Condensed Consolidated Financial Statements for a listing of our loan warehouse facilities.

In the case of our call options on our common stock (referred to herein as the "capped call transactions"), if the Capped Call Counterparties, which are financial institutions and initial purchasers of our convertible notes, are unable to meet their obligations under the contract, we may not be able to mitigate the dilutive effect on our common stock upon conversions of our convertible notes or offset any potential cash payments we may be required to make in excess of the principal amount of converted convertible notes.

We are also subject to counterparty risk associated with our use of third-party custodians to safeguard digital assets on behalf of our members. Refer to Note 1 to the Notes to Unaudited Condensed Consolidated Financial Statements under the section entitled "*Safeguarding Asset and Liability*" and to Part II, Item 1A. Risk Factors under "*Regulatory, Tax and Other Legal Risks*" for additional information on our counterparty risk as it relates to our digital assets product offering.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that such disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q and designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The information required by Item 103 of Regulation S-K is included in Note 15 to the Notes to Unaudited Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In evaluating our company and our business, you should carefully consider the risks and uncertainties described below, together with the other information in this Quarterly Report on Form 10-Q, including our unaudited condensed consolidated financial statements and the related notes and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may have a material adverse effect on our business, reputation, revenue, financial condition, results of operations or future prospects, in which case the market price of our common stock could decline, and you could lose part or all of your investment. Unless otherwise indicated, references in this section and elsewhere in this Quarterly Report on Form 10-Q to our business being adversely affected, negatively impacted or harmed will include an adverse effect on, or a negative impact or harm to, our business, reputation, financial condition, results of operations, revenue or our future prospects. The material and other risks and uncertainties summarized in this Quarterly Report on Form 10-Q and described below are not intended to be exhaustive and are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business. This Quarterly Report on Form 10-Q also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See the section titled “Cautionary Statement Regarding Forward-Looking Statements”.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties, which illuminate challenges that we face in connection with the successful implementation of our strategy and the growth of our business. Our business, prospects, financial condition or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. These risks are discussed more fully below and include, but are not limited to, risks related to:

Business, Financial and Operational Risks

- our ability to successfully identify and address the risks and uncertainties we face;
- demands on our resources, intense and increasing competition, and success of our business model (including future profitability);
- legislative and regulatory policies and related actions that apply or may apply to us, particularly in connection with student loans or as a result of our operating a bank and as a bank holding company;
- loss of one or more significant purchasers of our loans;
- impact of macroeconomic factors, including regulatory responses, increasing inflation, supply shortages, economic uncertainty and impacts from the COVID-19 pandemic;

Risks Related to Market and Interest Rates

- cost and availability of funding in the capital markets and fluctuations in interest rates;
- higher than expected payment speeds of loans or longer holding periods of loans could negatively impact our returns as the holder of the residual interests in securitization trusts;
- transition away from the London Inter-Bank Offered Rate (“LIBOR”) as a benchmark reference and financial risks that cannot be eliminated by our hedging activities, which carry their own risks;

Risks Related to Strategic and New Products

- potential and recent acquisitions that require significant attention, disrupt our business and adversely affect our financials;
- failure to innovate or respond to evolving technological or other changes;
- an increase in fraudulent activity;
- failure of third party service providers or systems on which we rely;
- increased business, economic and regulatory risks from continued expansion abroad;

Credit Market Related Risks

- worsening economic conditions, including general economic uncertainty, increasing inflation and interest rates, market volatility, the cyclical nature of our industry and ability to maintain expected levels of liquidity;
- inability to make accurate credit and pricing decisions or effectively forecast our loss rates;
- the discharge of student loans in certain circumstances;
- failure of third-party service provider to perform various functions related to the origination and servicing of loans;
- failure of third-party home loan fulfillment partner to provide fulfillment services for home loans we originate;

Risks Related to Funding and Liquidity

- ability to retain, increase or secure new or alternative financing, including through deposits;
- termination of one or more of our warehouse facilities on which we are highly dependent;
- increases in member loan default rates or possibility of being required to repurchase loans or indemnify the purchaser of our loans;
- ability to finance the receivables that we originate or other assets that we hold;

Regulatory, Tax and Other Legal Risks

- exposure to evolving laws, rules, regulations and government enforcement policies, including further extensions of the student loan payment moratorium, federal or state loan forgiveness programs, such as the federal student loan forgiveness measures recently announced by President Biden, and potential enforcement actions, litigation, investigations, exams or inquiries or impairment of licenses;
- ability to effectively mitigate risk exposure;
- changes in business, economic or political conditions;
- failure to comply with laws and regulations, including anti-corruption or privacy laws;
- application of regulations and supervision under banking laws;
- ability to efficiently protect our intellectual property rights;
- failure to comply with open source licenses for open source software included in our or any of our subsidiaries' platforms;
- the risk that we are, or any of our subsidiaries is, determined to have been subject to registration as an investment company under the Investment Company Act;

Personnel and Business Continuity Risks

- loss of key management members or key employees, or an inability to hire key personnel;
- increased business continuity and cyber risks due to our primarily remote workforce;
- natural disasters, power outages, telecommunications failures, man-made problems and similar;
- employee misconduct;

Risk Management and Financial Reporting Risks

- ability to establish and maintain proper and effective internal control over financial reporting and risk management processes and procedures;
- adjustments to total number of members in the event a member is removed in accordance with our terms of service may not be reflected in the current period;
- changes in accounting principles generally accepted in the United States;
- as a result of our business combination with a special purpose acquisition company, regulatory obligations may impact us differently than other publicly traded companies;
- incorrect estimates or assumptions by management in connection with the preparation of our financial statements;

Information Technology and Data Risks

- breach or violation of law by a third party on which we depend;
- cyberattacks and other security breaches or disruptions of our systems or third-party systems on which we rely, including disruptions that may impact our ability to collect loan payments and maintain accurate accounts;
- liabilities related to the collection, processing, use, storage and transmission of personal data;

Risks Related to Ownership of Our Securities

- volatility in the price of our common stock and future dilution of our stockholders;
- possibility of securities litigation, which is expensive and time consuming; and

- failure to comply with Nasdaq continued listing standards.

Business, Financial and Operational Risks

We operate in a rapidly evolving industry, and have limited experience in parts of our Financial Services and Technology Platform segments, which may make it difficult for us to successfully identify and address the risks and uncertainties we face.

We operate in a rapidly evolving industry, and have limited experience in parts of our Financial Services and Technology Platform segments, which may make it difficult to identify risks to our business and evaluate our future prospects. In particular, we have limited experience offering deposit accounts, investment services and technology solutions. In the first quarter of 2022, we acquired a bank charter and face risks as a result of our lack of experience operating a bank and as a bank holding company. We also acquired Technisys in the first quarter of 2022, which furthered our international expansion into Latin America and introduced new risks due to our limited history of operations in certain Latin American countries.

In addition to the recent events above, we face numerous challenges to our success, including our ability to:

- increase or maintain the number, volume and types of, and add new features to, the loans we extend to our members as the market for loans evolves and as we face new and increasing competitive threats;
- increase the number of members utilizing non-lending products, including our direct deposit feature, and maintain and build on the loyalty of existing members by increasing their use of new or additional products;
- successfully maintain and enhance our diversified funding strategy, including through securitization financing from consolidated and nonconsolidated VIEs, whole loan sales, debt warehouse facilities and deposits;
- further establish, diversify and refine our checking and savings, investment and brokerage offerings to meet evolving consumer needs and preferences;
- diversify our revenue streams across our products and services;
- favorably compete with other companies, including traditional and alternative technology-enabled lenders, financial service providers, broker dealers, and technology platform-as-a-service providers;
- realize the benefits of operating a bank;
- introduce new products or other offerings to meet the needs of our existing and prospective members or to keep pace with competitive lending, checking and savings, investment, technology and other developments;
- maintain or increase the effectiveness of our direct marketing, and other sales and marketing efforts;
- successfully navigate economic conditions and fluctuations in the credit markets, including inflation, rising interest rates, recessionary pressures and economic uncertainty;
- establish fraud prevention strategies that proactively identify threat vectors and mitigate losses;
- defend our platform from information security vulnerabilities, cyberattacks or malicious attacks;
- effectively manage the growth of our business;
- effectively manage our expenses;
- obtain debt or equity capital on attractive terms or at all;
- successfully continue to expand internationally;
- adequately respond to macroeconomic and other exogenous challenges, including the impacts from the COVID-19 pandemic and the ongoing war in Ukraine; and
- anticipate and react to changes in an evolving regulatory and political environment.

We may not be able to successfully address the risks and uncertainties we face, which could negatively impact our business, financial condition, results of operations, cash flows and future prospects.

We have a history of losses, may not achieve profitability in the future, and there is no assurance that our revenue and business model will be successful.

We have a history of net losses. We may continue to incur net losses in the future, and such losses may fluctuate significantly from quarter to quarter. We will need to generate and sustain significant revenues for our business generally, and achieve greater scale and generate greater operating cash flows from our Financial Services segment, in particular, in future

periods in order to achieve, maintain or increase our level of profitability. We intend to continue to invest in sales and marketing, technology, and new products and services in order to enhance our brand recognition and our value proposition to our members and prospective members, and these additional costs will create further challenges to generating near-term profitability. Our general and administrative expenses have and may in the future increase to meet the increased compliance and other requirements associated with operating as a public company and a bank holding company, operating a bank, and evolving regulatory requirements. See “*We acquired a national bank and became a bank holding company, which subjects us to significant additional regulation*”.

We are continuously refining our revenue and business model, which is premised on creating a virtuous cycle for our members to engage with more products across our platform, a strategy we refer to as the Financial Services Productivity Loop. There is no assurance that our revenue and business model or any changes to our revenue and business model to better compete with our competitors will be successful. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue sufficiently to offset our higher operating expenses. We may continue to incur losses and not achieve future profitability or, if achieved, be unable to maintain such profitability, due to a number of reasons, including the risks described in this Quarterly Report on Form 10-Q, unforeseen expenses, difficulties, complications and delays, differences between our assumptions and estimates and results, deteriorations in macroeconomic conditions and other unknown events.

We have experienced rapid growth in recent years, including through the addition of new lines of business and into new geographies, which may place significant demands on our operational, risk management, sales and marketing, technology, compliance, and finance and accounting resources.

Our rapid growth in certain areas of our business in recent years, primarily within our Financial Services and Technology Platform segments, as well as operating as a bank holding company, has placed significant demands on our operational, risk management, sales and marketing, technology, compliance, and finance and accounting infrastructure, and has resulted in increased expenses, a trend that we expect to continue as our business grows. In addition, we are required to continuously develop and adapt our systems and infrastructure in response to the increasing sophistication of the consumer financial services market, evolving fraud and information security landscape, and regulatory developments, both domestically and internationally, relating to existing and projected business activities. Our future growth will depend, among other things, on our ability to maintain an operating platform and management system able to address such growth, on our ability to grow and optimize deposit balances, and will require us to incur significant additional expenses, expand our workforce and commit additional time from senior management and operational resources. We may not be able to manage supporting and expanding our operations effectively, and any failure to do so would adversely affect our ability to increase the scale of our business, generate projected revenue and control expenses.

Our results of operations and future prospects depend on our ability to retain existing members and attract new members. We face intense and increasing competition and, if we do not compete effectively, our competitive positioning and our operating results will be harmed.

We operate in a rapidly changing and highly competitive industry, and our results of operations and future prospects depend on, among others:

- the continued growth of our member base;
- our ability to monetize our member base, including through the use of additional products by our existing members;
- our ability to acquire members at a lower cost; and
- our ability to increase the overall value to us of each of our members while they remain on our platform (which we refer to as a member’s lifetime value).

We expect our competition to continue to increase, as there are generally no substantial barriers to entry to the markets we serve. Some of our current and potential competitors have longer operating histories, particularly with respect to our financial services products, significantly greater financial, technical, marketing and other resources and a larger customer base than we do. This allows them to potentially offer more competitive pricing or other terms or features, a broader range of financial products, or a more specialized set of specific products or services, as well as respond more quickly than we can to new or emerging technologies and changes in member preferences. In addition to established enterprises, we may also face competition from early-stage companies attempting to capitalize on the same, or similar, opportunities as we are. Our existing or future competitors may develop products or services that are similar to our products and services or that achieve greater market acceptance than our products and services. This could attract current or potential members away from our services and reduce our market share in the future. Additionally, when new competitors seek to enter our markets, or when existing market participants seek to increase their market share, these competitors sometimes undercut, or otherwise exert pressure on, the

pricing terms prevalent in that market, which could adversely affect our market share and/or our ability to capitalize on market opportunities.

We currently compete at multiple levels with a variety of competitors, including:

- other personal loan, student loan refinancing, in-school student loan and mortgage lenders, including other banks and other financial institutions, as well as credit card issuers, that can offer more competitive interest rates or terms;
- banks and other financial institutions, for our checking and savings accounts;
- rewards credit cards provided by other financial institutions, for our SoFi Credit Card;
- other brokerage firms, including online or mobile platforms, and other companies for our SoFi Invest accounts;
- other technology platforms for the enterprise services we provide, such as technology products and solutions via Galileo and Technisys;
- other content providers for subscribers to our financial services content, including content from alternative providers available to our subscribers through our Lantern Credit service, which is a financial services aggregator providing marketplace lending products, and various enterprise partnerships; and
- other financial services firms offering leading employers a comprehensive platform for employees to build financial well-being through student loan and 529 educational plan contributions, educational tools, and financial resources, all of which we provide through SoFi At Work.

We believe that our ability to compete depends upon many factors both within and beyond our control, including, among others, the following:

- the size, diversity and activity levels of our member base;
- our ability to introduce successful new products and services, or to iterate and innovate on existing products or services to satisfy evolving member preferences or to keep pace with market trends;
- our ability to diversify our revenue streams across our products and services;
- the timing and market acceptance of our products and services, including developments and enhancements to those products and services, offered by us and our competitors;
- member service and support efforts;
- selling, marketing and promotional efforts;
- the ease of use, performance, price and reliability of solutions developed either by us or our competitors;
- our ability to attract and retain talent;
- changes in economic conditions, and regulatory and policy developments;
- our ability to successfully operate a national bank, grow deposits and realize the potential benefits to our members;
- our ability to successfully execute on the Financial Services Productivity Loop and our other business plans;
- general market conditions and their impact on our liquidity and ability to access funding;
- the impact of macroeconomic conditions, the impacts from the COVID-19 pandemic and related developments on the lending and financial services markets we serve; and
- our brand strength relative to our competitors.

Our current and future business prospects demand that we act to meet these competitive challenges but, in doing so, our revenues and results of operations could be adversely affected if we, for example, increase marketing or other expenditures or make new expenditures in other areas. Competitive pressures could also result in us reducing the annual percentage rate on the loans we originate, increasing the annual percentage rate we pay on the SoFi Checking and Savings product, incurring higher member acquisition costs, or making it more difficult for us to grow our loan originations in both number of loans and volume for new as well as existing members. All of the foregoing factors and events could adversely affect our business, financial condition, results of operations, cash flows and future prospects.

We acquired a national bank and became a bank holding company, which subjects us to significant additional regulation.

In March 2021, we entered into an agreement to acquire Golden Pacific, a bank holding company, and its wholly-owned subsidiary, Golden Pacific Bank. We became a bank holding company and Golden Pacific Bank began operating as SoFi Bank in February 2022.

As a bank holding company, we are subject to regulation, supervision and examination by the Federal Reserve, and SoFi Bank is subject to regulation, supervision and examination by the OCC and the FDIC, as well as regulations issued by the Consumer Financial Protection Bureau (the “CFPB”). Federal laws and regulations govern numerous matters affecting us, including changes in the ownership or control of banks and bank holding companies, maintenance of adequate capital and the financial condition of a financial institution, permissible types, amounts and terms of extensions of credit and investments, permissible nonbanking activities, the level of reserves against deposits and restrictions on dividend payments. The OCC possesses the power to issue cease and desist orders to prevent or remedy unsafe or unsound practices or violations of law by banks subject to their regulation, and the Federal Reserve possesses similar powers with respect to bank holding companies. In general, the bank supervisory framework is intended to protect insured depositors and the safety, soundness and stability of the U.S. financial system and not shareholders in depository institutions or their holding companies. In addition, due to the fact that SoFi and certain of its affiliates act as service providers to SoFi Bank, we are subject to audit standards for third-party vendors in accordance with OCC guidance and examinations by the OCC.

In connection with applying for approval to become a bank holding company, we developed a financial and bank capitalization plan and enhanced our governance, compliance, controls and management infrastructure and capabilities in order to ensure compliance with all applicable regulations, which required, and will continue to require, substantial time, monetary and human resource commitments. If any new regulations or interpretations of existing regulations to which we are subject impose requirements on us that are impractical or that we cannot satisfy, our financial performance, and our stock price, may be adversely affected. Additionally, certain of our stockholders may need to comply with applicable federal banking statutes and regulations, including the Change in Bank Control Act and the Bank Holding Company Act. Specifically, stockholders holding 10.0% or more of our voting interests may be required to provide certain information and/or commitments on a confidential basis to, among other regulators, the Federal Reserve. This requirement may deter certain existing or potential stockholders from purchasing shares of our common stock, which may suppress demand for our stock and cause the price to decline.

Finally, we intend to continue to explore other products for SoFi Bank over time. Some of those products may require, or be deemed to require, additional data, procedures, partnerships, regulatory approvals, or capabilities that we have not yet obtained or developed. Should we fail to expand and evolve SoFi Bank products in a successful manner, or should these new products, or new regulations or interpretations of existing regulations, impose requirements on us that are cumbersome or that we cannot satisfy, our business may be materially and adversely affected.

Our future growth depends significantly on our branding and marketing efforts, and if our marketing efforts are not successful or we receive negative publicity, our business and results of operations will be harmed.

We have invested significantly in our brand and believe that maintaining and enhancing our brand identity is critical to our success. Our ability to attract members depends in large part on the success of our marketing efforts and the success of the marketing channels we use to promote our products. Our marketing channels include, but are not limited to, earned media through press, social media and search engine optimization, as well as paid advertising, such as online affiliations, search engine marketing, digital marketing, social media marketing, influencer marketing, offline partnerships, out-of-home, direct mail, lifecycle marketing and television and radio advertising.

Our ability to compete for, attract and maintain members, lending counterparties, marketing partners and other partners relies to a large extent on their trust in our business and the value of our brand. While our goal remains to increase the strength, recognition and trust in our brand by increasing our member base and expanding our products and services, if any of our current marketing channels becomes less effective, if we are unable to continue to use any of these channels, if we receive negative publicity or fail to maintain our brand, if the cost of using these channels significantly increases or if we are not successful in generating new channels, we may not be able to attract new members in a cost-effective manner or increase the activity of our existing members on our platform. If we are unable to recover our marketing costs through increases in the size, value or the overall number of loans we originate, or member selection and utilization of other SoFi products such as SoFi Checking and Savings, SoFi Invest and SoFi Credit Card, it could have a material adverse effect on our business, financial condition, results of operations, cash flows and future prospects. In addition, negative publicity can adversely affect our reputation and damage our brand, and may arise from many sources, including actual or alleged misconduct, errors or improper business practices by employees, employee claims of discrimination or harassment, product failures, existing or future litigation or regulatory actions, inadequate protection of consumer information, data breaches, matters affecting our financial reporting or compliance with SEC and Nasdaq listing requirements and media coverage, whether accurate or not. Negative publicity or allegations could reduce

demand for our products, undermine the loyalty of our members and the confidence of our lending counterparties, impact our partnerships, reduce our ability to recruit and retain employees or lead to greater regulatory scrutiny. In addition, we and our officers, directors and/or employees have been, and may in the future be, named or otherwise involved in litigation or claims, including employment-related claims such as workplace discrimination or harassment, which could result in negative publicity and/or adversely impact our business, even if we are ultimately successful in defending against such claims.

Legislative and regulatory policies and related actions in connection with student loans could have a material adverse effect on our student loan portfolios.

In recent years, there has been increased focus by policymakers on outstanding student loans, including, among other things, on the total volume of outstanding loans and on the number of loans outstanding per borrower. In response, there has been discussion of potential legislative and regulatory actions and other possible steps to, among other things:

- permit private education loans such as our refinanced student loan and in-school student loan products to be discharged in bankruptcy without the need to show undue hardship;
- amend the federal postsecondary education loan programs, including to reduce interest rates on certain loans, to revise repayment plans, to implement broader loan forgiveness plans, to provide for refinancing of private education loans into federal student loans at low interest rates, to reduce or eliminate the Grad PLUS program (which authorizes loans that comprise a substantial portion of our student loan refinancing business) and to provide for refinancing of existing federally held student loans into new federal student loans at low interest rates;
- require private education lenders to reform loan agreements to provide for income-based repayment plans and other payment plans; and
- make sweeping changes to the entire cost structure and financial aid system for higher education in the U.S., including proposals to provide free postsecondary education.

For example, in August 2022, President Biden announced relief measures for federal student loan borrowers, including forgiveness for \$10,000 of student loans (or up to \$20,000 if student loans are Pell Grants) for anyone earning less than \$125,000 and certain changes to income-driven repayment plans for student loans. The relief measures also extend the federal student loan payment moratorium to December 31, 2022, which President Biden indicated is the final extension. While the number of applicants under President Biden's program and the impact of legal challenges to the program are unknown, the timing and impact to our student loan refinancing product will largely depend on the timing of execution of debt cancellation as well as the interest rate environment. If in the future, student loans were forgiven or canceled in any meaningful scale, or if federal loan borrowers were permitted to refinance at lower interest rates, our profitability, results of operations, financial condition, cash flows or future business prospects could be materially and adversely affected as a result. In particular, our student loan refinancing business within our Lending segment, which is our largest segment, would be materially and adversely affected. In addition, proposals to make student loans dischargeable in bankruptcy or similar proposals could make whole loan purchasers less likely to purchase our student loans, securitization investors less likely to purchase securities backed by our student loans or warehouse lenders less likely to lend against our student loans at attractive advance rates. As a result of any material adverse effect to our Lending segment, our overall profitability, results of operations, financial condition, cash flows or future business prospects may be adversely affected. See "*Market and Interest Rate Risks — Legislative and regulatory responses to the COVID-19 pandemic and related economic uncertainty have had and could in the future have a material adverse effect on our current loan portfolios and our loan origination volume*".

We may experience fluctuations in our quarterly operating results.

We may experience fluctuations in our quarterly operating results due to a number of factors, including changes in the fair values of our instruments (including, but not limited to, our loans), the level of our expenses, the degree to which we encounter competition in our markets, general economic conditions, the rate and credit market environment and our ability to raise our coupon rates along with rising interest rates, legal or regulatory developments, changing demographics, legislative or policy changes and the impact of the COVID-19 pandemic. In light of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

We sell a significant percentage of our loans to a concentrated number of whole loan purchasers and the loss of one or more significant purchasers could have a negative impact on our operating results.

We sell a significant percentage of our personal loans, student loans and home loans to a concentrated number of whole loan purchasers. There are inherent risks whenever a large percentage of a business is concentrated with a limited number of parties. It is not possible for us to predict the future level of demand for our loans by these or other purchasers. In addition, purchases of our loans by these purchasers have historically fluctuated and may continue to fluctuate based on a

number of factors, some of which may be outside of our control, including economic conditions, the availability of alternative investments, changes in the terms of the loans, loans offered by competitors, prevailing interest rates and a change in business plan or strategy by the purchaser. If any of these purchasers significantly reduces the dollar amount of the loans it purchases from us, we may be unable to sell those loans to another purchaser on favorable terms or at all, which may have a material adverse effect on our revenues, results of operations, liquidity and cash flows.

Market and Interest Rate Risks

Our business and results of operations may be adversely affected by the financial markets, fiscal, monetary, and regulatory policies, and economic conditions generally.

Our business, results of operations and reputation are directly affected by elements beyond our control, including general economic, political, social and health conditions in the U.S. and in countries abroad. These elements can arise suddenly and the full impact can remain unknown or result in adverse effects, including, but not limited to, extreme volatility in credit, equity and foreign currency markets, changes to buying patterns of our members and prospective members or reductions in the credit quality of our members.

In particular, markets in the U.S. or abroad have been and may in the future be affected by the level and volatility of interest rates, availability and market conditions of financing, recessionary pressures, inflation, supply chain disruptions, consumer spending, employment levels, labor shortages, federal government shutdowns, developments related to the U.S. federal debt ceiling, energy prices, home prices, commercial property values, bankruptcies, a default by a significant market participant or class of counterparties, market volatility, liquidity of the global financial markets, the growth of global trade and commerce, trade policies, the availability and cost of capital and credit, disruption of communication, transportation or energy infrastructure and investor sentiment and confidence. Additionally, global markets have been and may in the future be adversely affected by the current or anticipated impact of climate change, extreme weather events or natural disasters, the emergence or continuation of widespread health emergencies or pandemics, cyberattacks or campaigns, military conflict, including Russia's invasion of Ukraine, terrorism or other geopolitical events which may affect our results of operations. For example, although we do not have operations in Ukraine or Russia, the ongoing war in Ukraine has led and could in the future lead to macroeconomic effects, including volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, as well as an increase in cyberattacks and espionage. Also, any sudden or prolonged market downturn in the U.S. or abroad, as a result of the above factors or otherwise, could adversely affect our business, results of operations and financial condition, including capital and liquidity levels.

Significant downturns in the securities markets or in general economic and political conditions may also cause individuals to be reluctant to make their own investment decisions and thus decrease the demand for our products and services and could also result in our members reducing their engagement with our platform. Conversely, significant upturns in the securities markets or in general economic and political conditions may cause individuals to be less proactive in seeking ways to improve the returns on their trading or investment decisions and, thus, decrease the demand for our products and services. Any of these changes could cause our future performance to be uncertain or unpredictable, and could have an adverse effect on our business, financial condition and results of operations. In addition, a prolonged weakness in the U.S. equity markets or a general extended economic downturn could cause our members to incur losses, which in turn could cause our brand and reputation to suffer. If our reputation is harmed, the willingness of our existing members and potential new members to do business with us could be negatively impacted, which would adversely affect our business, financial condition and results of operations.

Our business is sensitive to interest rates and interest rates are highly sensitive to many factors that are beyond our control, including global, domestic and local economic conditions and the policies of various governmental and regulatory agencies and, in particular, the Federal Reserve. The Federal Reserve has increased interest rates multiple times in 2022. Further increases to prevailing interest rates could influence not only the interest we receive on loans and investments and the amount of interest we pay on deposits and borrowings, but such changes could also affect (i) our ability to originate loans and obtain deposits; (ii) the fair value of our financial assets and liabilities; and (iii) the average duration of our loan portfolios and other interest-earning assets. See *"Changing expectations for inflation and deflation and corresponding fluctuations in interest rates could decrease demand for our lending products and negatively affect loan performance, as well as increase certain operating costs, such as employee compensation"* for additional information on the risks of interest rate fluctuations to our business.

Interest rate increases and other actions, including balance sheet management, lending facilities, and any exit or perceived exit from quantitative easing, and similar actions taken by the Federal Reserve or other central banks, are beyond our control and difficult to predict. These actions affect interest rates, the value of financial instruments, increase the likelihood of a more volatile market, appreciating U.S. dollar and negative growth in gross domestic product, and affect other assets and

liabilities and can impact our members. Any such downturn, especially domestically and in the regions in which we operate, may adversely affect our asset quality, deposit levels, loan demand and results of operations.

Changes to existing laws and regulatory policies and evolving priorities, including those related to financial regulation, taxation, international trade, fiscal policy, climate change (including any required reduction of greenhouse gas emissions) and healthcare, may adversely impact U.S. or global economic activity and our members, our counterparties and our earnings and operations. For example, changes, or proposed changes, to certain U.S. trade and international investment policies, particularly with important trading partners (including China and the European Union (the “EU”)) have in recent years negatively impacted financial markets. Actions taken by other countries, particularly China, to restrict the activities of businesses, could also negatively affect financial markets. An escalation of tensions could lead to further measures that adversely affect financial markets, disrupt world trade and commerce and lead to trade retaliation, including through the use of tariffs, foreign exchange measures or the large-scale sale of U.S. Treasury Bonds.

Any of these developments could adversely affect our business, our members, the value of our loan portfolios, our level of charge-offs and provision for credit losses, our capital levels, our liquidity and our results of operations.

We primarily utilize a gain-on-sale origination model and, consequently, our business is affected by the cost and availability of funding in the capital markets.

In addition to the issuance of equity, historically we have funded our operations and capital expenditures through sales of our loans, secured and unsecured borrowing facilities and securitizations. We primarily utilize a gain-on-sale origination model and, consequently, our earnings and financial condition are largely dependent on the price we can obtain for our products in the capital markets, which has been and may be negatively impacted by rising interest rates combined with longer periods during which we may hold loans on-balance sheet. These capital markets risks may be partially mitigated by the availability of bank deposits and other corporate cash (if any) to temporarily hold the loans on our balance sheet. However, this historically has not been our primary source of funding and can be impacted by a number of factors. Our ability to obtain financing in the capital markets depends, among other things, on our development efforts, business plans, operating performance, lending activities, and condition of, and our access to, the capital markets at the time we seek financing. The capital markets have recently and from time to time experienced periods of significant volatility, including volatility driven by the COVID-19 pandemic and the war in Ukraine, among other things. This volatility can dramatically and adversely affect financing costs when compared to historical norms or make funding unavailable at any cost. Additional factors that could make financing more expensive or unavailable to us include, but are not limited to, financial losses, events that have an adverse impact on our reputation, lawsuits challenging our business practices, adverse regulatory changes, changes in the activities of our business partners, events that have an adverse impact on the financial services industry generally, counterparty availability, negative credit rating actions with respect to our rated securities, corporate and regulatory actions, interest rate changes, general economic conditions, including changing expectations for inflation and deflation, and the legal, regulatory and tax environments governing funding transactions, including existing or future securitization transactions. If financing is difficult, expensive or unavailable, our business, financial condition, results of operations, cash flows and future prospects could be materially and adversely affected.

Changing expectations for inflation and deflation and corresponding fluctuations in interest rates could decrease demand for our lending products and negatively affect loan performance, as well as increase certain operating costs, such as employee compensation.

There is particular uncertainty about the prospects for growth in the U.S. economy. A number of factors influence the potential economic uncertainty, including, but not limited to, changing U.S. consumer spending patterns, rising inflation and increasing interest rates. For example, the Federal Reserve has increased interest rates multiple times in 2022. Increased interest rates may decrease borrower demand for our lending products, even as inflation places pressure on consumer spending, borrowing and saving habits as consumers evaluate their prospects for future income growth and employment opportunities in the current economic environment, and as borrowers face uncertainty about the impact of rising prices on their ability to repay a loan. A change in demand for our lending products and any steps we may take to mitigate such change could impact our credit quality and overall growth. We have experienced lower demand for our home loans in a rising interest rate environment, as our historical demand has primarily resulted from refinancing, which is less attractive in a higher interest rate environment. Furthermore, inflationary and other economic pressure resulting in the inability of a borrower to repay a loan could translate into increased loan defaults, foreclosures and charge-offs and negatively affect our business, financial condition, results of operations, cash flows and future prospects.

Additionally, an inflationary environment combined with the tight labor market and decreases in the market value of our equity awards could make it more costly for us to attract or retain employees. In order to meet the compensation expectations of our prospective and current employees due to inflationary and other factors, we may be required to increase our

operating costs or risk losing skilled workers to competitors. See “Personnel and Business Continuity Risks — The competitive job market creates a challenge and potential risk as we strive to attract and retain a highly skilled workforce” for more information on the risks posed by a competitive labor market.

Fluctuations in interest rates could negatively affect the demand for our SoFi Checking and Savings products.

Falling or low interest rates may have a negative impact on the demand for our SoFi Checking and Savings product. SoFi Checking and Savings provides members a digital banking experience that offers a variable annual percentage yield, which rate is at our discretion. If we are not able to offer a competitive interest rate on deposit accounts, demand for our SoFi Checking and Savings products may decrease, which may impact our ability to access a more cost-effective source of funding for our loans. Although we are currently in a rising interest rate environment, there is no guarantee we will remain so and in a falling or low interest rate environment, account holders and prospective account holders may be discouraged from using these products, which would adversely affect our business, financial condition, results of operations, cash flows and future prospects.

Higher than expected payment speeds of loans could negatively impact our returns as the holder of the residual interests in securitization trusts holding student and personal loans. These factors could materially alter our net revenue or the value of our residual interest holdings.

The rate at which borrowers prepay their loans can have a material impact on our net revenue and the value of our residual interests in securitization trusts. Prepayment rates and levels are subject to a variety of economic, social, competitive and other factors, including fluctuations in interest rates, availability of alternative financings, regulatory changes affecting the student loan market, the home loan market, consumer lending generally and the general economy, including changing expectations for inflation and deflation.

While we anticipate some variability in prepayment levels, extraordinary or extended increases or decreases in prepayment rates could materially affect our liquidity and net revenue. For example, when, as a result of unanticipated prepayment levels, loans within a securitization trust amortize faster than originally contracted due to prepayments, the trust’s pool balance may decline at a rate faster than the prepayment rate assumed when the trust’s bonds were originally issued. If the trust’s pool balance declines faster than originally anticipated, in most of our securitization structures, the bonds issued by that trust will also be repaid faster than originally anticipated. In such cases, our net revenue may decrease, inclusive of the diminished value of any retained residual interest by us in the trust.

Finally, rating agencies may place bonds on watch or change their ratings on (or their ratings methodology for) the bonds issued by a securitization trust, possibly raising or lowering their ratings, based upon these prepayment rates and their perception of the risk posed by those rates to the timing of the trust cash flows. Placing bonds on watch, changing ratings negatively, proposing or making changes to ratings methodology could: (i) affect our liquidity, (ii) impede our access to the securitization markets, (iii) require changes to our securitization structures, and (iv) raise or lower the value of the residual interests of our future securitization transactions.

The transition away from LIBOR as a benchmark reference for interest rates may affect our cost of capital, or our liquidity, or expose us to borrower litigation or damage to the SoFi brand.

LIBOR has served as a global benchmark for determining interest rates on commercial and consumer loans, bonds, derivatives and numerous other financial instruments. Prior to December 31, 2021, we typically used USD LIBOR as the reference rate for the securities issued under certain of our securitizations (such as student loan securitizations), certain secured and unsecured financing facilities (such as the loan warehouse facilities, risk retention facilities and revolving credit facility), certain hedging arrangements, and our Series 1 Redeemable Preferred Stock dividends. LIBOR was set based on interest rate information reported by certain banks, which stopped reporting such information after 2021. After December 31, 2021, the ICE Benchmark Administration Limited (the “IBA”), the administrator of LIBOR, ceased publishing one-week and two-month USD LIBOR, in addition to certain other non-USD tenors. The IBA expects to continue to publish all remaining USD LIBOR tenors through June 30, 2023, with the overnight and 12-month tenors ceasing immediately thereafter and the one-month, three-month and six-month tenors becoming non-representative from that date. In March 2022, the Adjustable Interest Rate (LIBOR) Act was enacted at the federal level in the U.S., in which the Federal Reserve recommends benchmark replacement rates for residual exposures after June 2023 which continue to have no or insufficient fallback provisions. Uncertainty relating to the LIBOR calculation process, the valuation of LIBOR alternatives, and other economic consequences from the phasing out of LIBOR may adversely affect our results of operations, financial condition and liquidity.

In the fourth quarter of 2021, we began to use SOFR (the rate recommended by the Federal Reserve in conjunction with the Alternative Reference Rates Committee as the recommended risk-free reference rate for the U.S.) as the pricing index on all new variable-rate loan originations, and on new warehouse facility agreements and other financial instruments. We also

continue to transition existing warehouse facility lines to SOFR or another representative alternative reference rate. Our derivative agreements are governed by the International Swap Dealers Association, which established a 2020 IBOR Fallbacks Protocol and supplement that became effective in January 2021, as well as additional subsequent supplements, to allow counterparties to modify legacy trades to reference amended standard definitions inclusive of the new fallback language. However, most of these legacy financial instruments do not include provisions clearly specifying a method for transitioning from LIBOR to an alternative benchmark rate, and it is not yet known how courts or regulators will view the transition away from LIBOR to an alternative benchmark rate. As a result, it is difficult to predict the impact that a cessation of LIBOR would have on the value and performance of our existing financial instruments.

As of the date of this filing, we have not modified any existing loan agreements with borrowers that use USD LIBOR. We expect to begin transitioning these agreements, along with continuing to transition other financial instruments, from USD LIBOR to SOFR or other representative alternative reference rates during 2023. Our loan agreements generally allow us to choose a new alternative reference rate based upon comparable information if the current index is no longer available.

The market transition away from LIBOR to an alternative reference rate is complex. We may incur significant expenses in implementing replacement reference rates for the calculation of interest rates under our loan agreements with borrowers, developing systems and analytics to successfully transition our risk management processes, and we may be subject to disputes or litigation with our borrowers over the appropriateness or comparability to LIBOR of the replacement reference rates or the interpretation or enforcement of certain fallback language in LIBOR-based products. The replacement reference rates could also result in a reduction in our interest income, which could have an adverse impact on our value, liquidity and results of operations. We may also receive inquiries and other actions from regulators in respect to our replacement of LIBOR with alternative reference rates.

These uncertainties regarding the possible cessation of LIBOR or their resolution could have a material adverse impact on our funding costs, net interest margin, loan and other asset values, asset-liability management strategies, and other aspects of our business and financial results.

We are exposed to financial risks that may be partially mitigated but cannot be eliminated by our hedging activities, which carry their own risks.

We continue to use, and may in the future use, financial instruments for hedging and risk management purposes in order to protect against possible fluctuations in interest rates, or for other reasons that we deem appropriate. In particular, we expect our interest rate risk to increase as our home loans business grows. However, any current and future hedges we enter into will not completely eliminate the risk associated with rising interest rates and our hedging activities may prove to be ineffective.

The success of our hedging strategy will be subject to our ability to correctly assess counterparty risk and the degree of correlation between the performance of the instruments used in the hedging strategy and any changes in interest rates, along with our ability to continuously recalculate, readjust and execute hedges in an efficient and timely manner. Therefore, though we may enter into transactions to seek to reduce risks, unanticipated changes may create a more negative consequence than if we had not engaged in any such hedging transactions. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the instruments being hedged. Any such imperfect correlation may prevent us from achieving the effect of the intended hedge and expose us to risk of loss. Any failure to manage our hedging positions properly or inability to enter into hedging instruments under acceptable terms could affect our financial condition and results of operations.

Our financial condition and results of operations have been and may continue to be adversely impacted by the COVID-19 pandemic.

Occurrences of epidemics or pandemics, depending on their scale, may cause different degrees of disruption to the regional, state and local economies in which we offer our products and services. The COVID-19 pandemic had and could continue to have a material adverse effect on the value, operating results and financial condition of our business.

The COVID-19 pandemic has caused changes in consumer and student behavior, as well as economic disruptions. Although consumer activity has improved and government mandates to restrict daily activities have been lifted in the U.S., recovery varies globally and the effects of the COVID-19 pandemic continue to evolve. For example, lockdowns to contain the spread of COVID-19 have continued in China which has impacted the global macroeconomic environment. Worker shortages, supply chain issues, inflationary pressures, vaccine and testing requirements, the emergence of new variants and the reinstatement and subsequent lifting of restrictions and health and safety related measures in response to the emergence of new variants have occurred in the past and may occur in the future. We are unable to predict the future path or impact of any global or regional COVID-19 resurgences, including existing or future variants, or other public health crises. The reinstatement and

subsequent lifting of these measures may occur periodically, which could adversely affect our business, operations and financial condition, as well as the business, operations and financial conditions of our members, other customers and partners.

See “*Our business and results of operations may be adversely affected by the financial markets, fiscal, monetary, and regulatory policies, and economic conditions generally*” and “*Management’s Discussion and Analysis of our Financial Condition and Results of Operations — Key Business Metrics*” and “*— Results of Operations*” for further discussion of the impact of the COVID-19 pandemic and macroeconomic conditions in recent periods on our business and operating results. The COVID-19 pandemic and any further deterioration in macroeconomic conditions, and their impact, may also have the effect of heightening many of the other risks described herein.

Legislative and regulatory responses to the COVID-19 pandemic and related economic uncertainty have had and could in the future have a material adverse effect on our current loan portfolios and our loan origination volume.

Legislative and regulatory responses to the COVID-19 pandemic have had and could continue to have a significant impact on our student loan portfolios. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed into law. In compliance with the CARES Act, payments and interest accrual on all loans owned by the Department of Education were suspended through September 30, 2020, and extended through a series of executive actions, with the final extension ending on December 31, 2022. Additionally, the Department of Education also suspended collections most recently through December 31, 2022 and announced plans to give borrowers who were in default before the start of the COVID-19 pandemic a fresh start by allowing them to reenter repayment in good standing. As a result of such forbearance measures and protections, borrowers with federally held student loans lacked the incentive to refinance their student loans with us, which negatively impacted our business by reducing our loan origination volume.

The various legislative and regulatory responses to the COVID-19 pandemic, particularly the mandatory suspension of payments and interest accrual on federally held loans through December 31, 2022, are likely to continue to serve as a disincentive for borrowers to refinance their loans through our platform, thereby reducing our loan origination volume and negatively impacting our revenue. In addition, there is pressure on policymakers to reduce or cancel student loans or accrued interest at a significant scale, which would further reduce demand for our student loan refinancing product and have a negative impact on our loan origination volume and revenue. For example, in August 2022, President Biden announced relief measures for federal student loan borrowers, including forgiveness for \$10,000 of student loans (or up to \$20,000 if student loans are Pell Grants) for anyone earning less than \$125,000 and certain changes to income-driven repayment plans for student loans. The relief measures also extend the federal student loan payment moratorium to December 31, 2022, which President Biden indicated is the final extension. While the number of applicants under President Biden’s program and the impact of legal challenges to the program are unknown, the President Biden student loan forgiveness program will likely impact our business.

Although we continue to evaluate the ultimate impact of local, state and federal legislation and regulation, guidance and actions (including the President Biden student loan forgiveness program), future legislative, regulatory and executive actions, and the ongoing impact of our own forbearance measures on our financial results, business operations and strategies, there is no guarantee that our estimates will be accurate or that any actions we take based on such estimates will be successful. Furthermore, we believe that the cost of responding to, and complying with, evolving laws and regulations, as well as any guidance from enforcement actions, will continue to increase, as will the risk of penalties and fines from any enforcement actions that may be imposed on our businesses. Our profitability, results of operations, financial condition, cash flows or future business prospects could be materially and adversely affected as a result.

Strategic and New Product Risks

We have in the past consummated and, from time to time we may evaluate and potentially consummate, acquisitions, which could require significant management attention, disrupt our business and adversely affect our financial results.

Our success depends, in part, on our ability to expand our business. In some circumstances, we may determine to do so through the acquisition of complementary assets, businesses and technologies rather than through internal development. For example: (i) in April 2020, we acquired 8 Limited, an investment business in Hong Kong, (ii) in May 2020, we acquired Galileo, a company that provides technology platform services to financial and non-financial institutions, (iii) in February 2022, we acquired Golden Pacific, a bank holding company, and (iv) in March 2022, we acquired Technisys, a cloud-native digital multi-product core banking platform. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include, among others:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of technology, product development, risk management and sales and marketing functions;

- retention of employees from the acquired company and retention of our employees due to cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources and other administrative systems;
- the need to implement or improve controls, procedures and policies at a business that prior to the acquisition may have lacked effective controls, information security safeguards, procedures and policies;
- potential write-offs or impairments of intangible assets, goodwill or other assets recognized in connection with the acquisition;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties; and
- geographic expansion exposes our business to known and unknown regulatory compliance risks, including elevated risk factors for tax compliance, money laundering controls, and supervisory controls oversight.

Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities and harm our business, generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, regulatory obligations to further capitalize our business, and goodwill and intangible asset impairments, any of which could harm our financial condition and negatively impact our stockholders. To the extent we pay the consideration for any future acquisitions or investments in cash, it would reduce the amount of cash available to us for other purposes.

Galileo and Technisys depend on a small number of clients, the loss or disruptions in operations of any of which could have a material adverse effect on their businesses and financial results, and negatively impact our financial results and results of operations.

Galileo and Technisys' clients are highly concentrated. There are inherent risks whenever a large percentage of net revenue is concentrated with a limited number of customers, including the loss of any one or more of those clients as a result of bankruptcy or insolvency proceedings involving the client, the loss of the client to a competitor, harm to that client's reputation or financial prospects or other reasons. In addition, disruptions in the operations of any of Galileo's key clients have in the past disrupted Galileo's operations, and any future disruptions in the operations of any key Galileo or Technisys clients could be material and have an adverse impact on our results of operations.

Demand for our products may decline if we do not continue to innovate or respond to evolving technological or other changes.

We operate in a dynamic industry characterized by rapidly evolving technology, frequent product introductions, and competition based on pricing and other differentiators. We continue to explore new product offerings and may rely on our proprietary technology to make our platform available to members, to service members and to introduce new products, which both fosters innovation and introduces new potential liabilities and risks. For example, in 2022, Galileo expanded its Galileo Payment Risk Platform jointly with DataVisor. In addition, we may increasingly rely on technological innovation as we introduce new types of products, expand our current products into new markets, and continue to streamline our platform. The process of developing new technologies and products is complex, and if we are unable to successfully innovate and continue to deliver a superior member experience, members' demand for our products may decrease and our growth and operations may be harmed. The brokerage industry also competes on price, and demand for our products and services may be affected if we are unable to compete on price.

SoFi Securities is a participant in the Depository Trust Company's settlement services. Broker-dealers that settle their own trades are subject to substantially more regulatory requirements than brokers that outsource these functions to third-party providers. Errors in performing settlement functions, including clerical, technological and other errors related to the handling of funds and securities could lead to censures, fines or other sanctions imposed by applicable regulatory authorities as well as losses and liabilities in related lawsuits and proceedings brought by transaction counterparties and others. Any unsettled securities transactions or wrongly executed transactions may expose the broker dealer to adverse movements in the prices of such securities.

An increase in fraudulent activity could lead to reputational damage to our brand and material legal, regulatory and financial exposure (including fines and other penalties), and could reduce the use and acceptance of SoFi Checking and Savings, cash management accounts and SoFi Credit Card.

Financial institutions like us, as well as our members, colleagues, regulators, vendors and other third parties, have experienced a significant increase in fraudulent activity in recent years and will likely continue to be the target of increasingly sophisticated fraudsters and fraud rings in the future. This is particularly true for our newer products where we have limited experience evaluating customer behavior and performing tailored risk assessments, such as SoFi Checking and Savings and SoFi Credit Card.

We develop and maintain systems and processes aimed at detecting and preventing fraudulent activity, which require significant investment, maintenance and ongoing monitoring and updating as technologies and regulatory requirements change and as efforts to overcome security and anti-fraud measures become more sophisticated. Despite our efforts, we have in the past and may in the future be subject to fraudulent activity, which may affect our results of operations. For example, our general and administrative expenses increased, in part, related to fraud events in 2022 relative to 2021. The possibility of fraudulent or other malicious activities and human error or malfeasance cannot be eliminated entirely and will evolve as new and emerging technology is deployed, including the increasing use of personal mobile and computing devices that are outside of our network and control environments, particularly as a large part of our workforce works remotely. Risks associated with each of these include theft of funds and other monetary loss, the effects of which could be compounded if not detected quickly. Indeed, fraudulent activity may not be detected until well after it occurs and the severity and potential impact may not be fully known for a substantial period of time after it has been discovered.

Fraudulent activity and other actual or perceived failures to maintain a product's integrity and/or security has led to increased regulatory scrutiny and may lead to regulatory investigations and intervention (such as mandatory card reissuance), increased litigation (including class action litigation), remediation, fines and response costs, negative assessments of us and our subsidiaries by regulators and rating agencies, reputational and financial damage to our brand, and reduced usage of our products and services, all of which could have a material adverse impact on our business.

Successful fraudulent activity and other incidents related to the actual or perceived failures to maintain the integrity of our processes and controls could negatively affect us, including harming the market perception of the effectiveness of our security measures or harming the reputation of the financial system in general, which could result in reduced use of our products and services. Such events could also result in legislation and additional regulatory requirements. Although we maintain insurance, there can be no assurance that liabilities or losses we may incur will be covered under such policies or that the amount of insurance will be adequate.

SoFi Credit Card is a relatively new product and we may not be successful in our efforts to promote its usage through marketing and promotion, or to effectively control the costs of such investments, both of which may materially impact our profitability.

Revenue growth for SoFi Credit Card is dependent on increasing the volume of members who open an account and on growing loan balances on those accounts. We have been investing in a number of new product initiatives to attract new SoFi Credit Card members and capture a greater share of our members' total spending and borrowings. While we have seen increases in revenue from SoFi Credit Card during 2022, there can be no assurance that our investments in SoFi Credit Card to acquire members, provide differentiated features and services and spur usage of our card will continue to be effective. Further, developing our service offerings, marketing SoFi Credit Card in additional customer acquisition channels and forming new partnerships could have higher costs than anticipated, and could adversely impact our results or dilute our brand. In addition, we have in the past and may in the future experience increased levels of default on our credit cards or increased levels of fraud, which could materially and adversely impact our profitability and results of operations. See "*Funding and Liquidity Risks — SoFi Credit Card has a limited performance history and any failure to accurately capture credit risk or to execute our funding strategy for it could have a negative impact on our business, operating results and financial condition*".

SoFi may be unable to successfully integrate Technisys' operations and may not realize the anticipated benefits of acquiring Technisys.

We closed the Technisys acquisition in March 2022 and are working to integrate Technisys' operations into our business. The success of the Technisys acquisition, including anticipated benefits and cost savings and potential additional revenue opportunities, will depend, in part, on SoFi's ability to successfully integrate Technisys' operations in a manner that results in various benefits, including, among other things, the development of an end-to-end vertically integrated banking technology stack to support multiple products and enable the combined company to meet the expanding needs of existing customers and serve additional established banks, fintechs and non-financial brands looking to enter financial services. The

ongoing process of integrating operations could result in a loss of key personnel or cause an interruption of, or loss of momentum in, the activities of one or more of SoFi's businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of SoFi to maintain relationships with customers and employees. The diversion of management's attention and any delays or difficulties encountered in connection with the integration of Technisys' operations could have an adverse effect on the business, financial condition, operating results and prospects of SoFi.

If SoFi experiences difficulties in the integration process, including those listed above, SoFi may fail to realize the anticipated benefits of the Technisys acquisition in a timely manner or at all. Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues, lost cost savings and incremental revenue opportunities and diversion of management's time and energy and could have an adverse effect on SoFi's business, financial condition, operating results and prospects.

We may continue to expand operations abroad where we have limited operating experience and may be subject to increased business, economic and regulatory risks that could adversely impact our financial results.

In April 2020, we undertook our first international expansion by acquiring 8 Limited, an investment business in Hong Kong. Additionally, with the acquisition of Galileo in May 2020, we gained clients in Canada, Mexico and Colombia and, with the acquisition of Technisys in March 2022, we further expanded our operations into Latin America. We may, in the future, continue to pursue further international expansion of our business operations, either organically or through acquisitions, in new international markets where we have limited or no experience in marketing, selling and deploying our product and services. If we fail to deploy or manage our operations in these countries successfully, our business and operations may suffer. In addition, we are subject to a variety of risks inherent in doing business internationally, including:

- political, social and/or economic instability;
- risks related to governmental regulations in foreign jurisdictions, including regulations relating to privacy, and unexpected changes in regulatory requirements and enforcement;
- fluctuations in currency exchange rates and global market volatility;
- higher levels of credit risk and fraud;
- enhanced difficulties of integrating any foreign acquisitions;
- burdens of enforcing and complying with a variety of foreign laws;
- reduced protection for intellectual property rights in some countries;
- difficulties in staffing and managing global operations and the increased travel, infrastructure and legal compliance costs associated with multiple international locations and subsidiaries;
- different regulations and practices with respect to employee/employer relationships, existence of workers' councils and labor unions, and other challenges caused by distance, language, and cultural differences, making it harder to do business in certain international jurisdictions;
- compliance with statutory equity requirements; and
- management of tax consequences.

If we are unable to manage the complexity of global operations successfully, our financial performance and operating results could suffer.

Credit Market Related Risks

We operate in a cyclical industry. In an economic downturn, member default rates may increase, there may be decreased demand for our products, and there may be adverse impacts to our lending business.

Uncertainty and negative trends in general economic conditions can have a significant negative impact on our ability to generate adequate revenue and to absorb expected and unexpected losses. Many factors, including factors that are beyond our control, may result in higher default rates by our members, a decline in the demand for our products, and potentially impact our ability to make accurate credit assessments or lending decisions. Any of these factors could have a detrimental impact on our financial performance and liquidity.

Our Lending and Financial Services segments may be particularly negatively impacted by worsening economic conditions that place financial stress on our members resulting in loan defaults or charge-offs. If a loan charges off while we are still the owner, the loan either enters a collections process or is sold to a third-party collection agency and, in either case, we

will receive less than the full outstanding interest on, and principal balance of, the loan. Declining economic conditions may also lead to either decreased demand for our loans or demand for a higher yield on our loans, and consequently lower prices or a lower advance rate, from institutional whole loan purchasers, securitization investors and warehouse lenders on whom we rely for liquidity.

The longevity and severity of a downturn will also place pressure on lenders under our debt warehouses, whole loan purchasers and investors in our securitizations. Furthermore, long-term market disruptions could negatively impact the securitizations market. Although certain of our debt warehouses and whole loan sale agreements contain committed terms, there can be no assurance that our financing arrangements will remain available to us through any particular business cycle or be renewed on the same terms. The timing and extent of a downturn may also require us to change, postpone or cancel our strategic initiatives or growth plans to pursue shorter-term sustainability. The longer and more severe an economic downturn, the greater the potential adverse impact on us.

There can be no assurance that economic conditions will be favorable for our business, that interest in purchasing our loans by financial institutions will remain at current levels, or that default rates by our members will not increase. Reduced demand or lower prices or a lower advance rate for our products from institutional whole loan purchasers, securitization investors and warehouse lenders and increased default rates by our members may limit our access to capital, including debt warehouse facilities and securitizations, and negatively impact our profitability.

If we do not make accurate credit and pricing decisions or effectively forecast our loss rates, our business and financial results will be harmed, and the harm could be material.

In making a decision whether to extend credit to prospective or existing members, we rely upon data to assess our ability to extend credit within our risk appetite, our debt servicing capacity, and overall risk level to determine lending exposure and loan pricing. If the decision components, rapidly deteriorating macroeconomic conditions or analytics are either unstable, biased, or missing key pieces of information, the wrong decisions will be made, which will negatively affect our financial results. If our credit decisioning strategy fails to adequately predict the creditworthiness of our members, including a failure to predict a member's true credit risk profile and ability to repay their loan, higher than expected loss rates will impact the fair value of our loans. Additionally, if any portion of the information pertaining to the prospective member is false, inaccurate or incomplete, and our systems did not detect such falsities, inaccuracies or incompleteness, or any or all of the other components of our credit decision process fails, we may experience higher than forecasted losses, including losses attributed to fraud. Furthermore, we rely on credit reporting agencies to obtain credit reports and other information we rely upon in making underwriting and pricing decisions. If one of these third parties experiences an outage, if we are unable to access the third-party data used in our decision strategy, or our access to such data is limited, our ability to accurately evaluate potential members will be compromised, and we may be unable to effectively predict credit losses inherent in our loan portfolio, which would negatively impact our results of operations, which could be material.

Additionally, if we make errors in the development, validation, or implementation of any of the underwriting models or tools that we use for the loans securing our debt warehouses or included in securitization transactions or whole loan sales, such loans may experience higher delinquencies and losses, which would negatively impact our debt warehouse financing terms and future securitization and whole loan sale transactions.

If the information provided to us by applicants is incorrect or fraudulent, we may misjudge an applicant's qualification to receive a loan or use one of our products, and our results of operations may be harmed.

Our lending and platform access decisions are based partly on information provided to us by applicants. To the extent that an applicant provides information to us in a manner that we are unable to verify, or the information provided by an applicant consists of data obtained under false pretenses by third-parties, is a manufactured/synthetic identity, or is a stolen identity, our credit decisioning process may not accurately reflect the associated risk. In addition, data provided by third-party sources, including credit reporting agencies, is a significant component of our credit decisions and this data may contain inaccuracies. Inaccurate analysis of credit data that could result from false loan application information could harm our reputation, business and results of operations. Additionally, we rely on the accuracy of applicant information in approving applicants for our non-lending products, such as SoFi Checking and Savings, SoFi Credit Card or SoFi Invest accounts. If the information provided to us by these applicants is incorrect or fraudulent and we are unable to detect the inaccuracies, it increases our regulatory and fraud risk and the risk of identity theft to our members, and could harm our reputation, business and results of operations.

We use identity and fraud prevention tools to analyze data provided by external databases or automated physical identity document proofing technologies to authenticate each applicant's identity. These fraud prevention tools, scores, and data aggregators are reliant on sustained access to reliable data sources to facilitate robust verification which have reduced

effectiveness with diminished data access. From time to time in the past, however, these checks have failed and there is a risk that these checks could fail in the future and fraud, which may be significant, may occur and go undetected. For example, in the past we have identified certain fraudulent activity related to our personal loans product. While the fraudulent activity was detected and the losses were recognized in our results of operations, there can be no assurance there will not be future instances of fraud, that we will be able to detect such fraudulent activity in a timely manner, or that such future fraudulent activity will not be material. We may not be able to recoup funds underlying loans made in connection with inaccurate statements, omissions of fact or fraud, in which case our revenue, results of operations and profitability will be harmed. Fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, which could negatively impact our results of operations, brand and reputation, and require us to take steps to reduce fraud risk, which could increase our costs.

Internet-based loan origination processes may give rise to greater risks than paper-based processes.

We use internet-based loan processes to obtain application information and distribute certain legally required notices to applicants for, and borrowers of, our loans and to obtain electronically signed loan documents in lieu of paper documents with ink signatures obtained in person. These processes may entail greater risks than paper-based loan origination processes, including regarding the sufficiency of notice for compliance with consumer protection laws, risks that borrowers may challenge the authenticity of loan documents, or the validity of the borrower's electronic signature on loan documents, and risks that unauthorized changes are made to the electronic loan documents. If any of those factors were to cause our loans, or any of the terms of our loans, to be unenforceable against the relevant borrowers, or impair our ability to service our loans (as master servicer or servicer), the value of our loan assets would decrease significantly to us and to our whole loan purchasers, securitization investors and warehouse lenders. In addition to increased default rates and losses on our loans, this could lead to the loss of whole loan purchasers and securitization investors and trigger terminations and amortizations under our debt warehouse facilities, each of which would materially adversely impact our business.

Student loans are subject to discharge in certain circumstances.

Private education loans, including the refinanced student loans and other student loans made by us, are generally not dischargeable by a borrower in bankruptcy. However, a private education loan may be discharged if a debtor files an adversary claim and the bankruptcy court determines that not discharging the debt would impose an undue hardship on the debtor and the debtor's dependents. Further, bills have been introduced in Congress that would make student loans dischargeable in bankruptcy to the same extent as other forms of unsecured credit without regard to a hardship analysis. For example, Senator Dick Durbin and Senator John Cornyn introduced a bill in 2021, the Fresh Start Through Bankruptcy Act, which would amend the bankruptcy code to more easily permit student loan discharges of federal student loans after ten years and it is possible similar legislation could be proposed with respect to private student loans. Similarly, in October 2022, House Judiciary Chair Jerrold Nadler and Representative David Cicilline introduced the Student Borrower Bankruptcy Relief Act of 2022, which would eliminate the section of the U.S. bankruptcy code that makes private and federal student loans non-dischargeable through bankruptcy. It is possible that a higher percentage of borrowers will obtain relief under bankruptcy or other debtor relief laws in the future than is reflected in our historical experience. A private education loan that is not a refinanced parent-student loan is also generally dischargeable as a result of the death or disability of the borrower. The discharge of a significant amount of our loans could adversely affect our business and results of operations. See "*Business, Financial and Operational Risks — Legislative and regulatory policies and related actions in connection with student loans could have a material adverse effect on our student loan portfolios*".

We offer personal loans, which have a limited performance history, and therefore we have only limited prepayment, loss and delinquency data with respect to such loans on which to base projections.

The performance of the personal loans we offer is significantly dependent on the ability of the credit decisioning, income validation, and scoring models we use to originate such loans, which include a variety of factors, to effectively evaluate an applicant's credit profile and likelihood of default. Despite recession-readiness planning and stress forecasting, there is no assurance that our credit criteria can accurately predict loan performance under economic conditions such as a prolonged down-cycle or recessionary economic environment or the governmental response to periods of disruption, which may drive unexpected outcomes. If our criteria do not accurately reflect credit risk on the personal loans, greater than expected losses may result on these loans and our business, operating results, financial condition and prospects could be materially and adversely affected.

In addition, personal loans are dischargeable in a bankruptcy proceeding involving a borrower without the need for the borrower to file an adversary claim. The discharge of a significant amount of our personal loans could adversely affect our financial condition. Furthermore, other characteristics of personal loans may increase the risk of default or fraud and there are few restrictions on the uses that may be made of personal loans by borrowers, which may result in increased levels of credit consumption. We also originate a material portion of our personal loans through ACH deposits directly to the borrowers, which

may result in a higher risk of fraud. The effect of these factors may be to reduce the amounts collected on our personal loans and adversely affect our operating results and financial condition.

We service all of the personal loans we originate and have limited loan servicing experience, and we rely on third-party service providers to service the student loans, home loans and credit card loans that we originate, and to perform various other functions in connection with the origination and servicing of certain of our loans. If a third-party service provider fails to properly perform these functions, our business and our ability to service our loans may be adversely affected.

We service all of the personal loans we originate, and we have limited experience with such servicing. We may begin servicing the student loans that we originate at some time in the future. We rely on sub-servicers to service all of our student loans and our GSE conforming home loans that we do not sell servicing-released, to perform certain back-up servicing functions with respect to our personal loans, and to service all of our credit card loans. In addition, we rely on third-party service providers to perform various functions relating to our loan origination and servicing business, including underwriting, fraud detection, marketing, operational functions, cloud infrastructure services, information technology, telecommunications and processing remotely created checks. While we oversee these service providers to ensure they service our loans in accordance with our agreements and regulatory requirements, we do not have control over the operations of any of the third-party service providers that we utilize. In the event that a third-party service provider for any reason fails to perform such functions, including through negligence, willful misconduct or fraud, our ability to process payments and perform other operational functions for which we currently rely on such third-party service providers will suffer and our business, cash flows and future prospects may be negatively impacted.

Any failure on our part or on the part of third parties on whom we rely to perform functions related to our servicing activities to properly service our loans could result in us being removed as the servicer on the loans we originate, including loans financed by our warehouse facilities or sold into our whole loan sales channel and securitization transactions. If we fail to monitor our student loan sub-servicer and ensure that such sub-servicer complies with its obligations under state laws that require student loan servicers to be licensed, we may face civil claims for damages under such state laws. Because we receive revenue from such servicing activities, any such removal as the servicer or, with respect to our student loans, master servicer, could adversely affect our business, operating results, financial condition or prospects, as would the cost of onboarding a new servicer. Furthermore, we have agreed in our servicing agreements to service loans in accordance with the standards set forth therein, and may be obligated to repurchase loans if we fail to meet those standards.

Additionally, if one or more key third-party service providers were to cease to exist, to become a debtor in a bankruptcy or an insolvency proceeding or to seek relief under any debtor relief laws or to terminate its relationship with us, there could be delays in our ability to process payments and perform other operational functions for which we are currently relying on such third-party service provider, and we may not be able to promptly replace such third-party service provider with a different third-party service provider that has the ability to promptly provide the same services in the same manner and on the same economic terms. As a result of any such delay or inability to replace such key third-party service provider, our ability to process payments and perform other business functions could suffer and our business, cash flows and future prospects may be negatively impacted.

We rely on a third-party service provider to fulfill all of the home loans that we originate, and to perform various other functions in connection with the origination of our home loans. If this third-party service provider fails to properly perform these functions or ceases to exist, our home loans business may be adversely affected.

We use a single third-party service provider to fulfill all of the home loans we originate. In the event that our third-party service provider for any reason fails to perform such functions, including through negligence, willful misconduct or fraud, our ability to originate home loans will suffer and our business, cash flows and future prospects may be negatively impacted. Additionally, if our home loans third-party fulfillment partner were to cease to exist, to become a debtor in a bankruptcy or an insolvency proceeding or to seek relief under any debtor relief laws or to terminate its relationship with us, there would be significant delays in our ability to complete the origination of home loans in our pipeline and to originate new home loans, as well as to complete other operational functions for which we are currently relying on such third-party service provider, and we may not be able to promptly replace such third-party service provider with a different third-party service provider that has the ability to promptly provide the same services in the same manner and on the same economic terms.

Potential geographic concentration of our members may increase the risk of loss on the loans that we originate and negatively impact our business.

Any concentration of our members in specific geographic areas may increase the risk of loss on our loans. Certain regions of the U.S. from time to time will experience weaker economic conditions and higher unemployment and, consequently, will experience higher rates of delinquency and loss than on similar loans in other regions of the country.

Moreover, a further deterioration in economic conditions, outbreaks of disease (such as new or worsening outbreaks of COVID-19 or additional strains or variants), the continued increase in extreme weather conditions and other natural events (such as hurricanes, tornadoes, floods, drought, wildfires, mudslides, earthquakes and other extreme conditions) could adversely affect the ability and willingness of borrowers in affected regions to meet their payment obligations under their loans and may consequently affect the delinquency and loss experience of such loans. In addition, we, as master servicer for all student loans and home loans and as servicer of our personal loans, have offered in the past, and may in the future offer, hardship forbearance or other relief programs in certain circumstances to affected borrowers.

Conversely, an improvement in economic conditions in one or more of the geographic areas in which we have members could result in higher prepayments of their payment obligations under their loans by borrowers in such states. As a result, we and the whole loan purchasers who hold our loans or securitization investors or warehouse lenders who hold securities backed by our loans may receive principal payments earlier than anticipated, and fewer interest payments than anticipated, and face certain reinvestment risks, such as the inability to acquire loans on equally attractive terms as the prepaid loans. In addition, higher prepayments than anticipated may have a negative impact on our servicing revenue which could cause our operating results and financial condition to be materially and adversely affected.

Further, the concentration of our loans in one or more geographic locations may have a disproportionate effect on us or investors in our loans or securities backed by our loans if governmental authorities in any of those areas take action against us as originator, master servicer or servicer of those loans or take action affecting our ability as master servicer or servicer to service those loans.

Funding and Liquidity Risks

If we are unable to retain and/or increase our current sources of funding, including deposits, and secure new or alternative methods of financing, our ability to finance additional loans and introduce new products will be negatively impacted.

Historically, in addition to the issuance of equity, we have funded our operations and capital expenditures primarily through access to the capital markets through sales of our loans, access to secured and unsecured borrowing facilities and utilization of securitization financing from consolidated and nonconsolidated VIEs. In each of these instances (other than for certain whole loan sales of home loans), we retain the servicing rights to our loans from which we earn a servicing fee. In securitization financing transactions, we transfer a pool of loans originated by SoFi Lending Corp. to a VIE which is sponsored by SoFi Lending Corp. and we retain risk in the VIE, typically in the form of asset-backed bonds and residual interest investments. With the acquisition of SoFi Bank, we are now able to utilize deposits as well, which offer us a lower cost source of funds. We rely on each of these outlets for liquidity and the loss or reduction of any one of these outlets could materially adversely impact our business. There can be no assurance that we will be able to successfully access the securitization markets at any given time, or that deposits at SoFi Bank will remain at current levels, and in the event of a sudden or unexpected shortage of funds in the banking and financial system, we cannot be sure that we will be able to maintain necessary levels of funding without incurring high funding costs, a reduction in the term of funding instruments, an increase in the amount of equity we are required to hold or the liquidation of certain assets. Furthermore, there is a risk that there will be no market at all for our loans either from whole loan buyers or through investments in securities backed by our loans.

We may require capital in excess of amounts we currently anticipate, and depending on market conditions and other factors, we may not be able to obtain additional capital for our current operations or anticipated future growth on reasonable terms or at all. As the volume of loans that we originate, and the increased suite of products that we make available to members, increases, we may be required to expand the size of our debt warehousing facilities or seek additional sources of capital. The availability of these financing sources depends on many factors, some of which are outside of our control. We may also experience the occurrence of events of default or breaches of financial performance or other covenants under our debt agreements, which could reduce or terminate our access to institutional funding.

If we are unable to increase our current sources of funding, including deposits, and secure new or alternative methods of financing, our ability to finance additional loans and to develop and offer new products will be negatively impacted. The interest rates, advance rates and other costs of new, renewed or amended facilities may also be higher than those currently in effect. If we are unable to renew or otherwise replace these facilities or generally arrange new or alternative methods of financing on favorable terms, we may be forced to curtail our origination of loans or reduce lending or other operations, which would have a material adverse effect on our business, financial condition, operating results and cash flows.

If one or more of our warehouse facilities, on which we are highly dependent, is terminated or otherwise becomes unavailable, we may be unable to find replacement financing on favorable terms, or at all, which would have a material adverse effect on our business and financial condition.

We require a significant amount of short-term funding capacity for loans we originate. Consistent with industry practice, our existing warehouse facilities generally require periodic renewal. If any of our committed warehouse facilities are terminated or are not renewed or our uncommitted facilities are not honored, we may be unable to find replacement financing on favorable terms, or at all, and we might not be able to originate an acceptable or sustainable volume of loans, which would have a material adverse effect on our business. Additionally, as our business continues to expand, including our home loan business, we may need additional warehouse funding capacity for the loans we originate. There can be no assurance that, in the future, we will be able to obtain additional warehouse funding capacity on favorable terms, on a timely basis, or at all.

If we fail to meet or satisfy any of the financial or other covenants included in our warehouse facilities, we would be in default under one or more of these facilities and our lenders could elect to declare all amounts outstanding under the facilities to be immediately due and payable, enforce their interests against loans pledged under such facilities and restrict our ability to make additional borrowings. Certain of these facilities also contain cross-default provisions. These restrictions may interfere with our ability to obtain financing or to engage in other business activities, which could materially and adversely affect us. There can be no assurance that we will maintain compliance with all financial and other covenants included in our warehouse facilities in the future.

In addition, our agreements with our warehouse lenders contain various concentration limits and triggers, including related to excess spread. As rising interest rates place pressure on our net cost of funds for loans held at SoFi Lending Corp., which do not benefit from deposit funding through SoFi Bank, the likelihood of reaching an excess spread limit increases. A breach of such limits or other similar terms of such agreements could result in an inability to place loans in the relevant warehouse facilities and require us to pursue other forms of financing. If we are unable to find replacement financing on favorable terms, or at all, our operations could be impacted materially.

Increases in member default rates on loans could make us and our loans less attractive to whole loan buyers, lenders under debt warehouse facilities and investors in securitizations, which may adversely affect our access to financing and our business.

Increases in member default rates could make us and our loans less attractive to our existing or prospective funding sources, including whole loan buyers, securitization investors and lenders under debt warehousing facilities. If our existing funding sources do not achieve their desired financial returns or if they suffer losses, they or prospective funding sources may increase the cost of providing future financing or refuse to provide future financing or purchase loans on terms acceptable to us or at all.

Our securitizations are nonrecourse to SoFi Technologies and are collateralized by the pool of our loans pledged to the relevant securitization issuer. If the loans securing our securitizations fail to perform as expected, the lenders under our warehouse facilities, the whole loan purchasers who purchase our loans, the investors in our securitizations who purchase securities backed by our loans, or future lenders, whole loan purchasers or securitization investors in similar arrangements, may increase the cost of providing future financing or refuse to provide future financing or purchase loans on terms acceptable to us or at all.

If we were to be unable to arrange new or alternative methods of financing on favorable terms, we may have to curtail or cease our origination of loans, which could have a material adverse effect on our business, financial condition, operating results and cash flows.

We make representations and warranties in connection with the transfer of loans to whole loan purchasers, government-sponsored enterprises, and our debt warehouse lenders and securitization trusts. If such representations and warranties are not correct, we could be required to repurchase loans or indemnify the purchaser, which could have an adverse effect on our ability to operate and fund our business.

We sell the loans we originate to third parties, including, with respect to home loans, counterparties like GSEs, and we make representations and warranties when we sell loans to third parties and in our financing transactions. In the ordinary course of business, we are exposed to liability under these representations and warranties made to purchasers of loans. Such representations and warranties typically include, among other things, that the loans were originated and serviced in compliance with the law and with our credit risk origination policy and servicing guidelines and that, to the best of our knowledge, each loan was originated by us without any fraud or misrepresentation on our part or on the part of the borrower or any other person. In addition, purchasers require loans to meet strict underwriting and loan term criteria in order to be eligible for purchase. If

those representations and warranties are breached as to a given loan, or if a certain loan we sell does not meet the relevant eligibility criteria, we will be obligated to repurchase the loan, typically at a purchase price equal to the then-outstanding principal balance of such loan, plus accrued interest and any premium. We may also be required to indemnify the purchaser for losses resulting from the breach of representations and warranties. In connection with our whole loan sales, we also typically covenant to repurchase any loan that enters delinquent status within the first thirty to sixty days following origination of the loan. Any significant increase in our obligation to repurchase home loans or indemnify purchasers of home loans could have a significant adverse impact on our cash flows, even if they are reimbursable, and could also have a detrimental effect on our business and financial condition. If any such repurchase event occurs on a large scale, we may not have sufficient funds to meet our repurchase obligations, which would result in a default under the underlying agreements. Moreover, we may not be able to resell or refinance loans repurchased due to a breach of a representation or warranty or we may sell such loans below par. Any such event could have an adverse impact on our business, operating results, financial condition and prospects.

Our agreements with our lenders contain a number of early payment triggers and covenants. A breach of such triggers or covenants or other terms of such agreements could result in an early amortization, default, and/or acceleration of the related funding facilities, which could materially impact our operations.

Primary funding sources available to support the maintenance and growth of our business include, among others, securitizations, debt warehouse facilities and corporate revolving debt. Our liquidity would be materially adversely affected by our inability to comply with various covenants and other specified requirements set forth in our agreements with our lenders, which could result in the early amortization, default and/or acceleration of our existing facilities. Such covenants and requirements include financial covenants, portfolio performance covenants and other events. For a description of these covenants, requirements and events, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*”.

During an early amortization period or occurrence of a termination event or an event of default, principal collections from the loans in our asset-based facilities would be applied to repay principal under such facilities rather than being available to fund newly originated loans. During the occurrence of a termination event or an event of default under any of our facilities, the applicable lenders could accelerate the related debt and such lenders’ commitments to extend further credit under the related facility, if any, would terminate. If we were unable to repay the amounts due and payable under such facilities and securitizations, the applicable lenders and noteholders could seek remedies, including against the collateral pledged under such facilities and by the securitization trust. An acceleration of the debt under certain facilities could also lead to a default under other facilities and, in certain instances, our hedging arrangements, due to cross-acceleration provisions.

An early amortization event or event of default would negatively impact our liquidity, including our ability to originate new loans, and require us to rely on alternative funding sources, which might increase our funding costs or which might not be available when needed. If we were unable to arrange new or alternative methods of financing on favorable terms, we might have to curtail the origination of loans, which could have a material adverse effect on our business, financial condition, operating results and cash flows, which in turn could have a material adverse effect on our ability to meet our obligations under our facilities.

We require substantial capital and, in the future, may require additional capital to pursue our business objectives and achieve recurring profitability. If adequate capital is not available to us or is unavailable on favorable terms, including due to the cost and availability of funding in the capital markets, our business, operating results and financial condition may be harmed.

Since our founding, we have raised substantial equity and debt financing to support the growth of our business. We may require additional capital to pursue our business objectives and growth strategy and respond to business opportunities, challenges or unforeseen circumstances, including supporting our lending operations, increasing our marketing expenditures to attract new members and improve our brand awareness, developing our other products, introducing new services, further expanding internationally in existing or new countries or further improving existing offerings and services, enhancing our operating infrastructure and potentially acquiring complementary businesses and technologies. Accordingly, on a regular basis we need, or we may need, to engage in additional debt or equity financings to secure additional funds. However, additional funds may not be available when we need them, in amounts we need, or permitted to be applied to specific use cases, on terms that are acceptable to us or at all. Volatility in the credit markets in general or in the market for student, personal and home loans and credit cards in particular may also have an adverse effect on our ability to obtain debt financing. Furthermore, the cost of our borrowing has increased and may continue to increase due to market volatility, rising interest rates, changes in the risk premiums required by lenders or if traditional sources of debt capital are unavailable. Volatility or depressed valuations or trading prices in the equity markets may similarly adversely affect our ability to obtain equity financing. Furthermore, if we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer

significant dilution and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock.

We are required to serve as a source of financial strength for SoFi Bank, which means that we may be required to provide capital or liquidity support to SoFi Bank, even at times when we may not have the resources to provide such support. In addition, maintaining adequate liquidity is crucial to our securities brokerage and our money services business operations, including key functions such as transaction settlement, custody requirements and margin lending. We meet our liquidity needs primarily from working capital and cash generated by member activity, as well as from external debt and equity financing. Increases in the number of members, fluctuations in member cash or deposit balances, as well as market conditions or changes in regulatory treatment of member deposits, may affect our ability to meet our liquidity needs. Our broker-dealer subsidiary, SoFi Securities, is subject to Rule 15c3-1 under the Exchange Act, which specifies minimum capital requirements intended to ensure the general financial soundness and liquidity of broker-dealers, and SoFi Securities is subject to Rule 15c3-3 under the Exchange Act, which requires broker-dealers to maintain certain liquidity reserves.

A reduction in our liquidity position could reduce our members' confidence in us, which could result in the withdrawal of member assets and loss of members, or could cause us to fail to satisfy broker-dealer or other regulatory capital guidelines, which may result in immediate suspension of securities activities, regulatory prohibitions against certain business practices, increased regulatory inquiries and reporting requirements, increased costs, fines, penalties or other sanctions, including suspension or expulsion by the SEC, the Financial Industry Regulatory Authority ("FINRA") or other self-regulatory organizations ("SROs") or state regulators, and could ultimately lead to the liquidation of our broker-dealers or other regulated entities. Factors which may adversely affect our liquidity position include temporary liquidity demands due to timing differences between brokerage transaction settlements and the availability of segregated cash balances, timing differences between digital asset transaction settlements between us and our digital asset market makers and between us and our digital asset members, fluctuations in cash held in member accounts, a significant increase in our margin lending activities, increased regulatory capital requirements, changes in regulatory guidance or interpretations, other regulatory changes or a loss of market or member confidence resulting in unanticipated withdrawals of member assets. We expect that we will continue to use our available cash to fund our lending activities and help scale our Financial Services segment. To supplement our cash resources, we may seek to enter into additional securitizations and whole loan sale agreements or increase the size of existing debt warehousing facilities, increase the size of, or replace, our revolving credit facility, grow deposits and pursue other potential options. If we are unable to adequately maintain our cash resources, we may delay non-essential capital expenditures, implement cost cutting procedures, delay or reduce future hiring, discontinue the pursuit of our strategic objectives and growth strategies or reduce our rate of future originations compared to the current level. There can be no assurance that we can obtain sufficient sources of external capital to support the growth of our business. Delays in doing so or failure to do so may require us to reduce loan originations or reduce our operations, which would harm our ability to pursue our business objectives as well as harm our business, operating results and financial condition.

We are unable to finance all of the receivables that we originate or other assets that we hold, and that illiquidity could result in a negative impact on our financial condition.

We primarily operate a gain-on-sale origination model, the success of which is tied to our ability to finance the assets that we originate. Certain of our assets, however, are ineligible for sale to a whole loan buyer or securitization trust, or are ineligible for, or are subject to a lower advance rate under, warehouse funding, each of which has specific eligibility criteria for receivables it purchases or holds as collateral. Ineligible receivables include, among others, those in default or that are delinquent, receivables with defects in their origination or servicing, including fraud, or receivables generated under origination guidelines and credit policies that are no longer in effect. In addition, many of our warehouse funding sources contain excess concentration limits for loans in forbearance or with specific loan level characteristics such as time-to-maturity or loan type. Once these limits have been exceeded, the advance rate applied to those receivables becomes less advantageous to us. If we are unable to sell or reasonably fund these receivables, we are required to hold them on our consolidated balance sheet which, in sufficient volume, negatively impacts our financial condition.

In addition to the receivables described above, we also hold on our consolidated balance sheet certain risk retention assets with respect to which we have a reduced ability to receive financing. These risk retention assets include residuals from our securitization trusts that are either ineligible for transfer or are subject to EU regulations. The illiquidity of these positions may negatively impact our financial condition.

SoFi Checking and Savings is a relatively new product that is expected to continue to provide us with an important source of cost-efficient funding and any failure to scale the product due to our limited experience or a competitive marketplace could have a negative impact on our business, operating results and financial condition.

We expect that SoFi Checking and Savings, a deposit account product that we commenced offering in the first quarter of 2022, will continue to provide us with an important source of deposits to use for cost-effective funding of loan originations and other activities. However, revenue growth for SoFi Checking and Savings is dependent on increasing the volume of members who open an account and on growing balances in those accounts. Although the product has so far performed above expectations, there is no guarantee account openings and the amount on deposit in those accounts will continue to grow. In addition, although we have invested in a number of initiatives to attract new SoFi Checking and Savings accountholders and capture a greater share of our members' savings, including offering a competitive annual percentage yield on deposits, there can be no assurance that these investments in SoFi Checking and Savings to acquire members, provide differentiated features and services and spur usage of our deposit account product will be effective. Further, developing our service offerings and marketing SoFi Checking and Savings in additional customer acquisition channels could have higher costs than anticipated, and could adversely impact our results or dilute our brand. Finally, the SoFi Checking and Savings product faces competition from similar products offered by our competitors which may offer more attractive features, including a higher interest rate on deposits, which may impact the success of the product. In the event we are unable to sufficiently grow the SoFi Checking and Savings product, we may be required to find alternative, higher-cost funding for our lending and other activities, or we might not be able to originate an acceptable or sustainable volume of loans, either of which could have a negative impact on our business, operating results and financial condition. See "Market and Interest Rate Risks — Fluctuations in interest rates could negatively affect the demand for our SoFi Checking and Savings products".

SoFi Credit Card has a limited performance history and any failure to accurately capture credit risk or to execute our funding strategy for it could have a negative impact on our business, operating results and financial condition.

We have limited experience originating and administering SoFi Credit Card. We began originating credit card receivables in 2020. The performance of the SoFi Credit Card product is significantly dependent on the ability of the credit and fraud decisioning and scoring models we use to originate the product, which includes a variety of factors, to effectively prevent fraud, evaluate an applicant's credit profile and likelihood of default. Despite establishing a defined risk appetite and leveraging third-party stress testing of product loss forecasts, there is no assurance that our credit criteria can accurately predict repayment and loss profiles. If our criteria do not accurately prevent fraud or reflect credit risk on the SoFi Credit Card product, greater than expected losses may result and our business, operating results, financial condition and prospects could be materially and adversely affected.

In addition, the success of the SoFi Credit Card product depends on our ability to execute on our funding strategy for the resulting credit card receivables. We established a debt warehouse to finance the credit card receivables in spring 2021. We may establish a credit card receivable securitization program in the future. There is no guarantee, however, that we will be successful in establishing a securitization program for these assets. In the event we are unable to finance our credit card receivables, we may be required to hold those assets on our consolidated balance sheet or sell them for a loss, either of which could have a negative impact on our business, operating results and financial condition.

Regulatory, Tax and Other Legal Risks

We are subject to extensive, complex and evolving laws, rules and regulations, which are interpreted and enforced by various federal, state and local government authorities.

We are subject to various federal, state and local regulatory regimes. The principal policy objectives of these regulatory regimes are to protect borrowers, investors and other financial services customers and to prevent fraud, money laundering, and terrorist financing. Laws and regulations, among other things, impose licensing and qualifications requirements; require various disclosures and consents; mandate or prohibit certain terms and conditions for various financial products; prohibit discrimination based on certain prohibited bases; prohibit unfair, deceptive or abusive acts or practices; require us to submit to examinations by federal, state and local regulatory regimes; and require us to maintain various policies, procedures and internal controls. Monitoring and complying with all applicable laws and regulations can be difficult and costly. Failure to comply with any of these requirements may result in, among other things, enforcement action by governmental authorities, lawsuits, monetary damages, fines or monetary penalties, restitution or other payments to borrowers or investors, modifications to business practices, revocation of required licenses or registrations, voiding of loan contracts and reputational harm. See Part II, Item 1 "Legal Proceedings".

Our Lending segment is highly regulated, and if we fail to comply with federal and state consumer protection laws, rules, regulations and guidance, our business could be adversely affected.

The CFPB, an agency which oversees compliance with and enforces federal consumer financial protection laws, has supervisory authority over the student and mortgage lending activity in which we engage. The CFPB has the authority to pursue enforcement actions against companies that offer or provide consumer financial products or services, including lenders and loan servicers that engage in unfair, deceptive or abusive acts or practices (“UDAAP”). The CFPB may also seek a range of other remedies, including rescission of contracts, refund of money, return of real property, restitution, disgorgement of profits or other compensation for unjust enrichment, damages, public notification of the violation and “conduct” restrictions (i.e., future limits on the target’s activities or functions). In addition, where a company has violated Title X of the Dodd Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) or CFPB regulations under Title X, the Dodd-Frank Act empowers state attorneys general and state regulators to bring certain civil actions.

We hold lending licenses or similar authorizations in multiple states, each of which has the authority to supervise and examine our activities. As a licensed consumer lender, mortgage lender, loan broker, collection agency, money services business and loan servicer in certain states, we are subject to examinations by state agencies in those states. Similarly, we are subject to licensure requirements and regulations as an education loan servicer in multiple states. An administrative proceeding, litigation, investigation or regulatory proceeding relating to allegations or findings of the violation of such laws by us, any sub-servicer we engage, or our collection agents, could impair our ability to service and collect on our loans or could result in requirements that we pay damages, fines or penalties and/or cancel the balance or other amounts owing under one or more of our loans. There is no assurance that allegations of violations of the provisions of applicable federal or state consumer protection laws will not be asserted against us, any sub-servicers we engage or our collection agents or other prior owners of our loans in the future. To the extent it is determined that any of our loans was not originated in accordance with all applicable laws, we may be obligated to repurchase such loan from a whole loan buyer, securitization trust or warehouse facility.

We must comply with federal, state and local consumer protection laws including, among others, the federal and state UDAAP laws, the Federal Trade Commission Act, the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, the Secure and Fair Enforcement for Mortgage Licensing Act, the Fair Credit Reporting Act (“FCRA”), the Fair Debt Collection Practices Act, the Servicemembers Civil Relief Act, the Military Lending Act, the Electronic Fund Transfer Act, the Gramm-Leach-Bliley Act, the CARES Act and the Dodd-Frank Act. We must also comply with laws on advertising, as well as privacy laws, including the Telephone Consumer Protection Act (the “TCPA”), the Telemarketing Sales Rule, the CAN-SPAM Act, the Personal Information Protection and Electronic Documents Act, applicable laws and regulations of Hong Kong including the Personal Data (Privacy) Ordinance and the Personal Data (Privacy) (Amendment) Ordinance 2012 and the California Consumer Privacy Act (the “CCPA”). Privacy and data security concerns, data collection and transfer restrictions, contractual obligations and U.S. laws and regulations related to data privacy, security and protection could materially and adversely affect our business, financial condition and results of operations.

Compliance with applicable laws is costly, and our failure to comply with applicable federal, state and local laws could lead to:

- loss of our licenses and approvals to engage in our lending and servicing businesses;
- damage to our reputation in the industry;
- governmental investigations and enforcement actions;
- administrative fines and penalties and litigation;
- civil and criminal liability, including class action lawsuits;
- inability to enforce loan agreements;
- diminished ability to sell loans that we originate or purchase, requirements to sell such loans at a discount compared to other loans or repurchase or address indemnification claims from purchasers of such loans;
- loss or restriction of warehouse facilities to fund loans;
- inability to raise capital; and
- inability to execute on our business strategy, including our growth plans.

For example, in the first quarter of 2019, we were subject to a consent order from the Federal Trade Commission (the “FTC Consent Order”), which resolved allegations that we misrepresented how much money student loan borrowers have saved or would save from financing their loans with us, in violation of the Federal Trade Commission Act. Under the consent order,

we are prohibited from misrepresenting to consumers how much money they would save by using our products, unless the claims are backed up by reliable evidence. In August 2021, we settled charges with the SEC against SoFi Wealth for allegedly breaching its fiduciary duties to clients in connection with the investment of client assets in two ETFs sponsored by Social Finance in 2019. Without admitting or denying the SEC's findings, SoFi Wealth agreed to a cease-and-desist order, a censure, a penalty of \$300 thousand, and to perform certain undertakings.

While we have developed and monitor policies and procedures designed to assist in compliance with laws and regulations, no assurance can be given that our compliance policies and procedures will be effective and that we will not be subject to fines and penalties, including with respect to any alleged noncompliance with the FTC Consent Order. Ambiguities in applicable statutes and regulations may leave uncertainty with respect to permitted or restricted conduct and may make compliance with laws, and risk assessment decisions with respect to compliance with laws, difficult and uncertain. In addition, ambiguities make it difficult, in certain circumstances, to determine if, and how compliance violations may be cured. We may fail to comply with applicable statutes and regulations even if acting in good faith, or because governmental bodies or courts interpret existing laws or regulations in a more restrictive manner, which may lead to regulatory investigations, governmental enforcement actions or private causes of action with respect to our compliance. To resolve issues raised in examinations or other governmental actions, we may be required to take various corrective actions, including changing certain business practices, making refunds or taking other actions that could be financially or competitively detrimental to us. In some cases, regardless of fault, it may be less time-consuming or costly to settle these matters, which may require us to implement certain changes to our business practices, provide remediation to certain individuals or make a settlement payment to a given party or regulatory body. There is no assurance that any future settlements will not have a material adverse effect on our business.

We hold state licenses that result in substantial compliance costs, and our business would be adversely affected if our licenses are impaired as a result of noncompliance with those requirements.

We currently hold state licenses in connection with our lending activities, our student loan servicing activities, our securities business as well as our money services business activities. Although maintaining state licenses for our lending and servicing activities may become unnecessary as we transition certain of our products to SoFi Bank, for the immediate future, for as long as SoFi Lending Corp. originates or purchases loans, we must comply with certain state licensing requirements and varying compliance requirements in all the states in which we operate and the District of Columbia. Changes in licensing laws may result in increased disclosure requirements, increased fees, or may impose other conditions to licensing that we or our personnel are unable to meet. In most states in which we operate, a regulatory agency or agencies regulate and enforce laws relating to loan servicers, brokers, and originators, collection agencies, and money services businesses. We are subject to periodic examinations by state and other regulators in the jurisdictions in which we conduct business, which can result in increases in our administrative costs and refunds to borrowers of certain fees earned by us, and we may be required to pay substantial penalties imposed by those regulators due to compliance errors, or we may lose our license or our ability to do business in the jurisdiction otherwise may be impaired. Fines and penalties incurred in one jurisdiction may cause investigations or other actions by regulators in other jurisdictions.

We may not be able to maintain all currently required licenses and permits. If we change or expand our business activities, we may be required to obtain additional licenses before we can engage in those activities. If we apply for a new license, a regulator may determine that we were required to do so at an earlier point in time, and as a result, may impose penalties or refuse to issue the license, which could require us to modify or limit our activities in the relevant state. For example, in 2019, we applied, through a subsidiary, for a Pennsylvania Mortgage Servicer license. The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities, issued a consent agreement and order, ordering us to pay a \$110 thousand fine for engaging in the home loan servicing activity prior to obtaining the license.

States may also expand or otherwise modify their current regulations and if such states so act, we may not be able to comply with such updated regulations or maintain all requisite licenses and permits in such states or our costs of compliance with and maintenance of such licenses or permits may materially increase. For example, California, Colorado and Maine have implemented additional regulations related to student loan servicers which impose additional registration, reporting and disclosure requirements and which, if applicable to us, may increase our costs of originating and servicing loans in those states.

In addition, the states that currently do not provide extensive regulation of our business may later choose to do so, and if such states so act, we may not be able to obtain or maintain all requisite licenses and permits, which could require us to modify or limit our activities in the relevant state or states. The failure to satisfy those and other regulatory requirements could result in a default under our warehouse facilities, other financial arrangements and/or servicing agreements and thereby have a material adverse effect on our business, financial condition and results of operations.

As a bank holding company, we are subject to extensive supervision and regulation, including the Dodd-Frank Act and its related regulations, which are subject to change and could involve material costs or affect operations.

The Dodd-Frank Act effected significant changes to U.S. financial regulations and required rulemaking by U.S. financial regulators including adding a new Section 13 to the Bank Holding Company Act known as the Volcker Rule. The Volcker Rule generally restricts certain banking entities (such as SoFi and Social Finance) from engaging in proprietary trading activities and from having an ownership interest in or sponsoring any private equity funds or hedge funds (or certain other private issuing entities). The current activities of SoFi and Social Finance have not been and are not expected to be materially affected by the Volcker Rule. Nevertheless, we cannot predict whether, or in what form, any other proposed regulations or statutes or changes to implementing regulations will be adopted or the extent to which our business operations may be affected by any new regulation or statute. Such changes could subject our business to additional compliance burden, costs, and possibly limit the types of financial services and products we may offer.

We are also subject to the requirements in Sections 23A and 23B of the Federal Reserve Act and the Federal Reserve Board's implementing Regulation W, which regulate loans, extensions of credit, purchases of assets, and certain other transactions between an insured depository institution (such as SoFi Bank) and its affiliates. The statute and regulation require us to impose certain quantitative limits, collateral requirements and other restrictions on "covered transactions" between SoFi Bank and its affiliates and require all transactions be on "market terms" and conditions consistent with safe and sound banking practices.

Our compliance and risk management policies and procedures as a regulated financial services company may not be fully effective in identifying or mitigating compliance and risk exposure in all market environments or against all types of risk.

As a financial services company operating in the securities industry, among others, our business exposes us to a number of heightened risks. We have devoted significant resources to develop our compliance and risk management policies and procedures and will continue to do so, but there can be no assurance these are sufficient, especially as our business is rapidly growing and evolving. Nonetheless, our limited operating history in many of the products we offer, our evolving business and our rapid growth make it difficult to predict all of the risks and challenges we may encounter and may increase the risk that our policies and procedures that serve to identify, monitor and manage compliance risks may not be fully effective in mitigating our exposure in all market environments or against all types of risk. Further, some controls are manual and are subject to inherent limitations and errors in oversight. This could cause our compliance and other risk management strategies to be ineffective. Other compliance and risk management methods depend upon the evaluation of information regarding markets, customers, catastrophe occurrence or other matters that are publicly available or otherwise accessible to us, which may not always be accurate, complete, up-to-date or properly evaluated. Insurance and other traditional risk-shifting tools may be held by or available to us in order to manage certain exposures, but they are subject to terms such as deductibles, coinsurance, limits and policy exclusions, as well as risk of counterparty denial of coverage, default or insolvency. Any failure to maintain effective compliance and other risk management strategies could have an adverse effect on our business, financial condition and results of operations. We are also exposed to heightened regulatory risk because our business is subject to extensive regulation and oversight in a variety of areas, and such regulations are subject to evolving interpretations and application and it can be difficult to predict how they may be applied to our business, particularly as we introduce new products and services and expand into new jurisdictions. Additionally, the regulatory landscape involving digital assets is constantly evolving and SoFi Digital Assets may be subject to loss of revenue, fines, penalties or loss of regulatory licenses if the SEC or any other regulators issue new regulations or interpretive guidance related to digital assets that prohibit any of our current business practices. Also, due to market volatility, it is difficult to predict how much capital we will need in the future to meet net capital requirements. Any perceived or actual breach of laws and regulations could negatively impact our business, financial condition or results of operations. It is possible that these laws and regulations could be interpreted or applied in a manner that would prohibit, alter or impair our existing or planned products and services.

We may become subject to enforcement actions or litigation as a result of our failure to comply with laws and regulations, even though noncompliance was inadvertent or unintentional.

We maintain systems and procedures designed to ensure that we comply with applicable laws and regulations; however, some legal/regulatory frameworks provide for the imposition of fines or penalties for noncompliance even though the noncompliance was inadvertent or unintentional and even though there were systems and procedures designed to ensure compliance in place at the time.

For example, we engage in outbound telephone and text communications with consumers, and accordingly must comply with a number of federal and state statutes and regulations that govern said communications and the use of automatic telephone dialing systems ("ATDS"), and artificial or pre-recorded voice, including the TCPA and Telemarketing Sales Rules. The U.S. Federal Communications Commission (the "FCC"), and the FTC have responsibility for regulating various aspects of

some of these laws. Among other requirements, the TCPA requires us to obtain prior express written consent for certain telemarketing calls and to adhere to “do-not-call” registry requirements which, in part, mandate we maintain and regularly update lists of consumers who have chosen not to be called and restrict calls to consumers who are on the national do-not-call list. Florida and other states have mini-TCPA and other similar consumer protection laws regulating telemarketing directed to their residents. These federal and state laws limit our ability to communicate with consumers and reduce the effectiveness of our marketing programs. As currently construed, the TCPA does not distinguish between voice and data, and, as such, SMS/MMS messages are also “calls” for the purpose of TCPA obligations and restrictions.

For violations of the TCPA, the law provides for a private right of action under which a plaintiff may recover monetary damages of \$500 for each call or text made in violation of the prohibitions on certain calls made using an artificial or pre-recorded voice or an ATDS and certain calls made to numbers properly registered on the federal “do-not-call” list. A court may treble the \$500 amount upon a finding of a willful or knowing violation. There is no statutory cap on maximum aggregate exposure (although some courts have applied in TCPA class actions constitutional limits on excessive penalties). An action may be brought by the FCC, a state attorney general, an individual, or a class of individuals. As with the TCPA, Florida’s mini-TCPA restricts certain calls and calls and texts made using an automated system to Florida residents without prior consent, allows a plaintiff to obtain \$500 for each call or text made in violation of its prohibitions, and permits a court to treble the \$500 amount for willful or knowing violations of the statute. Like other companies that rely on telephone and text communications, we may be subject to putative class action suits alleging violations of the TCPA, Florida mini-TCPA or other similar state laws. If in the future we are found to have violated the TCPA, the Florida mini-TCPA or another federal or state law regulating telemarketing, the amount of damages and potential liability could be extensive and adversely impact our business. Accordingly, were such a class certified or if we are unable to successfully defend such a suit, then the damages could have a material adverse effect on our results of operations and financial condition.

Changes in consumer finance and other applicable laws and regulations, as well as changes in government enforcement policies and priorities, may negatively impact the management of our business, results of operations, ability to offer certain products or the terms and conditions upon which they are offered, and ability to compete.

Consumer finance regulation is constantly changing, and new laws or regulations, or new interpretations of existing laws or regulations, could have a materially adverse impact on our ability to operate as currently intended, and cause us to incur significant expense in order to ensure compliance. Federal and state financial services regulators are also enforcing existing laws, regulations, and rules aggressively and enhancing their supervisory expectations regarding the management of legal and regulatory compliance risks. These regulatory changes and uncertainties make our business planning more difficult and could result in changes to our business model and potentially adversely impact our results of operations. As to the parts of our business that operate as a non-bank lender, we are subject to state licensing and usury laws. Furthermore, to the extent applicable, these laws can impose specific statutory liabilities upon creditors who fail to comply with their provisions and may affect the enforceability of a loan. If the application of consumer protection laws were to cause our loans, or any of the terms of our loans, to be unenforceable against the relevant borrowers, our business will be materially adversely affected. Even if we seek to comply with licensing and other requirements that we believe may be applicable to us, if we are found to not have complied with applicable laws, we could lose one or more of our licenses or authorizations or face other sanctions or penalties or be required to obtain a license in one or more such jurisdictions, which may have an adverse effect on our business.

Proposals to change the statutes affecting financial services companies are frequently introduced in Congress and state legislatures that, if enacted, may affect their operating environment in substantial and unpredictable ways. In addition, numerous federal and state regulators have the authority to promulgate or change regulations that could have a similar effect on our operating environment. We cannot determine with any degree of certainty whether any such legislative or regulatory proposals will be enacted and, if enacted, the ultimate impact that any such potential legislation or implementing regulations, or any such potential regulatory actions by federal or state regulators, would have upon our business.

New laws, regulations, policy or changes in enforcement of existing laws or regulations applicable to our business, or reexamination of current practices, could adversely impact our profitability, limit our ability to continue existing or pursue new business activities, require us to change certain of our business practices, affect retention of key personnel, or expose us to additional costs (including increased compliance costs and/or customer remediation). These changes also may require us to invest significant resources, and devote significant management attention, to make any necessary changes and could adversely affect our business.

We are subject to the risk that regulatory or enforcement agencies and/or consumer advocacy groups may assert that our business practices may violate certain rules, laws and regulations, including anti-discrimination statutes.

Anti-discrimination statutes, such as the Fair Housing Act and the Equal Credit Opportunity Act and state law equivalents, prohibit creditors from discriminating against loan applicants and borrowers based on certain characteristics, such

as race, religion and national origin. Various federal regulatory and enforcement departments and agencies, including the Department of Justice and CFPB, take the position that these laws apply not only to intentional discrimination, but also to facially neutral practices that have a disparate impact on a group that shares a characteristic that a creditor may not consider in making credit decisions. State and federal regulators, as well as consumer advocacy groups and plaintiffs' attorneys, are focusing greater attention on "disparate impact" claims. Similarly, these regulatory agencies and litigants could take the position that the geographical footprint within which we conduct lending activity or the manner in which we advertise loans, disproportionately excludes potential borrowers belonging to a protected class, and constitutes unlawful "redlining". In addition to reputational harm, violations of the Equal Credit Opportunity Act and the Fair Housing Act can result in actual damages, punitive damages, injunctive or equitable relief, attorneys' fees and civil money penalties.

Our Financial Services segment is subject to the regulatory framework applicable to investment managers and broker-dealers, including regulation by the SEC and FINRA.

We offer investment management services through SoFi Wealth LLC, an internet based investment adviser, and SoFi Capital Advisors, LLC, which sponsors private investment funds that invest in asset-backed securitizations. Both SoFi Wealth LLC and SoFi Capital Advisors LLC are registered as investment advisers under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and are subject to regulation by the SEC. SoFi Securities is an affiliated registered broker-dealer and FINRA member. We offer cash management accounts, which are brokerage products, through SoFi Securities.

The investment advisers are subject to the anti-fraud provisions of the Advisers Act and to fiduciary duties derived from these provisions, which apply to our relationships with our members who are advisory clients, as well as the funds we manage. These provisions and duties impose restrictions and obligations on us with respect to our dealings with our members, fund investors and our investments, including for example restrictions on transactions with our affiliates. Our investment advisers have in the past and will in the future be subject to periodic SEC examinations. Our investment advisers are also subject to other requirements under the Advisers Act and related regulations. These additional requirements relate to matters including maintaining effective and comprehensive compliance programs, record-keeping and reporting and disclosure requirements. The Advisers Act generally grants the SEC broad administrative powers, including the power to limit or restrict an investment adviser from conducting advisory activities in the event it fails to comply with federal securities laws. Additional sanctions that may be imposed for failure to comply with applicable requirements include the prohibition of individuals from associating with an investment adviser, the revocation of registrations and other censures and fines. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our personnel by a regulator was small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing members or fail to gain new members. See Part II, Item 1 "*Legal Proceedings*".

Our subsidiary, SoFi Securities, is an affiliated registered broker-dealer and FINRA member. The securities industry is highly regulated, including under federal, state and other applicable laws, rules and regulations, and we may be adversely affected by regulatory changes related to suitability of financial products, supervision, sales practices, advertising, application of fiduciary standards, best execution and market structure, any of which could limit our business and damage our reputation. FINRA has adopted extensive regulatory requirements relating to sales practices, advertising, registration of personnel, compliance and supervision, and compensation and disclosure, to which SoFi Securities and its personnel are subject. FINRA and the SEC also have the authority to conduct periodic examinations of SoFi Securities, and may also conduct administrative proceedings. Additionally, material expansions of the business in which SoFi Securities engages are subject to approval by FINRA. This could delay, or even prevent, the firm's ability to expand its securities and brokerage offerings in the future.

From time to time, SoFi Securities and SoFi Wealth may be threatened with or named as a defendant in lawsuits, arbitrations and administrative claims. The firm is also subject to periodic regulatory examinations and inspections by regulators (including the SEC and FINRA). Compliance and trading problems or other deficiencies or weaknesses that are reported to regulators, such as the SEC and FINRA, by dissatisfied customers or others, or that are identified by regulators themselves are investigated by such regulators, and may, if pursued, result in formal claims being filed against SoFi Securities and SoFi Wealth by customers or disciplinary action being taken by regulators against the firm or its employees. Our failure to comply with applicable laws or regulations or our own policies and procedures could result in fines, litigation, suspensions of personnel or other sanctions, which could have a material effect on our overall financial results. For example, in August 2021, we settled charges with the SEC against SoFi Wealth for allegedly breaching its fiduciary duties to clients in connection with the investment of client assets in two ETFs sponsored by Social Finance by agreeing to a cease-and-desist order, a censure, a penalty of \$300 thousand, and to perform certain undertakings. Even if a sanction imposed against us or our personnel is small in monetary amount, the adverse publicity arising from the imposition of sanctions against us by regulators could harm our reputation and our brand and lead to material legal, regulatory and financial exposure (including fines and other penalties), cause us to lose existing members or fail to gain new members. In addition, in the normal course of business, SoFi Securities

and SoFi Wealth discuss matters raised by its regulators during regulatory examinations or otherwise upon their inquiry. These matters could result in censures, fines, penalties or other sanctions.

Maintaining the required level and composition of capital may impact our ability to support business activities, meet evolving regulatory requirements and distribute capital to shareholders.

As a bank holding company, we are subject to U.S. regulatory capital and liquidity rules and requirements. These rules, among other things, establish minimum requirements to qualify as a well-capitalized institution. If we fail to maintain our status as well capitalized under the applicable regulatory capital rules, the Federal Reserve will require us to agree to a remediation plan to bring SoFi Bank back to well-capitalized status, during which restrictions may be imposed on our activities. If we were to fail to enter into or comply with such an agreement, the Federal Reserve may impose more severe restrictions on our activities, including requiring us to cease and desist certain otherwise permissible activities.

The global Basel III capital framework for financial institutions continues to be refined and enhanced by the Basel Committee and international regulatory authorities. These rules are complex and evolving, and may require additional regulatory capital and liquidity, as well as impose additional operational and compliance costs. At this time, how the revisions will be applied in the U.S. is not clear or predictable. Changes to and compliance with the regulatory capital and liquidity requirements may impact our operations by requiring us to liquidate assets, increase borrowings, issue additional equity or other securities, cease or alter certain operations or hold highly liquid assets, which may adversely affect our results of operations.

Evolving laws and government regulations could adversely affect our Financial Services segment.

Governmental regulation of global financial markets and financial institutions is pervasive and continuously evolving. This includes regulation of investment managers and activities through the implementation of compliance, risk management and anti-money laundering procedures; restrictions on specific types of investments and the provision and use of leverage; capital requirements; regulations governing digital assets; limitations on compensation to managers; books and records, reporting and disclosure requirements; and new or increased regulation of the payments industry such as caps on interchange reimbursement fees and increased scrutiny of routing practices. The effects on us of future regulation, or of changes in the interpretation and enforcement of existing regulation, could have an adverse effect on our investment strategies or our business model. Policy changes and regulatory reform by the U.S. federal government may create regulatory uncertainty for our members' portfolios and our investment strategies and adversely affect our profitability.

The regulatory regime governing blockchain technologies and digital assets is uncertain, and new regulations or policies may alter our business practices with respect to digital assets.

We currently offer virtual currency and digital asset-related trading services through a subsidiary that is licensed and registered with various governmental authorities as a money service business, money transmitter, virtual currency business or the equivalent. Although many regulators have provided some guidance, regulation of digital assets based on or incorporating blockchain, such as digital assets and digital asset exchanges, remains uncertain and will continue to evolve. Further, regulation varies significantly among international, federal, state and local jurisdictions. As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies are increasingly taking interest in, and in certain cases regulating, their use and operation. For example, SoFi Bank's activities with respect to digital assets may be restricted. The conditional approval of the bank charter by the OCC was conditioned on SoFi Bank not engaging in any crypto-related activities or services unless it has received a prior written determination of no supervisory objection from the OCC. In addition, in connection with our approval as a bank holding company, the Federal Reserve determined that SoFi Digital Assets, LLC is engaged in certain crypto-related activities that the Federal Reserve has not found to be permissible for a bank holding company under the Bank Holding Company Act and Regulation Y. However, Section 4(a)(2) of the Bank Holding Company Act permits us to continue our current digital assets related offering for a two-year conformance period from the date we became a bank holding company, with the possibility for three one-year extensions, provided that we do not expand such activities, except as authorized by the Bank Holding Company Act and Regulation Y, or increase our established risk limits for total customer digital assets maintained in wallets that are accessible online, referred to as "hot wallets", or held on our balance sheet.

The laws and regulations to which we are subject, including those pertaining to digital assets and crypto-related activities, are rapidly evolving and increasing in scope. There has been a significant amount of guidance, reports, and public statements issued by federal and state financial regulators regarding the legal permissibility of, and supervisory considerations relating to, financial institutions engaging in crypto-related activities. We continue to monitor these developments closely and work with our federal regulators to ensure that our crypto-related activities conform with all applicable requirements.

Many U.S. regulators, including the SEC, the Financial Crimes Enforcement Network ("FinCEN"), the Commodity Futures Trading Commission, (the "CFTC"), the Internal Revenue Service (the "IRS"), and state regulators including the New

York State Department of Financial Services (the “NYSDFS”), have made official pronouncements, pursued cases against businesses in the digital assets space or issued guidance or rules regarding the treatment of Bitcoin and other digital currencies. The IRS released guidance treating virtual currency as property that is not currency for U.S. federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws. Other U.S. and many state agencies have offered little official guidance and issued no definitive rules regarding the treatment of digital assets. The CFTC has publicly taken the position that certain virtual currencies, which term includes digital assets, are commodities. To the extent that Bitcoin or any other digital asset is deemed to fall within the definition of a “commodity interest” under the Commodity Exchange Act (the “CEA”) or if proposed legislation is passed which classifies Bitcoin and other digital assets as a commodity, we may be subject to additional regulation under the CEA and CFTC regulations.

The prices of digital assets have been in the past and may continue to be highly volatile, including as a result of various associated risks and uncertainties in future regulation of digital assets and blockchain technologies. Following recent unstable market conditions, certain digital asset lenders and platforms have frozen or limited withdrawals and other such lenders and platforms may, in the future, need to or be required to freeze or limit withdrawals or may become insolvent and cease operations entirely. The effects of these actions or insolvencies may cause broader effects through the digital asset markets, potentially increasing price volatility. The prevalence of digital assets is a relatively recent trend, and we do not know, or may be unable to prepare for, other market-impacting events that could cause increased volatility or a prolonged periods of price depression.

Foreign, federal, state and local regulators revisit and update their laws and policies, and can be expected to continue to do so in the future. Changes in this regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements by the government or new legislation, may impose significant costs or restrictions on our ability to conduct business, significantly affect or change the manner in which we currently conduct some aspects of our business or impact our business in unforeseeable ways. Regulatory guidance around issues like the security status of digital assets has been unclear, and regulatory action in this area could further add to this uncertainty. On July 21, 2022, the SEC announced insider trading charges against individuals transacting in digital assets and, as part of the complaint, the SEC alleged certain digital assets were securities. If the SEC alleges that any assets we offer are securities, we could face potential regulatory action. If we need to limit the types of digital assets we offer, our business or revenue may suffer. If we are unable to successfully comply with new regulation, we may face regulatory action or penalties.

We may also face regulatory action or penalties. The SEC has increased the focus and pace of enforcement actions related to what the SEC calls crypto asset securities. In addition, the SEC Chair Gary Gensler indicated in an October 2022 speech that he believed the vast majority of crypto tokens are securities and that many crypto intermediaries are transacting in securities and have to register with the SEC. If there are allegations that a digital asset we offer is a security, we could face potential liability, including an enforcement action or private class action lawsuits, and face the costs of defending ourselves in the action, including potential fines, penalties, reputation harm, and potential loss of revenue. Our personnel could also become disqualified from associating with a broker-dealer, which could adversely affect our business. See *“We may become subject to enforcement actions or litigation as a result of our failure to comply with laws and regulations, even though noncompliance was inadvertent or unintentional”*.

States may require licenses that apply to blockchain technologies and digital assets.

In the case of virtual currencies, state regulators such as the NYSDFS have created regulatory frameworks. For example, in July 2014, the NYSDFS proposed the first U.S. regulatory framework for licensing participants in virtual currency business activity. The regulations, known as the “BitLicense”, are intended to focus on consumer protection. The NYSDFS issued its final BitLicense regulatory framework in June 2015. The BitLicense regulates the conduct of businesses that are involved in virtual currencies in New York or with New York customers and prohibits any person or entity involved in such activity from conducting such activities without a license. SoFi Digital Assets, LLC currently holds a BitLicense.

Other states may adopt similar statutes and regulations which will require us to obtain a license to conduct digital asset activities. In July 2020, Louisiana adopted the Virtual Currency Business Act, which requires operators of virtual currency businesses to obtain a virtual currency license in order to conduct business in Louisiana, and in December 2021, the Louisiana Office of Financial Institutions issued guidance establishing how it will license and regulate virtual currency businesses under the act. Other states, such as Florida and Texas, have published guidance on how their existing regulatory regimes governing money transmitters apply to virtual currencies. Some states, such as New Hampshire, North Carolina and Washington, have amended their state’s statutes to include virtual currencies into existing licensing regimes, while others have interpreted their existing statutes as requiring a money transmitter license to conduct certain virtual currency business activities. SoFi Digital Assets, LLC is licensed as a money transmitter or the equivalent in most states and the District of Columbia, but may be required to obtain additional licenses in light of evolving regulation of virtual currency businesses.

It is likely that, as blockchain technologies and the use of virtual currencies continues to grow, additional states will take steps to monitor the developing industry and perhaps require us to obtain additional licenses in connection with our virtual currency activity.

There are financial and third party risks associated with using a custodian to store cryptocurrency offerings.

Cryptocurrency is a new and emerging asset class and there are financial and third party risks related to our digital assets offerings, such as inappropriate access to or theft or destruction of digital assets held by our custodians, insufficient insurance coverage by the custodians to reimburse us for all such losses, the custodian's failure to maintain effective controls over the custody and settlement services provided to us, the custodian's inability to purchase or liquidate digital assets holdings, and defaults on financial or performance obligations by counterparty financial institutions. The realization of any one or combination of these risks could materially and adversely affect our financial performance and significantly harm our business.

The obligations associated with our custodial arrangements, including to take measures to safeguard digital assets, involve unique risks and uncertainties. While other types of assets held in a similar manner have been deemed not to be part of the asset custodian's bankruptcy estate under various regulatory regimes, bankruptcy courts have not yet considered the appropriate treatment of custodial holdings of digital assets. We hold our members' digital assets through two third-party custodians. Although we intend to structure our arrangements with third-party custodians in a manner that would not deem the assets to be the property of the custodian, there is no guarantee that a court would not consider such assets as part of the custodian's bankruptcy estate. As there is a lack of legal precedent in this area and as the outcome of any claim could be very fact-dependent, such an event could delay or preclude the return of digital assets to our members. These and other risks could adversely impact our digital assets product offering, our reputation and harm our business.

Failure to comply with anti-money laundering, economic and trade sanctions regulations, and similar laws could subject us to penalties and other adverse consequences.

Various laws and regulations in the U.S. and abroad, such as the Bank Secrecy Act, the Dodd-Frank Act, the USA PATRIOT Act, and the Credit Card Accountability Responsibility and Disclosure Act, impose certain anti-money laundering requirements on companies that are financial institutions or that provide financial products and services. Under these laws and regulations, financial institutions are broadly defined to include money services businesses such as money transmitters. In 2013, FinCEN issued guidance regarding the applicability of the Bank Secrecy Act to administrators and exchangers of convertible virtual currency, clarifying that they are money service businesses, and more specifically, money transmitters. The Bank Secrecy Act requires money services businesses ("MSBs") to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records, among other requirements. State regulators may impose similar requirements on licensed money transmitters. In addition, our contracts with financial institution partners and other third parties may contractually require us to maintain an anti-money laundering program. Our subsidiary, SoFi Digital Assets, LLC, is registered with FinCEN as an MSB. Registration as an MSB subjects us to the regulatory and supervisory jurisdiction of FinCEN and the IRS, the anti-money laundering provisions of the Bank Secrecy Act and its implementing regulations applicable to MSBs.

We are also subject to economic and trade sanctions programs administered by Office of Foreign Assets Control of the U.S. Department of Treasury, which prohibit or restrict transactions to or from or dealings with specified countries, their governments, and in certain circumstances, their nationals, and with individuals and entities that are specially-designated nationals of those countries, narcotics traffickers, terrorists or terrorist organizations, and other sanctioned persons and entities.

Our failure to comply with anti-money laundering, economic and trade sanctions regulations, and similar laws could subject us to substantial civil and criminal penalties, or result in the loss or restriction of our MSB or broker-dealer registrations and state licenses, or liability under our contracts with third parties, which may significantly affect our ability to conduct some aspects of our business. Changes in this regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements by the government, may significantly affect or change the manner in which we currently conduct some aspects of our business.

We are subject to anti-corruption, anti-bribery and similar laws, and noncompliance with such laws can subject us to significant adverse consequences, including criminal or civil liability and harm our business.

We are subject to the Foreign Corrupt Practices Act, U.S. domestic bribery laws and other U.S. and foreign anti-corruption laws. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees and their third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public sector. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such

actions. Although our operations are currently concentrated in the U.S., as we increase our international cross-border business and expand operations abroad, we have engaged and may further engage with business partners and third-party intermediaries to market our services and to obtain necessary permits, licenses and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. The failure to comply with any such laws could subject us to criminal or civil liability, cause us significant reputational harm and have an adverse effect on our business, financial condition and results of operations.

We conduct our brokerage and other business operations through subsidiaries and may in the future rely on dividends from our subsidiaries for a substantial amount of our cash flows.

We may in the future depend on dividends, distributions and other payments from our subsidiaries to fund payments on our obligations, including any debt obligations we may incur. Regulatory and other legal restrictions may limit our ability to transfer funds to or from certain subsidiaries, including SoFi Securities and SoFi Bank. In addition, certain of our subsidiaries are subject to laws and regulations that authorize regulatory bodies to block or reduce the flow of funds to us, or that prohibit such transfers altogether in certain circumstances. These laws and regulations may hinder our ability to access funds that we may need to make payments on our obligations, including any debt obligations we may incur and otherwise conduct our business by, among other things, reducing our liquidity in the form of corporate cash. In addition to negatively affecting our business, a significant decrease in our liquidity could also reduce investor confidence in us. Certain rules and regulations of the SEC and FINRA may limit the extent to which our broker-dealer subsidiaries may distribute capital to us. For example, under FINRA rules applicable to SoFi Securities, a dividend in excess of 10% of a member firm's excess net capital may not be paid without FINRA's prior written approval. Compliance with these rules may impede our ability to receive dividends, distributions and other payments from SoFi Securities.

We have in the past, continue to be, and may in the future be subject to inquiries, exams, pending investigations, or enforcement matters.

The financial services industry is subject to extensive regulation and oversight under federal, state, and applicable international laws. From time to time, in the normal course of business, we have received and may receive or be subject to inquiries or investigations by state and federal regulatory or enforcement agencies and bodies, such as the CFPB, SEC, the Federal Reserve, the OCC, the FDIC, the state attorneys general, state financial regulatory agencies, other state or federal agencies, and SROs like FINRA. We also may receive inquiries from state regulatory agencies regarding requirements to obtain licenses from or register with those states, including in states where we have determined that we are not required to obtain such a license or be registered with the state. In addition, we have been threatened with or named as a defendant in lawsuits, arbitrations and administrative claims involving securities, consumer financial services and other matters. We are also subject to periodic regulatory examinations and inspections. Compliance and trading problems or other deficiencies or weaknesses that are reported to regulators, such as the SEC, FINRA, the CFPB, or state regulators, by dissatisfied customers or others, or that are identified by regulators themselves, are investigated by such regulators, and may, if pursued, result in formal claims being filed against us by customers or disciplinary action being taken against us or our employees by regulators or enforcement agencies. To resolve issues raised in examinations or other governmental actions, we may be required to take various corrective actions, including changing certain business practices, making refunds or taking other actions that could be financially or competitively detrimental to us.

Any such inquiries, investigations, lawsuits, arbitrations, administrative claims or other inquiries could involve substantial time and expense to analyze and respond to, could divert management's attention and other resources from running our business, and could lead to fines, penalties, injunctive relief, and the need to obtain additional licenses that we do not currently possess. Our involvement in any such matters, whether tangential or otherwise and even if the matters are ultimately determined in our favor, could also cause significant harm to our reputation, lead to additional investigations and enforcement actions from other agencies or litigants, and further divert management attention and resources from the operation of our business. As a result, the outcome of legal and regulatory actions arising out of any state or federal inquiries we receive could have a material adverse effect on our business, financial condition or results of operations.

Recent statements by lawmakers, regulators and other public officials have signaled an increased focus on new or additional regulations that could impact our business and require us to make significant changes to our business model and practices, and could result in significant costs to our business or loss of current revenue streams.

Various lawmakers, regulators and other public officials have recently made statements about our business practices in which we and other broker-dealers engage, including SoFi Securities, and signaled an increased focus on new or additional laws or regulations that, if acted upon, could impact our business. On October 5, 2021, for example, SEC Chair Gensler, speaking

before the U.S. House of Representatives Committee on Financial Services, reiterated his view that payment for order flow (“PFOF”) and exchange rebates may present a number of conflicts of interest. This follows the Spring 2021 House Committee on Financial Services hearings on the events surrounding the January 2021 market volatility and disruptions surrounding GameStop and other “meme” stocks at which various members of Congress expressed their concerns about various market practices, including PFOF and options trading. Chair Gensler previously instructed the staff of the SEC to study, and in some cases make rulemaking recommendations to the SEC regarding, a variety of market issues and practices, including PFOF, so-called gamification, and whether broker-dealers are adequately disclosing their policies and procedures around potential trading restrictions; whether margin requirements and other payment requirements are sufficient; and whether broker-dealers have appropriate tools to manage their liquidity and risk. On October 14, 2021, the SEC issued the “Staff Report on Equity and Options Market Structure Conditions in Early 2021.” In its report, the SEC concluded that “consideration should be given to whether game-like features and celebratory animations that are likely intended to create positive feedback from trading lead investors to trade more than they would otherwise,” and that “payment for order flow and the incentives it creates may cause broker-dealers to find novel ways to increase customer trading, including through the use of digital engagement practices.” In addition, on August 27, 2021, the SEC issued a request for information and comments on broker-dealer and investment adviser digital engagement practices (“DEPs”), related tools and methods, regulatory considerations, and potential approaches. In its request, the SEC noted that certain competition practices, such as PFOF, in combination with zero commissions, create incentives for firms to use DEPs to encourage frequent trading, and that these incentives may not be transparent to retail investors. The SEC noted that DEPs can potentially harm retail investors if they prompt them to engage in trading activities that may not be consistent with their investment goals or risk tolerance. Previously, on May 6, 2021, in testimony to the House Committee on Financial Services, Chair Gensler also discussed the use of mobile app features such as rewards, bonuses, push notifications and other prompts. Chair Gensler suggested that such prompts could promote behavior that is not in the interest of the customer, such as excessive trading and advised that he had directed the SEC staff to consider whether expanded enforcement mechanisms are necessary. Additionally, on June 9, 2021, Chair Gensler remarked at a public conference that he had instructed the SEC staff to make recommendations for the SEC’s consideration on best execution, Regulation National Market System, PFOF (both on-exchange and off-exchange), minimum pricing increments and the National Best Bid and Offer. The regulatory agenda published by the SEC on October 4, 2021, identified that the SEC would be considering proposing rules in the next year to modernize equity market structure, including possible new rules on PFOF, best execution (amendments to Rule 605), market concentration and certain other practices. A previous agenda also indicated that the SEC might be considering potential rules related to gamification, behavioral prompts, predictive analytics and differential marketing (although it is unclear if this will materialize).

In addition, on March 18, 2021, FINRA issued a regulatory notice reminding member firms of their obligations with respect to maintaining margin requirements, customer order handling and effectively managing liquidity, with a particular focus on best execution practices and the need for member firms to make “meaningful disclosures” to inform customers of a firm’s order handling procedures during extreme market conditions. Further, at a public conference on May 19, 2021, FINRA indicated an intention to solicit public feedback, such as through notices or surveys, regarding so-called gamification in order to determine whether to adopt additional guidance or additional rules in that regard. Also, on June 23, 2021, FINRA issued a regulatory notice reminding member firms of the requirement that customer order flow be directed to markets providing the “most beneficial terms for their customers” and indicated that member firms may not negotiate the terms of order routing arrangements in a manner that reduces price improvement opportunities that would otherwise be available to those customers in the absence of PFOF.

To the extent that the SEC, FINRA or other regulatory authorities or legislative bodies adopt additional regulations or legislation in respect of any of these areas or relating to any other aspect of our business, we could face a heightened risk of potential regulatory violations and could be required to make significant changes to our business model and practices, which changes may not be successful. Any of these outcomes could have an adverse effect on our business, financial condition and results of operations. Additionally, any negative publicity surrounding PFOF practices generally, or our implementation of this practice, could harm our brand and reputation. For more information about the potential impact of legal and regulatory changes, see *“We may become subject to enforcement actions or litigation as a result of our failure to comply with laws and regulations, even though noncompliance was inadvertent or unintentional”*.

Regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information, and adversely affect our business opportunities.

We are subject to various privacy, information security and data protection laws, including requirements concerning security breach notification, and we could be negatively impacted by them. For example, we are subject to the Gramm-Leach-Bliley Act (“GLBA”) and implementing regulations and guidance. Among other things, the GLBA (i) imposes certain limitations on the ability to share consumers’ nonpublic personal information with nonaffiliated third parties and (ii) requires certain disclosures to consumers about their information collection, sharing and security practices and their right to “opt out” of

the institution's disclosure of their personal financial information to nonaffiliated third parties (with certain exceptions). The GLBA and other state laws also require that we implement and maintain certain security measures, policies and procedures to protect personal information.

Furthermore, legislators and/or regulators are increasingly adopting new and/or amending existing privacy, information security and data protection laws that potentially could have a significant impact on our current and planned privacy, data protection and information security-related practices; our policies and practices related to the collection, use, sharing, retention and safeguarding of consumer and/or employee information; and some of our current or planned business activities. New requirements, originating from new or amended laws, could also increase our costs of compliance and business operations and could reduce income from certain business initiatives.

Compliance with current or future privacy, information security and data protection laws (including those regarding security breach notification) affecting customer and/or employee data to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services (such as products or services that involve sharing information with third parties or storing sensitive credit card information), which could materially and adversely affect our profitability. Additionally, there is always a danger that regulators can attempt to assert authority over our business in the area of privacy, information security and data protection. In addition, if our vendors and/or service providers are or become subject to laws and regulations in the jurisdictions that have enacted more stringent and expansive legislation applicable to privacy, information and/or data protection, the costs that these vendors and service providers must incur in becoming compliant may be passed along to us, resulting in increasing costs on our business.

Privacy requirements, including notice and opt-out requirements, under the GLBA and the FCRA are enforced by the Federal Trade Commission and by the CFPB through UDAP and are a standard component of CFPB examinations. State entities also may initiate actions for alleged violations of privacy or security requirements under state law. Our failure to comply with privacy, information security and data protection laws could result in potentially significant regulatory investigations and government actions, litigation, fines or sanctions, consumer or merchant actions and damage to our reputation and brand, all of which could have a material adverse effect on our business.

Should we undertake an international expansion of our business, particularly if we commence doing business in one or more countries of the EU or the United Kingdom (the "UK"), we will be required to comply with stringent privacy and data protection laws. Within the EU, legislators have adopted the General Data Protection Regulation (the "GDPR"), which became effective in May 2018. Should we commence doing business in Europe, the GDPR will impose additional obligations and risk upon our business, which may increase substantially the penalties to which we could be subject in the event of any noncompliance. We may incur substantial expense in complying with obligations imposed by the GDPR and we may be required to make significant changes in our business operations, all of which may adversely affect our revenues and our business overall.

In addition, further to the UK's exit from the EU on January 31, 2020, the GDPR ceased to apply in the UK at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the UK's European Union (Withdrawal) Act 2018 incorporated the GDPR (as it existed on December 31, 2020 but subject to certain UK specific amendments) into UK law, referred to as the "UK GDPR". The UK GDPR and the UK Data Protection Act 2018 set out the UK's data protection regime, which is independent from but aligned to the EU's data protection regime. Noncompliance with the UK GDPR may result in monetary penalties of up to £17.5 million or 4% of worldwide revenue, whichever is higher. Although the UK is regarded as a third country under the EU's GDPR, the European Commission ("EC") has now issued a decision recognizing the UK as providing adequate protection under the EU GDPR and, therefore, transfers of personal data originating in the EU to the UK remain unrestricted. Like the EU GDPR, the UK GDPR restricts personal data transfers outside the UK to countries not regarded by the UK as providing adequate protection. The UK government has confirmed that personal data transfers from the UK to the EEA remain free flowing.

If we do business in the UK, we will have to comply with both the GDPR and separately the GDPR as implemented in the United Kingdom, each regime having the ability to fine up to the greater of €20 million/£17 million or 4% of global turnover.

In addition, around the world many jurisdictions outside of Europe are also considering and/or have enacted comprehensive data protection legislation. For example, we are subject to stringent privacy and data protection requirements in Hong Kong. Also, many jurisdictions outside of Europe where we may seek to expand our business in the future are also considering and/or have enacted comprehensive data protection legislation. Additional jurisdictions with stringent data protection laws include Brazil and China. These regulations may interfere with our intended business activities, inhibit our ability to expand into those markets or prohibit us from continuing to offer services in those markets without significant additional costs.

The regulatory framework governing the collection, processing, storage, use and sharing of certain information, particularly financial and other personal information, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with laws in other jurisdictions or with our existing data management practices or the features of our services and platform capabilities. We therefore cannot yet fully determine the impact these or future laws, rules, regulations and industry standards may have on our business or operations. Any failure or perceived failure by us, or any third parties with which we do business, to comply with our posted privacy policies, changing consumer expectations, evolving laws, rules and regulations, industry standards, or contractual obligations to which we or such third parties are or may become subject, may result in actions or other claims against us by governmental entities or private actors, the expenditure of substantial costs, time and other resources or the imposition of significant fines, penalties or other liabilities. In addition, any such action, particularly to the extent we were found to be guilty of violations or otherwise liable for damages, would damage our reputation and adversely affect our business, financial condition and results of operations.

We cannot yet fully determine the impact these or future laws, rules, regulations and industry standards may have on our business or operations. Any such laws, rules, regulations and industry standards may be inconsistent among different jurisdictions, subject to differing interpretations or may conflict with our current or future practices. Additionally, our customers may be subject to differing privacy laws, rules and legislation, which may mean that they require us to be bound by varying contractual requirements applicable to certain other jurisdictions. Adherence to such contractual requirements may impact our collection, use, processing, storage, sharing and disclosure of various types of information including financial information and other personal information, and may mean we become bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters that may further change as laws, rules and regulations evolve. Complying with these requirements and changing our policies and practices may be onerous and costly, and we may not be able to respond quickly or effectively to regulatory, legislative and other developments. These changes may in turn impair our ability to offer our existing or planned features, products and services and/or increase our cost of doing business. As we expand our customer base, these requirements may vary from customer to customer, further increasing the cost of compliance and doing business.

We publicly post documentation regarding our practices concerning the collection, processing, use and disclosure of data. Although we endeavor to comply with our published policies and documentation, we may at times fail to do so or be alleged to have failed to do so. Any failure or perceived failure by us to comply with our privacy policies or any applicable privacy, security or data protection, information security or consumer-protection related laws, regulations, orders or industry standards could expose us to costly litigation, significant awards, fines or judgments, civil and/or criminal penalties or negative publicity, and could materially and adversely affect our business, financial condition and results of operations. The publication of our privacy policy and other documentation that provide promises and assurances about privacy and security can subject us to potential state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices, which could, individually or in the aggregate, materially and adversely affect our business, financial condition and results of operations.

It may be difficult and costly to protect our intellectual property rights, and we may not be able to ensure their protection.

Our ability to lend to our members depends, in part, upon our proprietary technology. We may be unable to protect our proprietary technology effectively, which would allow competitors to duplicate our business processes and know-how, and adversely affect our ability to compete with them. A third party may attempt to reverse engineer or otherwise obtain and use our proprietary technology without our consent. The pursuit of a claim against a third party for infringement of our intellectual property could be costly, and there can be no guarantee that any such efforts would be successful.

In addition, our platform may infringe upon claims of third-party intellectual property, and we may face intellectual property challenges from such other parties. We may not be successful in defending against any such challenges or in obtaining licenses to avoid or resolve any intellectual property disputes. The costs of defending any such claims or litigation could be significant and, if we are unsuccessful, could result in a requirement that we pay significant damages or licensing fees, which would negatively impact our financial performance. If we cannot protect our proprietary technology from intellectual property challenges, our ability to maintain the our platform could be adversely affected.

Some aspects of our platform include open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

We incorporate open source software into our proprietary platform and into other processes supporting our business. Such open source software may include software covered by licenses like the GNU General Public License and the Apache License or other open source licenses. The terms of various open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that limits our use of the software, inhibits certain aspects of our platform and negatively affects our business operations.

Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If portions of our proprietary platform are determined to be subject to an open source license, or if the license terms for the open source software that we incorporate change, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our platform or change our business activities. In addition to risks related to license requirements, the use of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business.

We rely on third parties to perform certain key functions, and their failure to perform those functions could adversely affect our business, financial condition and results of operations.

We rely on certain third-party computer systems or third-party service providers, including cloud technology providers such as Amazon Web Services, internet service providers, payment services providers, market and third-party data providers, regulatory services providers, clearing systems, market makers, exchange systems, banking systems, co-location facilities, communications facilities and other facilities to run our platform, facilitate trades by our customers and support or carry out certain functions. To provide our checking and savings account, cash management account, credit card and other products and services, we rely on third parties that we do not control, such as payment card networks, our acquiring and issuing processors, payment card issuers, various financial institution partners, systems like the ACH, and other partners. We rely on these third parties for a variety of services, including the transmission of transaction data, processing of chargebacks and refunds, settlement of funds, and the provision of information and other elements of our services. In addition, external content providers provide us with financial information, market news, charts, option and stock quotes, digital assets quotes, research reports and other fundamental data that we provide to our customers. Any interruption in these third-party services, or deterioration in the quality of their service or performance, could be disruptive to our business.

These providers and any of our other service providers are susceptible to operational, technological and security vulnerabilities, including security breaches, which may impact our business, and our ability to monitor our third-party service providers' data security is limited. In addition, these third-party service providers may rely on subcontractors to provide services to us that face similar risks. Any failure or security breaches by or of our third-party service providers or their subcontractors that result in an interruption in service, unauthorized access, misuse, loss or destruction of data or other similar occurrences could interrupt our business, cause us to incur losses, result in decreased customer satisfaction and increase customer attrition, subject us to customer complaints, significant fines, litigation, disputes, claims, regulatory investigations or other inquiries and harm our reputation.

Through contractual provisions and third-party risk management processes, we take steps to require that our providers and their subcontractors protect our data and information, including personal data. However, due to the size and complexity of our technology platform and services, the amount of data that we store and the number of customers, employees and third-party service providers with access to personal data, we, our third-party service providers and their subcontractors are potentially vulnerable to a variety of intentional and inadvertent cybersecurity breaches and other security-related incidents and threats, which could result in a material adverse effect on our business, financial condition and results of operations. Any contractual protections we may have from our third-party service providers may not be sufficient to adequately protect us against such consequences, and we may be unable to enforce any such contractual protections.

In addition, there is no assurance that our third-party service providers or their subcontractors will be able to continue to provide these services to meet our current needs in an efficient, cost-effective manner or that they will be able to adequately expand their services to meet our needs in the future. Certain of our vendor agreements are terminable on short or no notice, and if current vendors were to stop providing services to us on acceptable terms, we may be unable to procure alternatives from other vendors in a timely and efficient manner and on acceptable terms, or at all. An interruption in or the cessation of service by our third-party service providers or their subcontractors, coupled with our possible inability to make alternative arrangements in a smooth, cost-effective and timely manner, could have adverse effects on our business, financial condition and results of operations.

If a service provider fails to provide the services required or expected, or fails to meet applicable contractual or regulatory requirements such as service levels or compliance with applicable laws, the failure could negatively impact our business. Such a failure could also adversely affect the perception of the reliability of our networks and services and the quality of our brand, which could materially adversely affect our business and results of operations. Further, if there were deficiencies in the oversight and control of our third-party relationships, and if our regulators held us responsible for those deficiencies, it could have an adverse effect on our business, reputation and results of operations.

Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs, negative publicity, changes to our business model, and requirements resulting in increased expenses.

Our business is subject to increased risks of litigation and regulatory actions as a result of a number of factors and from various sources, including as a result of the highly regulated nature of the financial services industry and the focus of state and federal enforcement agencies on the financial services industry.

From time to time, we are also involved in, or the subject of, reviews, requests for information, investigations and proceedings (both formal and informal) by state and federal governmental agencies and SROs, regarding our business activities and our qualifications to conduct our business in certain jurisdictions, which could subject us to significant fines, penalties, obligations to change our business practices and other requirements resulting in increased expenses and diminished earnings. Our involvement in any such matter also could cause significant harm to our reputation and divert management attention from the operation of our business, even if the matters are ultimately determined in our favor. Moreover, any settlement, or any consent order or adverse judgment in connection with any formal or informal proceeding or investigation by a government agency, may prompt litigation or additional investigations or proceedings as other litigants or other government agencies begin independent reviews of the same activities. See “*Our Lending segment is highly regulated, and if we fail to comply with federal and state consumer protection laws, rules, regulations and guidance, our business could be adversely affected*” for a discussion of the FTC Consent Order and “*Our Lending segment is highly regulated, and if we fail to comply with federal and state consumer protection laws, rules, regulations and guidance, our business could be adversely affected*”.

In addition, a number of participants in the financial services industry have been the subject of: putative class action lawsuits; state attorney general actions and other state regulatory actions; federal regulatory enforcement actions, including actions relating to alleged unfair, deceptive or abusive acts or practices; violations of state licensing and lending laws, including state usury laws; actions alleging discrimination on the basis of race, ethnicity, gender or other prohibited bases; and allegations of noncompliance with various state and federal laws and regulations relating to originating and servicing consumer finance loans. For example, we are defendants in a putative class action in which it was alleged that we engaged in unlawful lending discrimination through policies and practices by making applicants who are conditional permanent residents or DACA holders ineligible for loans or eligible only with a co-signer who is a U.S. citizen or lawful permanent resident. The settlement agreement was fully executed on April 18, 2022 and the plaintiffs have moved for preliminary approval of the settlement. The proposed class settlement, which contemplates an aggregate payment by SoFi of an immaterial amount, remains subject to final court review and approval, which we expect to occur in 2023.

The current regulatory environment, increased regulatory compliance efforts and enhanced regulatory enforcement have resulted in significant operational and compliance costs and may prevent us from providing certain products and services. There is no assurance that these regulatory matters or other factors will not, in the future, affect how we conduct our business and, in turn, have a material adverse effect on our business. In particular, legal proceedings brought under state consumer protection statutes or under several of the various federal consumer financial services statutes may result in a separate fine for each violation of the statute, which, particularly in the case of class action lawsuits, could result in damages substantially in excess of the amounts we earned from the underlying activities.

In addition, from time to time, through our operational and compliance controls, we identify compliance and other issues that require us to make operational changes and, depending on the nature of the issue, result in financial remediation to impacted members. These self-identified issues and voluntary remediation payments could be significant, depending on the issue and the number of members impacted, and also could generate litigation or regulatory investigations that subject us to additional risk. See Part II, Item 1 “*Legal Proceedings*”.

Changes in tax law and differences in interpretation of tax laws and regulations may adversely impact our financial statements.

We operate in multiple jurisdictions and are subject to tax laws and regulations of the U.S. federal, state and local and non-U.S. governments. U.S. federal, state and local and non-U.S. tax laws and regulations are complex and subject to varying interpretations. U.S. federal, state and local and non-U.S. tax authorities may interpret tax laws and regulations differently than we do and challenge tax positions that we have taken. This may result in differences in the treatment of revenues, deductions, credits and/or differences in the timing of these items. The differences in treatment may result in payment of additional taxes, interest or penalties that could have an adverse effect on our financial condition and results of operations. Further, future changes to U.S. federal, state and local and non-U.S. tax laws and regulations could increase our tax obligations in jurisdictions where we do business or require us to change the manner in which we conduct some aspects of our business.

We will be adversely affected if we are, or any of our subsidiaries is, determined to have been subject to registration as an investment company under the Investment Company Act.

We are currently not deemed an “investment company” subject to regulation under the Investment Company Act of 1940, as amended (the “Investment Company Act”). No opinion or no-action position has been requested of the SEC on our status as an Investment Company. There is no guarantee we will continue to be exempt from registration under the Investment Company Act and were we to be deemed to be an investment company under the Investment Company Act, and thus subject to regulation under the Investment Company Act, the increased reporting and operating requirements could have an adverse impact on our business, operating results, financial condition and prospects.

In addition, if the SEC or a court of competent jurisdiction were to find that we are in violation of the Investment Company Act for having failed to register as an investment company thereunder, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) we could be sued by investors in us and in our securities for damages caused by the violation; and (iii) any contract to which we are a party that is made in, or whose performance involves a, violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than nonenforcement and would not be inconsistent with the purposes of the Investment Company Act. Should we be subjected to any or all of the foregoing, our business would be materially and adversely affected.

Personnel and Business Continuity Risks

We rely on our management team and will require additional key personnel to grow our business, and the loss of key management members or key employees, or an inability to hire key personnel, could harm our business.

We believe our success has depended, and continues to depend, on the efforts and talents of our senior management, who have significant experience in the financial services and technology industries, are responsible for our core competencies and would be difficult to replace. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. In addition, the loss of any of our senior management or key employees could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. Furthermore, many candidates evaluate year over year stock growth trends for a sense of the potential long-term value of their proposed stock awards, or have recently begun to discount the value of growth stocks on the whole. The volatility of the market price of our common stock could harm our ability to attract and retain talent. Our executive officers and other employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business could be materially and adversely affected.

The competitive job market creates a challenge and potential risk as we strive to attract and retain a highly skilled workforce.

Competition for our employees, including highly skilled technology and product professionals, is intense reflecting a tight labor market. This can present a risk as we compete for experienced candidates, especially if the competition is able to offer more attractive financial terms of employment. This risk extends to our current employee population. We also invest significant time and expense in engaging and developing our employees, which also increases their value to other companies that may seek to recruit them. Turnover can result in significant replacement costs and lost productivity. See also “*We transitioned to a flexible-first workforce model, which could subject us to increased business continuity and cyber risks, as well as other operational challenges and risks that could significantly harm our business and operations*” for more information on the impact of a flexible workforce model on corporate culture and employee retention.

In addition, recent U.S. immigration policy has made it more difficult for qualified foreign nationals to obtain or maintain work visas under the H-1B classification. These H-1B visa limitations make it more difficult and/or more expensive for us to hire the skilled professionals we need to execute our growth strategy, especially engineering, data analytics and risk management personnel, and may adversely impact our business.

We transitioned to a flexible-first workforce model, which could subject us to increased business continuity and cyber risks, as well as other operational challenges and risks that could significantly harm our business and operations.

We now offer all of our employees the choice of working full time in the office, a hybrid approach, or full-time remote. Coming into the office remains 100% voluntary, unless a person’s role requires them to be on site to do their job. As a result, we expect to continue to be subject to the challenges and risks of having a remote workforce, as well as new challenges

and risks from operating with a hybrid workforce. For example, our employees are accessing our servers remotely through home or other networks to perform their job responsibilities. Such security systems may be less secure than those used in our offices, which may subject us to increased security risks, including cybersecurity-related events, and expose us to risks of data or financial loss and associated disruptions to our business operations. Additionally, employees who access company data and systems remotely may not have access to technology that is as robust as that in our offices, which could place additional pressure on our user infrastructure and third parties that are not easily mitigated. These risks include home internet availability affecting work continuity and efficiency, and additional dependencies on third-party communication tools, such as instant messaging and online meeting platforms. We may also be exposed to risks associated with the locations of remote employees, including compliance with local laws and regulations or exposure to compromised internet infrastructure. Allowing our employees to work remotely may create intellectual property risk if employees create intellectual property on our behalf while residing in a jurisdiction with unenforced or uncertain intellectual property laws. Further, if employees fail to inform us of changes in their work location, we may be exposed to additional risks without our knowledge.

While most of our operations can be performed remotely and have operated effectively during the pandemic, there is no guarantee that this will continue or that we will continue to be as effective while operating a flexible-first workforce model because our team is dispersed, many employees may have additional personal needs to attend to (such as looking after children as a result of school closures and mandated quarantines or a family member who becomes sick), and employees may become sick themselves and be unable to work.

Additionally, operating our business with both remote and in-person workers, or workers who work in flexible locations and on flexible schedules, could have a negative impact on our corporate culture, decrease the ability of our workforce to collaborate and communicate effectively, decrease innovation and productivity, or negatively affect workforce morale. If we are unable to manage the cybersecurity and other risks of a flexible-first workforce model, and maintain our corporate culture and workforce morale, our business could be harmed or otherwise adversely impacted.

Our business is subject to the risks of natural disasters, power outages, telecommunications failures and similar events, including COVID-19 and additional public health crises, and to interruptions by human-made problems such as terrorism, cyberattack, and other actions, which may impact the demand for our products or our members' ability to repay their loans.

Events beyond our control may damage our ability to maintain our platform and provide services to our members. Such events include, but are not limited to, hurricanes, earthquakes, fires, floods and other natural disasters, public health crises, such as the COVID-19 pandemic or other infectious diseases, power outages, telecommunications failures and similar events. Despite any precautions we may take, system interruptions and delays could occur if there is a natural disaster, if a third-party provider closes a facility we use without adequate notice for financial or other reasons, or if there are other unanticipated problems at our leased facilities. Because we rely heavily on our servers, computer and communications systems and the Internet to conduct our business and provide high-quality service to our members, disruptions could harm our ability to effectively run our business. Moreover, our members and customers face similar risks, which could directly or indirectly impact our business. We currently use Amazon Web Services ("AWS") and would be unable to switch instantly to another system in the event of failure to access AWS. This means that an outage of AWS could result in our system being unavailable for a significant period of time. Terrorism, cyberattacks and other criminal, tortious or unintentional actions could also give rise to significant disruptions to our operations. Our business interruption insurance may not be sufficient to compensate us for losses that may result from interruptions in our service as a result of system failures or other disruptions. Comparable natural and other risks may reduce demand for our products or cause our members to suffer significant losses and/or incur significant disruption in their respective operations, which may affect their ability to satisfy their obligations towards us. All of the foregoing could materially and adversely affect our business, results of operations and financial condition.

Employee misconduct, which can be difficult to detect and deter, could harm our reputation and subject us to significant legal liability.

We operate in an industry in which integrity and the confidence of our members is of critical importance. We are subject to risks of errors and misconduct by our employees that could adversely affect our business, including:

- engaging in misrepresentation or fraudulent activities when marketing or performing online brokerage and other services to our members;
- improperly using or disclosing confidential information of our members or other parties;
- concealing unauthorized or unsuccessful activities; or
- otherwise not complying with applicable laws and regulations or our internal policies or procedures.

There have been numerous highly-publicized cases of fraud and other misconduct by financial services industry employees. The precautions that we take to detect and deter employee misconduct might not be effective. If any of our employees engage in illegal, improper, or suspicious activity or other misconduct, we could suffer serious harm to our reputation, financial condition, member relationships, and our ability to attract new members. We also could become subject to regulatory sanctions and significant legal liability, which could cause serious harm to our financial condition, reputation, member relationships and prospects of attracting additional members.

Risk Management and Financial Reporting Risks

If we fail to establish and maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

Pursuant to Section 404 of the Sarbanes-Oxley Act, a report by management on internal control over financial reporting and an attestation of our independent registered public accounting firm will be required. The rules governing the standards that must be met for management to assess internal control over financial reporting are complex and require significant documentation, testing and possible remediation. In accordance with the considerations pursuant to Section 215.02 of the SEC Division of Corporation Finance's Regulation S-K Compliance & Disclosure Interpretations, beginning with our annual report on Form 10-K for the year ended December 31, 2022, we will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for our annual reports on Form 10-K. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our independent registered public accounting firm will also be required to attest to the effectiveness of our internal control over financial reporting in our annual reports on Form 10-K. We are required to disclose changes made in our internal controls and procedures on a quarterly basis. Failure to comply with the Sarbanes-Oxley Act could potentially subject us to sanctions or investigations by the SEC, the applicable stock exchange or other regulatory authorities, which would require additional financial and management resources.

The internal control assessment required by Section 404 of Sarbanes-Oxley has diverted internal resources and we have and may experience higher operating expenses, higher independent auditor and consulting fees in the future. To comply with the Sarbanes-Oxley Act, the requirements of being a reporting company under the Exchange Act and any new or revised accounting rules in the future, as necessary, we are in the process of upgrading SoFi's legacy information technology systems; implementing additional financial and management controls, reporting systems and procedures; and hiring additional accounting and finance staff. If we are unable to hire the additional accounting and finance staff necessary to comply with these requirements, we may need to retain additional outside consultants. In addition, our current controls and any new controls that we develop may become inadequate because of poor design and changes in our business. For example, our continuing growth and expansion in globally dispersed markets, such as our acquisition of Technisys, may place significant additional pressure on our system of internal control over financial reporting, as acquisition targets may not be in compliance with the provisions of the Sarbanes-Oxley Act. We do not conduct a formal evaluation of companies' internal control over financial reporting prior to an acquisition. We may be required to hire additional staff and incur substantial costs to implement the necessary new internal controls at companies we acquire. Any failure to implement and maintain effective internal controls over financial reporting could adversely affect the results of assessments by our independent registered public accounting firm and their attestation reports. If we or, if required, our independent registered public accounting firm, are unable to conclude that our internal control over financial reporting is effective, investors may lose confidence in its financial reporting, which could negatively impact the price of our securities.

On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the SEC together issued a statement regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "*Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs")*" (the "SEC Statement"). Specifically, the SEC Statement focused on certain settlement terms and provisions related to certain tender offers following a business combination, which terms are similar to those contained in the warrant agreement governing the public warrants and private placement warrants issued initially by SCH. Following the issuance of the SEC statement, on April 22, 2021, SCH concluded that it was appropriate to restate its previously issued audited financial statements as of and for the period ended December 31, 2020, and as part of such process, SCH identified a material weakness in its internal control over financial reporting. As the accounting acquirer in the Business Combination, we inherited this material weakness and the warrants.

As a result of the material weakness, the restatement, the change in accounting for the SoFi Technologies warrants, and other matters raised or that may in the future be raised by the SEC, we may face potential litigation or other disputes, which may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims arising from the restatement and material weaknesses in our internal control over financial reporting and the preparation of our financial

statements. As of the date of this Quarterly Report on Form 10-Q, we have no knowledge of any such litigation or dispute. However, we can provide no assurance that such litigation or dispute will not arise in the future. Any such litigation or dispute, whether successful or not, could have a material adverse effect on our business, results of operations and financial condition.

We cannot assure you that there will not be additional material weaknesses in our internal control over financial reporting now or in the future. Any failure to maintain internal control over financial reporting could cause us to fail to timely detect errors and severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines that we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We adjust our total number of members in the event a member is removed in accordance with our terms of service, and our total member count in any one period may not yet reflect such adjustments.

We adjust our total number of members in the event a member is removed in accordance with our terms of service. This could occur for a variety of reasons—including fraud or pursuant to certain legal processes—and, as our terms of service evolve together with our business practices, product offerings and applicable regulations, additional grounds for removing members from our total member count could occur. The determination that a member should be removed in accordance with our terms of service is subject to an evaluation process, following the completion, and based on the results, of which, relevant members and their associated products are removed from our total member count. However, depending on the length of the evaluation process, that removal may not take place in the same period in which the member was added to our member count or the same period in which the circumstances leading to their removal occurred. For this reason, our total member count in any one period may not yet reflect such adjustments. In any given period, we estimate that up to 3% of our members may be under evaluation for removal in accordance with our terms of service, however we cannot assure you that this percentage in any period will not be more significant.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change.

Our management has limited experience in operating a public company.

We have incurred and will continue to incur increased costs as a result of operating as a public company, and our management will continue to devote substantial time to new compliance initiatives. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, as well as rules adopted, and to be adopted, by the SEC and Nasdaq. Our management and other personnel devote and we expect will continue to devote a substantial amount of time to these compliance initiatives. Furthermore, new or changes to existing rules and regulations in the future may increase our legal and financial compliance costs and make some activities more time-consuming and costly, which would increase our net loss for the foreseeable future. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, its board committees or as executive officers.

Our executive officers have limited experience in dealing with the increasingly complex laws pertaining to public companies, which may increase the amount of their time devoted to these activities and result in less time being devoted to the management and growth of the business. We continue to evaluate whether we have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies. We have in the past and may in the future expand our employee base and hire additional employees to support our operations as a public company, which has caused and may in the future cause our operating costs to increase. See “*If we fail to establish and maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline*”.

As a result of our business combination with a special purpose acquisition company, regulatory obligations may impact us differently than other publicly traded companies.

We became a publicly traded company by completing a transaction with SCH, a SPAC. As a result of this transaction, regulatory obligations have, and may continue, to impact us differently than other publicly traded companies. For instance, the SEC and other regulatory agencies may issue additional guidance or apply further regulatory scrutiny to companies like us that have completed a business combination with a SPAC. Managing this regulatory environment, which has and may continue to evolve, could divert management's attention from the operation of our business, negatively impact our ability to raise additional capital when needed or have an adverse effect on the price of our common stock.

Our risk management processes and procedures may not be effective.

Our risk management processes and procedures seek to appropriately balance risk and return and mitigate risks. We have established processes and procedures intended to identify, measure, monitor and control the types of risk to which we are subject, including interest rate risk, credit risk, deposit risk, market risk, foreign currency exchange rate risk, liquidity risk, strategic risk, operational risk, cybersecurity risk, and reputational risk. Credit risk is the risk of loss that arises when a loan obligor fails to meet the terms of a loan repayment obligation, the loan enters default, and if uncured results in financial loss of remaining principal and interest to the loan purchaser. Our exposure to credit risk mainly arises from our lending activities. Deposit risk refers to accelerated availability of depositor funds, prior to settlement, risk of ACH returns or merchant settlements, and transactional limits that may be applied to deposit accounts. Market risk is the risk of loss due to changes in external market factors, such as interest rates, asset prices, and foreign exchange rates. Foreign currency exchange rate risk is the risk that our financial position or results of operations could be positively or negatively impacted by fluctuations in exchange rates. We may in the future be subject to increasing foreign currency exchange rate risk with our recent acquisition of Technisys, a foreign company. Liquidity risk is the risk that financial condition or overall safety and soundness are adversely affected by an inability, or perceived inability, to meet obligations (e.g., current and future cash flow needs) and support business growth. We actively monitor our liquidity position at the broker-dealer and SoFi Bank. Strategic risk is the risk from changes in the business environment, ineffective business strategies, improper implementation of decisions or inadequate responsiveness to changes in the business and competitive environment.

Operational risk is the risk of loss arising from inadequate or failed internal processes, controls, people (e.g., human error or misconduct) or systems (e.g., technology problems), business continuity or external events (e.g., natural disasters), compliance, reputational, regulatory, or legal matters and includes those risks as they relate directly to us, fraud losses attributed to applications and any associated fines and monetary penalties as a result, transaction processing, or employees, as well as to third parties with whom we contract or otherwise do business. Operational risk is one of the most prevalent forms of risk in our risk profile. We strive to manage operational risk by establishing policies and procedures to accomplish timely and efficient processing, obtaining periodic internal control attestations from management, conducting internal process Risk Control Self-Assessments and audit reviews to evaluate the effectiveness of internal controls.

In order to be effective, among other things, our enterprise risk management capabilities must adapt and align to support any new product or loan features, capability, strategic development, or external change. Cybersecurity risk is the risk of a malicious technological attack intended to impact the confidentiality, availability, or integrity of our systems and data, including, but not limited to, sensitive client data. Our technology and information security teams rely on a layered system of preventive and detective technologies, practices, and policies to detect, mitigate, and neutralize cybersecurity threats. In addition, our information security team and third-party consultants regularly assesses our cybersecurity risks and mitigation efforts. Cyberattacks can also result in financial and reputational risk.

Reputational risk is the risk arising from possible negative perceptions of us, whether true or not, among our current and prospective members, counterparties, employees, and regulators. The potential for either enhancing or damaging our reputation is inherent in almost all aspects of business activity. We attempt to manage this risk through our commitment to a set of core values that emphasize and reward high standards of ethical behavior, maintaining a culture of compliance, and by being responsive to member and regulatory requirements.

Risk is inherent in our business, and therefore, despite our efforts to manage risk, there can be no assurance that we will not sustain unexpected losses. We could incur substantial losses and our business operations could be disrupted to the extent our business model, operational processes, control functions, technological capabilities, risk analyses, and business/product knowledge do not adequately identify and manage potential risks associated with our strategic initiatives. There also may be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated, including when processes are changed or new products and services are introduced. If our risk management framework does not effectively identify and control our risks, we could suffer unexpected losses or be adversely affected, which could have a material adverse effect on our business.

Incorrect estimates or assumptions by management in connection with the preparation of our consolidated financial statements or forecasts could adversely affect our reported or forecasted assets, liabilities, income, revenues or expenses.

The preparation of our consolidated financial statements requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income, revenues or expenses during the reporting periods. Incorrect estimates and assumptions by management could adversely affect our reported amounts of assets, liabilities, income, revenues and expenses during the reporting periods. If we make incorrect assumptions or estimates, our reported financial results may be over- or understated, which could materially and adversely affect our business, financial condition and results of operations.

In addition, operating results are difficult to forecast because they generally depend on a number of factors, including the competition we face, our ability to attract and retain members and enterprise partnerships, and macroeconomic risks, while generating sustained revenues through the Financial Services Productivity Loop. Additionally, our business may be affected by reductions in consumer borrowing, spending and investing from time to time as a result of a number of factors, including the state of the overall economy, which may be difficult to predict. This may result in decreased revenue levels, and we may be unable to adopt measures in a timely manner to compensate for any unexpected shortfall in income. This inability could cause our operating results in a given quarter to be higher or lower than expected. These factors make creating accurate forecasts and budgets challenging and, as a result, we may fall materially short of our forecasts and expectations, which could cause our stock price to decline and investors to lose confidence in us.

The accounting method for reflecting the convertible notes on our balance sheet, accruing interest expense for the convertible notes and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition.

In August 2020, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2020-06, *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity* (“ASU 2020-06”), which, among other things, simplifies the accounting for certain convertible instruments. We early adopted the provisions of ASU 2020-06 effective January 1, 2021.

In accordance with ASU 2020-06, the convertible notes we issued in October 2021 (the “notes”) are reflected as a liability on our consolidated balance sheets, with the initial carrying amount equal to the principal amount of the notes, net of issuance costs. The issuance costs were treated as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the notes. As a result of this amortization, the interest expense that we expect to recognize for the notes for accounting purposes will be greater than the cash interest payments we will pay on the notes, which will result in lower reported earnings.

In addition, the shares underlying the notes will be reflected in our diluted earnings per share using the “if-converted” method. Under that method, if the conversion value of the notes exceeds their principal amount for a reporting period, then we will calculate our diluted earnings per share assuming that all of the notes were converted at the beginning of the reporting period and that we issued shares of our common stock to settle the excess. However, if reflecting the notes in diluted earnings per share in this manner is anti-dilutive, or if the conversion value of the notes does not exceed their principal amount for a reporting period, then the shares underlying the notes will not be reflected in our diluted earnings per share. The application of the if-converted method may reduce our reported diluted earnings per share, and accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share.

The conditional conversion feature of the notes, if triggered, may adversely affect our financial condition.

Holders of notes may be entitled to convert the notes during specified periods at their option. If one or more holders elect to convert their notes, we may settle any converted principal through the payment of cash, which could adversely affect our liquidity.

The capped call transactions may affect the value of the notes and our common stock.

In connection with the issuance of the notes, we entered into privately negotiated capped call transactions with certain financial institutions (the “Capped Call Counterparties”). The capped call transactions are expected generally to reduce the potential dilutive effect on the common stock upon any conversion of the notes and/or offset any potential cash payments we are required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and/or offset subject to a cap. In connection with establishing their initial hedges of the capped call transactions, the Capped Call Counterparties or their respective affiliates entered into various derivative transactions with respect to our common stock and/or purchased shares of our common stock concurrently with or shortly after the pricing of the notes.

In addition, the Capped Call Counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions following the pricing of the notes and from time to time prior to the maturity of the notes (and are likely to do so following any conversion of the notes, any repurchase of the notes by us on any fundamental change repurchase date, any redemption date or any other date on which the notes are retired by us, in each case if we exercise the relevant election to terminate the corresponding portion of the capped call transactions). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the notes. The potential effect, if any, of these transactions and activities on the market price of our common stock or the notes will depend, in part, on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of our common stock.

We are subject to counterparty risk with respect to the capped call transactions, and the capped call transactions may not operate as planned.

The Capped Call Counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the Capped Call Counterparties will not be secured by any collateral. Global economic conditions have, from time to time, resulted in the actual or perceived failure or financial difficulties of many financial institutions. If a Capped Call Counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with that Capped Call Counterparty. Our exposure will depend on many factors, but, generally, an increase in our exposure will be correlated with increases in the market price or the volatility of our common stock. In addition, upon a default by a Capped Call Counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of any Capped Call Counterparty.

In addition, the capped call transactions are complex, and they may not operate as planned. For example, the terms of the capped call transactions may be subject to adjustment, modification or, in some cases, renegotiation if certain corporate or other transactions occur. Accordingly, these transactions may not operate as we intend if we are required to adjust their terms as a result of transactions in the future or upon unanticipated developments that may adversely affect the functioning of the capped call transactions.

Information Technology and Data Risks

Cyberattacks and other security breaches could have an adverse effect on our business, harm our reputation and expose us to liability and adversely affect our ability to collect payments and maintain accurate accounts.

In the normal course of business, we collect, process and retain non-public and confidential information regarding our members and prospective members. We also have arrangements in place with certain third-party service providers that require us to share consumer information.

It is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches, in which case there would be an increased risk of fraud or identity theft, and we may experience losses on, or delays in the collection of amounts owed. Although we devote significant resources and management focus to ensuring the integrity of our systems through information/cyber security and business continuity programs, our facilities and systems, and those of third-party service providers, are vulnerable to external or internal security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, and other similar events. In addition, the digital nature of our platform may make it an attractive target for hacking and potentially vulnerable to computer viruses, physical or electronic break-ins and similar disruptions.

We and third-party service providers have experienced such instances in the past and expect to continue to experience them in the future. Security breaches could occur from outside our company, and also from the actions of persons inside our company who may have authorized or unauthorized access to our technology systems. We also face security threats from malicious threat actors that could obtain unauthorized access to our systems and networks, which threats we anticipate will continue to grow in scope and complexity over time. In addition, security threats may increase as a result of geopolitical events, such as in connection with the war in Ukraine and imposition of sanctions on Russia. These events could interrupt our business or operations, result in significant legal and financial exposure, supervisory liability, damage to our reputation and a loss of confidence in the security of our systems, products and services. Although the impact to date from these events has not had a material adverse effect on us, no assurance is given that this will be the case in the future.

Cybersecurity risks in the financial services industry have increased recently, in part because of new technologies, the use of the Internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized criminals, perpetrators of fraud, hackers, terrorists and

others. In addition to cyberattacks and other security breaches involving the theft of non-public and confidential information, hackers recently have engaged in attacks that are designed to disrupt key business services, such as consumer-facing websites. We may not be able to anticipate or implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently and because attacks can originate from a wide variety of sources. We employ detection and response mechanisms designed to contain and mitigate security incidents. Nonetheless, early detection efforts may be thwarted by sophisticated attacks and malware designed to avoid detection. We also may fail to detect the existence of a security breach related to the information of our members.

The access by unauthorized persons to, or the improper disclosure by us of, confidential information regarding our members or our proprietary information, software, methodologies and business secrets could interrupt our business or operations, result in significant legal and financial exposure, supervisory liability, damage to our reputation or a loss of confidence in the security of our systems, products and services, all of which could have a material adverse impact on our business. Because each loan that we originate involves, in part, our proprietary automated underwriting process, any failure of our computer systems involving our automated underwriting process and any technical or other errors contained in the software pertaining to our automated underwriting process could compromise our ability to accurately evaluate potential members, which could negatively impact our results of operations. Furthermore, any failure of our computer systems could cause an interruption in operations and result in disruptions in, or reductions in the amount of, collections from the loans we make to our members. Additionally, if hackers were able to access our secure files, they might be able to gain access to the personal information of our members. If we are unable to prevent such activity, we may be subject to significant liability, negative publicity and a material loss of members, all of which may negatively affect our business. In addition, there recently have been a number of well-publicized attacks or breaches affecting companies in the financial services industry that have heightened concern by consumers, which could also intensify regulatory focus, cause users to lose trust in the security of the industry in general and result in reduced use of our services and increased costs, all of which could also have a material adverse effect on our business.

The collection, processing, use, storage, sharing and transmission of personal data could give rise to liabilities as a result of federal, state and international laws and regulations, as well as our failure to adhere to the privacy and data security practices that we articulate to our members.

We collect, process, store, use, share and/or transmit a large volume of personally identifiable information (“PII”) and other non-public data from current, past and prospective members. There are federal, state, and foreign laws regarding privacy, data security and the collection, use, storage, protection, sharing and/or transmission of PII and non-public data. Additionally, many states continue to enact legislation on matters of privacy, information security, cybersecurity, data breach and data breach notification requirements. For example, as of January 1, 2020, the CCPA granted additional consumer rights with respect to data privacy in California. The CCPA, among other things, entitles California residents to know how their personal information is being collected and shared, to access or request the deletion of their personal information and to opt out of the sharing of their personal information. The CCPA is subject to further amendments pending certain proposed regulations that are being reviewed and revised by the California Attorney General. While personal information that we process is exempt from the GLBA, the CCPA regulates other personal information that we collect and process in connection with the business. We cannot predict the impact of the CCPA on our business, operations or financial condition, but it could require us to modify certain processes or procedures, which could result in additional costs and liability. Additionally, our broker-dealer and investment adviser are subject to SEC Regulation S-P, which requires that these businesses maintain policies and procedures addressing the protection of customer information and records. This includes protecting against any anticipated threats or hazards to the security or integrity of customer records and information and against unauthorized access to or use of customer records or information. Regulation S-P also requires these businesses to provide initial and annual privacy notices to customers describing information sharing policies and informing customers of their rights.

Additionally, a California ballot initiative, the California Privacy Rights Act (the “CPRA”) was passed in November 2020. Effective starting on January 1, 2023, the CPRA imposes additional obligations on companies covered by the legislation and will significantly modify the CCPA, including by expanding consumers’ rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. The effects of the CCPA and the CPRA are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

Virginia and Colorado recently enacted comprehensive privacy laws that are similar to the CCPA and CPRA and we expect more states to enact legislation similar to the CCPA, which provides consumers with new privacy rights and increases the privacy and security obligations of entities handling certain personal information of such consumers. The CCPA has prompted a number of proposals for new federal and state-level privacy legislation. Such proposed legislation, if enacted, may

add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

Any violations of these laws and regulations may require us to change our business practices or operational structure, including limiting our activities in certain states and/or jurisdictions, address legal claims, and sustain monetary penalties, reputational damage and/or other harms to our business.

Furthermore, our online privacy policy and website make certain statements regarding our privacy, information security, and data security practices with regard to information collected from our members. Failure to adhere to such practices may result in regulatory scrutiny and investigation (including the potential for fines and monetary penalties), complaints by affected members, reputational damage and other harm to our business. If either we, or the third-party service providers with which we share member data, are unable to address privacy concerns, even if unfounded, or to comply with applicable laws and regulations, it could result in additional costs and liability, damage our reputation, and harm our business.

Disruptions in the operation of our computer systems and third-party data centers could have an adverse effect on our business.

Our ability to deliver products and services to our members and partners, and otherwise operate our business and comply with applicable laws, depends on the efficient and uninterrupted operation of our computer systems and third-party data centers, as well as third-party service providers. Our computer systems and third-party providers may encounter service interruptions at any time due to system or software failure, natural disasters, severe weather conditions, health pandemics, terrorist attacks, cyberattacks or other events. Any such events could have a negative effect on our business and technology infrastructure (including our computer network systems), which could lead to member dissatisfaction or long-term disruption of our operations.

Additionally, our reliance on third-party providers may mean that we will not be able to resolve operational problems internally or on a timely basis, as our operations will depend upon such third-party service providers communicating appropriately and responding swiftly to their own service disruptions through industry standard best practices in business continuity and/or disaster recovery. As a last resort, we may rely on our ability to replace a third-party service provider if it experiences difficulties that interrupt operations for a prolonged period of time or if an essential third-party service terminates. If these service arrangements are terminated for any reason without an immediately available substitute arrangement, our operations may be severely interrupted or delayed. If such interruption or delay were to continue for a substantial period of time, our business, prospects, financial condition and results of operations could be adversely affected.

The implementation of technology changes and upgrades to maintain current and integrate new systems may cause service interruptions, transaction processing errors or system conversion delays and may cause us to fail to comply with applicable laws, all of which could have a material adverse effect on our business. We expect that new technologies and business processes applicable to the financial services industry will continue to emerge and that these new technologies and business processes may be better than those we currently use. There is no assurance that we will be able to successfully adopt new technology as critical systems and applications become obsolete and better ones become available. A failure to maintain and/or improve current technology and business processes could cause disruptions in our operations or cause our solution to be less competitive, all of which could have a material adverse effect on our business.

Risks Related to Ownership of Our Securities

The price of our common stock has fluctuated and may be volatile in the future.

The price of our common stock has fluctuated and may continue to fluctuate due to a variety of factors, including:

- changes in the industry in which we operate;
- developments involving our competitors;
- changes in laws and regulations affecting our business, or changes in policies with respect to student loan forgiveness;
- changes in interest rates and inflation;
- variations in our operating performance and the performance of our competitors in general;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;

- actions by stockholders;
- additions and departures of key personnel;
- commencement of, or involvement in, litigation involving our company;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt, including in connection with acquisitions;
- any reverse stock split of our outstanding shares of common stock, which may increase the price of our common stock;
- volatility in capital markets and changes in the volume of shares of our common stock available for public sale; and
- general economic and political conditions, such as the effects of the COVID-19 pandemic, recessions, interest rates, inflation, local and national elections, corruption, political instability and acts of war or terrorism, including the war in Ukraine.

These market and industry factors may materially reduce the market price of our common stock regardless of our operating performance.

We do not intend to pay cash dividends on our common stock for the foreseeable future.

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends on our common stock in the foreseeable future. Any future determination to pay dividends on our common stock will be at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as our Board of Directors deems relevant.

If analysts publish inaccurate or unfavorable research, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that analysts publish about our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our common stock would likely decline. If few analysts cover us, demand for our common stock could decrease and our common stock price and trading volume may decline. Similar results may occur if one or more of these analysts stop covering us in the future or fail to publish reports on us regularly. In addition, analysts may establish and publish their own periodic projections for us. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these research analysts.

We may be subject to securities litigation, which is expensive and could divert management attention.

The market price of our common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert management's attention from other business concerns, which could seriously harm our business.

Future resales of our common stock may cause the market price of our securities to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur, have in the past and could in the future depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Sales of a substantial number of shares, or the perception that such sales may occur, could have a material and adverse effect on the trading price of our common stock. For example, lock-up restrictions entered into in connection with the Business Combination have expired. As such, sales of a substantial number of shares of common stock in the public market could occur at any time. We have filed with the SEC, and the SEC has declared effective, a registration statement covering shares of our common stock issued in connection with the Agreement, including shares issued to the Third Party PIPE Investors, among others, to facilitate such sales. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could cause the market price of our common stock to decline or increase the volatility in the market price of our common stock.

Our warrants are exercisable for shares of common stock, which could increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

In December 2021, we completed the redemption of outstanding warrants to purchase shares of the Company's common stock that were issued under the Warrant Agreement, dated October 8, 2020. There are 12,170,990 Series H warrants issued in connection with the Series I and Series H preferred stock issuances in December 2019 that remain outstanding and were previously converted into SoFi Technologies common stock warrants. To the extent such warrants are exercised, additional shares of common stock will be issued, which will result in dilution to the holders of our common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our common stock.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise will dilute all other stockholders.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise will dilute our stockholders. We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to continue granting equity awards to employees, directors, and consultants under our stock incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

There can be no assurance that we will be able to comply with the continued listing standards of Nasdaq.

If Nasdaq delists our shares of common stock from trading on its exchange for failure to meet Nasdaq's listing standards, we and our stockholders could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our common stock is a "penny stock," which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Delaware law and our organizational documents contain certain provisions, including anti-takeover provisions that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.

The Delaware General Corporation Law (the "DGCL") and our organizational documents contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, and therefore depress the trading price of our common stock. Additionally, these provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of our Board of Directors or taking other corporate actions, including effecting changes in our management. Among other things, our organizational documents include provisions regarding:

- the ability of our Board of Directors to issue shares of preferred stock, including "blank check" preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the prohibition of cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- limitations on the liability of, and the indemnification of, our directors and officers;
- the ability of our Board of Directors to amend our bylaws, which may allow our Board of Directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend our bylaws to facilitate an unsolicited takeover attempt; and

- advance notice procedures with which stockholders must comply to nominate candidates to our Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our Board of Directors and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in the Board of Directors or management of our company.

The provisions of our bylaws requiring exclusive forum in the Court of Chancery of the State of Delaware and the federal district courts of the United States for certain types of lawsuits may have the effect of discouraging certain lawsuits, including derivative lawsuits and lawsuits against our directors and officers, by limiting plaintiffs' ability to bring a claim in a judicial forum that they find favorable.

Our bylaws provide that, to the fullest extent permitted by law, and unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, in the event that such court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) will be the sole and exclusive forum for any state law claims for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us or any of our current or former directors, officers or other employees arising pursuant to any provision of the DGCL or our bylaws or Certificate of Incorporation (as either may be amended from time to time), (iv) any action asserting a claim related to or involving our company that is governed by the internal affairs doctrine, and (v) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL (the "Delaware Forum Provision"). The Delaware Forum Provision, however, does not apply to actions or claims arising under the Exchange Act. Our bylaws also provide that, unless we consent in writing to the selection of an alternate forum, the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, will be the United States Federal District Courts. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder; our stockholders cannot and will not be deemed to have waived compliance with the U.S. federal securities laws and the rules and regulations thereunder.

These provisions may have the effect of discouraging certain lawsuits, including derivative lawsuits and lawsuits against our directors and officers, by limiting plaintiffs' ability to bring a claim in a judicial forum that they find favorable. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation or bylaws has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against our company, a court could find the choice of forum provisions contained in the Bylaws to be inapplicable or unenforceable in such action.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
10.1+	Amended and Restated 2021 Stock Option and Incentive Plan and forms of agreement thereunder
10.2+	First Amendment to Stadium Complex Cornerstone Naming Rights and Sponsorship Agreement
31.1+	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2+	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2+*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH+	Inline XBRL Taxonomy Extension Schema Document
101.CAL+	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB+	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE+	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF+	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

+ Filed herewith.

* Indicates a document being furnished with this Form 10-Q. Information furnished herewith shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. Such exhibit shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SoFi Technologies, Inc.
(Registrant)

Date: November 9, 2022

By: /s/ Christopher Lapointe
Christopher Lapointe
Chief Financial Officer

SOFI TECHNOLOGIES, INC.

SUPPLEMENTAL INFORMATION

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SoFi Technologies, Inc.
Unaudited Supplemental Financial Data

As a bank holding company, we are providing the following supplemental information pursuant to Subpart 1400 of Regulation S-K. Certain other information required by Subpart 1400 of Regulation S-K is presented throughout this Quarterly Report on Form 10-Q.

Average Balances and Net Interest Earnings Analysis

(\$ in thousands)	Three Months Ended September 30, 2022			Three Months Ended September 30, 2021		
	Average Balances ⁽¹⁾	Interest Income/Expense	Average Rate	Average Balances ⁽¹⁾	Interest Income/Expense	Average Rate
Assets						
Interest-earning assets:						
Interest-bearing deposits with banks	\$ 1,067,810	\$ 2,529	0.95 %	\$ 624,981	\$ 152	0.10 %
Investments in available-for-sale securities	228,502	464	0.81	98,571	94	0.38
Loans ⁽²⁾	9,150,847	191,525	8.37	5,191,701	89,844	6.92
Securitization investments	275,863	2,633	3.82	386,236	2,999	3.11
Total interest-earning assets	10,723,022	197,151	7.35 %	6,301,489	93,089	5.91 %
Total noninterest-earning assets	3,019,934			1,943,521		
Total assets	\$ 13,742,956			\$ 8,245,010		
Liabilities, Temporary Equity and Permanent Equity						
Interest-bearing liabilities:						
Demand deposits	\$ 1,982,603	\$ 7,769	1.57 %	\$ —	\$ —	— %
Savings deposits	1,453,458	6,114	1.68	—	—	—
Time deposits	354,211	266	0.30	—	—	—
Total interest-bearing deposits	3,790,272	14,149	1.49	—	—	—
Debt ⁽²⁾	3,658,266	25,019	2.74	2,937,680	18,690	2.54
Residual interests classified as debt	48,894	904	7.40	107,195	2,036	7.60
Total interest-bearing liabilities	7,497,432	40,072	2.14 %	3,044,875	20,726	2.72 %
Total noninterest-bearing liabilities	735,086			681,152		
Total liabilities	\$ 8,232,518			\$ 3,726,027		
Total temporary equity	320,374			320,374		
Total permanent equity	5,190,064			4,198,609		
Total liabilities, temporary equity and permanent equity	\$ 13,742,956			\$ 8,245,010		
Net interest income ⁽³⁾		\$ 157,079			\$ 72,363	
Net interest margin ⁽⁴⁾			5.86 %			4.59 %

(1) Average balances were calculated on four-month ending balances and include accrued interest.

(2) Interest income on loans measured at amortized cost includes amortization of deferred loan fees, net of deferred loan costs, of \$2.2 million and \$0.5 million for the three months ended September 30, 2022 and 2021, respectively. Interest expense on debt includes debt issuance and discount expense of \$4.0 million and \$2.8 million during the three months ended September 30, 2022 and 2021, respectively.

(3) Net interest income is calculated as the excess of total interest income on interest-earning assets over total interest expense on interest-bearing liabilities.

(4) Net interest margin is calculated as net interest income divided by total average interest-earning assets.

(\$ in thousands)	Nine Months Ended September 30, 2022			Nine Months Ended September 30, 2021		
	Average Balances ⁽¹⁾	Interest Income/Expense	Average Rate	Average Balances ⁽¹⁾	Interest Income/Expense	Average Rate
Assets						
Interest-earning assets:						
Interest-bearing deposits with banks	\$ 1,168,934	\$ 3,930	0.45 %	\$ 737,315	\$ 561	0.10 %
Investments in available-for-sale securities	208,973	1,149	0.73	39,428	94	0.32
Loans ⁽²⁾	8,007,445	451,247	7.51	4,998,549	246,743	6.58
Securitization investments	312,054	7,958	3.40	432,165	11,260	3.47
Related party receivables	—	—	—	3,598	211	7.82
Total interest-earning assets	9,697,406	464,284	6.38 %	6,211,055	258,869	5.56 %
Total noninterest-earning assets	2,614,678			1,931,196		
Total assets	\$ 12,312,084			\$ 8,142,251		
Liabilities, Temporary Equity and Permanent Equity						
Interest-bearing liabilities:						
Demand deposits	\$ 1,146,498	\$ 10,696	1.24 %	\$ —	\$ —	— %
Savings deposits	761,377	8,130	1.42	—	—	—
Time deposits	148,299	297	0.27	—	—	—
Total interest-bearing deposits	2,056,174	19,123	1.24	—	—	—
Debt ⁽²⁾	4,274,446	67,058	2.09	3,774,780	76,789	2.71
Residual interests classified as debt	64,681	3,469	7.15	110,283	6,381	7.71
Total interest-bearing liabilities	6,395,301	89,650	1.87 %	3,885,063	83,170	2.85 %
Total noninterest-bearing liabilities	639,926			606,397		
Total liabilities	\$ 7,035,227			\$ 4,491,460		
Total temporary equity	320,374			2,032,213		
Total permanent equity	4,956,483			1,618,578		
Total liabilities, temporary equity and permanent equity	\$ 12,312,084			\$ 8,142,251		
Net interest income ⁽³⁾		\$ 374,634			\$ 175,699	
Net interest margin ⁽⁴⁾			5.15 %			3.77 %

(1) Average balances were calculated on ten-month ending balances and include accrued interest.

(2) Interest income on loans measured at amortized cost includes amortization of deferred loan fees, net of deferred loan costs, of \$5.8 million and \$0.6 million for the nine months ended September 30, 2022 and 2021, respectively. Interest expense on debt includes debt issuance and discount expense of \$12.1 million and \$14.2 million during the nine months ended September 30, 2022 and 2021, respectively.

(3) Net interest income is calculated as the excess of total interest income on interest-earning assets over total interest expense on interest-bearing liabilities.

(4) Net interest margin is calculated as net interest income divided by total average interest-earning assets.

Analysis of Changes in Net Interest Income

The following table presents period-over-period changes in net interest income and the extent to which the variance is attributable to changes in the volume of our interest-earning assets and interest-bearing liabilities or changes in the interest rates related to these assets and liabilities:

(\$ in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022 vs. 2021			2022 vs. 2021		
	Increase (Decrease) Due to Change in ⁽¹⁾ :			Increase (Decrease) Due to Change in ⁽¹⁾ :		
	Volume	Rate	Total Variance	Volume	Rate	Total Variance
Interest income:						
Interest-bearing deposits with banks	\$ 1,049	\$ 1,328	\$ 2,377	\$ 1,451	\$ 1,918	\$ 3,369
Investments in available-for-sale securities	264	106	370	932	123	1,055
Loans	82,864	18,817	101,681	169,562	34,942	204,504
Securitization investments	(1,054)	688	(366)	(3,063)	(239)	(3,302)
Related party receivables	—	—	—	—	(211)	(211)
Total interest income	\$ 83,123	\$ 20,939	\$ 104,062	\$ 168,882	\$ 36,533	\$ 205,415
Interest expense:						
Interest-bearing deposits	\$ 14,149	\$ —	\$ 14,149	\$ 19,123	\$ —	\$ 19,123
Debt	4,928	1,401	6,329	7,839	(17,570)	(9,731)
Residual interests classified as debt	(1,078)	(54)	(1,132)	(2,446)	(466)	(2,912)
Total interest expense	\$ 17,999	\$ 1,347	\$ 19,346	\$ 24,516	\$ (18,036)	\$ 6,480
Net interest income	\$ 65,124	\$ 19,592	\$ 84,716	\$ 144,366	\$ 54,569	\$ 198,935

(1) We calculate the change in interest income and interest expense separately for each item. Volume and rate changes have been allocated on a consistent basis using the respective percentage changes in average balances and average rates.

Loan Maturity Schedule

The following table presents the maturities of our loan portfolio, as well as the separate presentation of the total amount of loans in each loan category that are due after one year that have variable rates and fixed rates:

(\$ in thousands)	As of September 30, 2022 ⁽¹⁾				
	Within 1 year	After 1 year through 5 years	After 5 years through 15 years	After 15 years	Total
Loan Portfolio:					
Student loans	\$ 7,031	\$ 615,371	\$ 2,556,055	\$ 710,185	\$ 3,888,642
Home loans	—	—	4,552	102,317	106,869
Personal loans	101,465	5,653,669	912,350	—	6,667,484
Credit card ⁽²⁾	217,750	—	—	—	217,750
Commercial and consumer banking	2,684	7,971	15,672	66,450	92,777
Total loans	<u>\$ 328,930</u>	<u>\$ 6,277,011</u>	<u>\$ 3,488,629</u>	<u>\$ 878,952</u>	<u>\$ 10,973,522</u>
Loans with variable rates:					
Student loans	\$	52,563	\$ 97,020	\$ 5,412	\$ 154,995
Personal loans		12,189	—	—	12,189
Commercial and consumer banking		4,860	10,208	61,376	76,444
Total loans	<u>\$</u>	<u>69,612</u>	<u>\$ 107,228</u>	<u>\$ 66,788</u>	<u>\$ 243,628</u>
Loans with fixed rates:					
Student loans	\$	562,808	\$ 2,459,035	\$ 704,773	\$ 3,726,616
Home loans		—	4,552	102,317	106,869
Personal loans		5,641,480	912,350	—	6,553,830
Commercial and consumer banking		3,111	5,464	5,074	13,649
Total loans	<u>\$</u>	<u>6,207,399</u>	<u>\$ 3,381,401</u>	<u>\$ 812,164</u>	<u>\$ 10,400,964</u>

(1) Maturities presented are based upon the contractual terms of the loans. Amounts represent unpaid principal balance of loans outstanding at period end.

(2) Due to the revolving nature of credit card loans, we report all of our credit card loans as due within one year.

Analysis of Allowance for Credit Losses

Allowance for Credit Losses Ratios

The following table presents the ratio of allowance for credit losses to total loans outstanding that are measured at amortized cost:

(\$ in thousands)	September 30, 2022	September 30, 2021
Allowance for credit losses to total loans outstanding		
Allowance for credit losses	\$ 34,370	\$ 3,000
Total loans outstanding ⁽¹⁾	\$ 310,527	\$ 74,350
Ratio ⁽²⁾	11.07 %	4.03 %

(1) Total loans outstanding excludes accrued interest.

(2) The increase in the ratio was attributable to credit card and was reflective of both an increase in the average balance and an increase in our estimate of expected future credit losses.

We omitted the credit ratios associated with nonaccrual loans, as the balance of nonaccrual loans was immaterial.

Allocation of Allowance for Credit Losses

The following table presents the allocation of the allowance for credit losses and the percentage of loans outstanding by category to total loans outstanding that are measured at amortized cost:

(\$ in thousands)	September 30, 2022		September 30, 2021	
	Allowance for credit losses	Percent of loans to total loans ⁽¹⁾	Allowance for credit losses	Percent of loans to total loans ⁽¹⁾
Credit card	\$ 32,960	70 %	\$ 3,000	100 %
Commercial and consumer banking	1,410	30 %	—	— %
Total	<u>\$ 34,370</u>	<u>100 %</u>	<u>\$ 3,000</u>	<u>100 %</u>

(1) Loans outstanding balances used in the calculation exclude accrued interest.

Analysis of Charge-offs

The following tables present information regarding average loans outstanding, net charge-offs and the annualized ratio of net charge-offs to average loans outstanding:

(\$ in thousands)	Three Months Ended September 30, 2022			Three Months Ended September 30, 2021		
	Average Loans ⁽¹⁾	Net Charge-offs	Ratio	Average Loans ⁽¹⁾	Net Charge-offs	Ratio
Student loans	\$ 3,837,742	\$ 3,169	0.33 %	\$ 2,876,274	\$ 2,544	0.35 %
Home loans	131,067	—	—	203,951	—	—
Personal loans	4,914,715	23,961	1.95	2,051,835	3,092	0.60
Credit card	182,490	5,133	11.25	57,131	1,073	7.51
Commercial and consumer banking	84,833	(5)	n/m	2,510	—	—
Total loans	<u>\$ 9,150,847</u>	<u>\$ 32,258</u>	<u>1.41 %</u>	<u>\$ 5,191,701</u>	<u>\$ 6,709</u>	<u>0.52 %</u>

(\$ in thousands)	Nine Months Ended September 30, 2022			Nine Months Ended September 30, 2021		
	Average Loans ⁽¹⁾	Net Charge-offs	Ratio	Average Loans ⁽¹⁾	Net Charge-offs	Ratio
Student loans	\$ 3,844,797	\$ 8,470	0.29 %	\$ 2,900,635	\$ 6,530	0.30 %
Home loans	149,461	—	—	197,495	—	—
Personal loans	3,790,432	42,412	1.49	1,866,372	15,507	1.11
Credit card	156,295	12,438	10.61	31,392	1,073	4.56
Commercial and consumer banking	66,460	(4)	n/m	2,655	—	—
Total loans	<u>\$ 8,007,445</u>	<u>\$ 63,316</u>	<u>1.05 %</u>	<u>\$ 4,998,549</u>	<u>\$ 23,110</u>	<u>0.62 %</u>

(1) Average balances were calculated on four-month or ten-month ending balances and include accrued interest.

Deposits

Uninsured Deposits

As of September 30, 2022, the amount of uninsured deposits totaled \$566.6 million. We did not have any deposits as of September 30, 2021.

The following table presents uninsured time deposits by remaining time to maturity:

(\$ in thousands)	September 30, 2022
Uninsured Time Deposits	
3 months or less	\$ 7,250
Over 3 months through 6 months	603
Over 6 months through 12 months	2,161
Over 12 months	1,681
Total	<u>\$ 11,695</u>

**AMENDED AND RESTATED
2021 STOCK OPTION AND INCENTIVE PLAN
FOR SOFI TECHNOLOGIES, INC.**

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Amended and Restated 2021 Stock Option and Incentive Plan for SoFi Technologies, Inc. (the “Plan”). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of SoFi Technologies, Inc. (the “Company”) and its Affiliates upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company’s welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company’s behalf and strengthening their desire to remain with the Company. Following the Effective Date, (i) the Company’s 2011 Stock Plan shall terminate and no additional awards shall be issued thereunder, (ii) any awards then outstanding under such 2011 Stock Plan shall continue in accordance with their terms, and (iii) shares issued pursuant to such awards will not be drawn from this Plan or otherwise have any effect on the number of shares described in Section 3(a) herein.

The following terms shall be defined as set forth below:

“*Act*” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“*Administrator*” means either the Board or the compensation committee of the Board and which is comprised of not less than two Non-Employee Directors who are independent pursuant to NASDAQ listing standards, taking into account the specific factors and guidance set forth in Rule 5605(a)(2), including the commentary thereto.

“*Affiliate*” means, at the time of determination, any “parent” or “subsidiary” of the Company as such terms are defined in Rule 405 of the Act. The Board will have the authority to determine the time or times at which “parent” or “subsidiary” status is determined within the foregoing definition.

“*Award*” or “*Awards*,” except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Units, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights.

“Award Certificate” means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

“Board” means the Board of Directors of the Company.

“Cash-Based Award” means an Award entitling the recipient to receive a cash-denominated payment.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

“Consultant” means a consultant or adviser who provides *bona fide* services to the Company or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Act.

“Dividend Equivalent Right” means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

“Effective Date” means the Closing Date as defined in the Agreement and Plan of Merger by and among Social Capital Hedosophia Holdings Corp. V, Plutus Merger Sub Inc. and the Social Finance, Inc., dated as of January 7, 2021, as amended on March 16, 2021.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“Fair Market Value” of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is listed on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), NASDAQ Global Market, The New York Stock Exchange or another national securities exchange or traded on any established market, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date for which Fair Market Value is determined is the Registration Date, the Fair Market Value shall be the “Price to the Public” (or equivalent) set forth on the cover page for the final prospectus relating to the Company’s initial public offering.

“Incentive Stock Option” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“Non-Employee Director” means a member of the Board who is not also an employee of the Company or any Subsidiary.

“Non-Qualified Stock Option” means any Stock Option that is not an Incentive Stock Option.

“Option” or *“Stock Option”* means any option to purchase shares of Stock granted pursuant to Section 5.

“Overall Share Limit” means the sum of (i) 104,983,148 shares of Stock, inclusive of shares of Stock underlying awards granted under the 2021 Plan prior to the date of the amendment and restatement of the Plan and (ii) an annual cumulative increase on the first day of each calendar year beginning January 1, 2023 and ending on and including January 1, 2030 equal to the lesser of (A) a number equal to 5% of the aggregate number of shares of Stock outstanding on the final day of the immediately preceding calendar year and (B) such smaller number of shares of Stock as is determined by the Board.

“Restricted Shares” means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company’s right of repurchase.

“Restricted Stock Award” means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“Restricted Stock Units” means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“Sale Event” shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

“Sale Price” means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

“Section 409A” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“*Service Relationship*” means any relationship as an employee, director or Consultant of the Company or any Affiliate (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).

“*Stock*” means the Class A common stock, par value \$0.001 per share, of the Company, subject to adjustments pursuant to Section 3.

“*Stock Appreciation Right*” means an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

“*Subsidiary*” means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

“*Ten Percent Owner*” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

“*Unrestricted Stock Award*” means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and

conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) subject to the provisions of Section 5(c), to extend at any time the period in which Stock Options may be exercised;

and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to a committee consisting of one or more officers of the Company including the Chief Executive Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not members of the delegated committee. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent

permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be the Overall Share Limit. Subject to such overall limitation, the maximum aggregate number of shares of Stock that may be issued in the form of Incentive Stock Options shall not exceed the Overall Share Limit, subject in all cases to adjustment as provided in this Section 3. For purposes of this limitation, the shares of Stock underlying any awards under the Plan that are forfeited, canceled or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan and, to the extent permitted under Section 422 of the Code and the regulations promulgated thereunder, the shares of Stock that may be issued as Incentive Stock Options. Notwithstanding the foregoing, the following shares shall not be added to the shares authorized for grant under the Plan: (i) shares tendered or held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, and (ii) shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right upon exercise thereof. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. The

shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (ii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (iv) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of shares subject to Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(c) Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case, except as may be otherwise provided in the relevant Award Certificate, all Options and Stock Appreciation Rights with time-based vesting conditions or restrictions that are not vested and/or exercisable immediately prior to the effective time of the Sale Event shall become fully vested and exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or restrictions shall

become fully vested and nonforfeitable as of the effective time of the Sale Event, and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event in the Administrator's discretion or to the extent specified in the relevant Award Certificate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights (provided that, in the case of an Option or Stock Appreciation Right with an exercise price equal to or greater than the Sale Price, such Option or Stock Appreciation Right shall be canceled for no consideration); or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights (to the extent then exercisable) held by such grantee. The Company shall also have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding other Awards in an amount equal to the Sale Price multiplied by the number of vested shares of Stock under such Awards.

(d) Maximum Awards to Non-Employee Directors. Notwithstanding anything to the contrary in this Plan, the value of all Awards awarded under this Plan and all other cash compensation paid by the Company to any Non-Employee Director in any calendar year shall not exceed \$750,000. For the purpose of this limitation, the value of any Award shall be its grant date fair value, as determined in accordance with ASC 718 or successor provision but excluding the impact of estimated forfeitures related to service-based vesting provisions.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such employees, Non-Employee Directors or Consultants of the Company and its Affiliates as are selected from time to time by the Administrator in its sole discretion; provided that Awards may not be granted to employees, Directors or Consultants who are providing services only to any "parent" of the Company, as such term is defined in Rule 405 of the Act, unless (i) the stock underlying the Awards is treated as "service recipient stock" under Section 409A or (ii) the Company has determined that such Awards are exempt from or otherwise comply with Section 409A.

SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee’s election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date. Notwithstanding the foregoing, Stock Options may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) to individuals who are not subject to U.S. income tax on the date of grant or (iii) the Stock Option is otherwise compliant with Section 409A.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Award Certificate:

- (i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or

(iv) With respect to Stock Options that are not Incentive Stock Options, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Stock Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

(b) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Stock Appreciation Right may not exceed ten years. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the restrictions with respect to the Restricted Stock Award have not lapsed, any dividends paid by the Company prior to such lapse shall accrue and shall not be paid to the grantee until and to the extent the restrictions lapse with respect to the Restricted Stock Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are

vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, if a grantee's employment (or other Service Relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other Service Relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock (or cash, to the extent explicitly provided for in the Award Certificate) upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock. Restricted Stock Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) Unrestricted Stock Awards under the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified performance goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains,

the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

SECTION 11. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Stock Units shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 12(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 12(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Stock Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.

(c) Family Member. For purposes of Section 12(b), “family member” shall mean a grantee’s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee’s household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee’s death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee’s estate.

SECTION 13. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company’s obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Administrator may require the Company’s tax withholding obligation to be satisfied, in whole or in part, by the Company withholding from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair

Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due; provided, however, that the amount withheld does not exceed the maximum statutory tax rate or such lesser amount as is necessary to avoid liability accounting treatment. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includible in income of the grantees. The Administrator may also require the Company's tax withholding obligation to be satisfied, in whole or in part, by an arrangement whereby a certain number of shares of Stock issued pursuant to any Award are immediately sold and proceeds from such sale are remitted to the Company in an amount that would satisfy the withholding amount due.

SECTION 14. SECTION 409A AWARDS

Awards are intended to be exempt from Section 409A to the greatest extent possible and to otherwise comply with Section 409A. The Plan and all Awards shall be interpreted in accordance with such intent. To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any 409A Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 15. TERMINATION OF SERVICE RELATIONSHIP, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Service Relationship. If the grantee's Service Relationship is with an Affiliate and such Affiliate ceases to be an Affiliate, the grantee shall be deemed to have terminated his or her Service Relationship for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of a Service Relationship:

(i) a transfer to the employment of the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed

either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 16. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall materially and adversely affect rights under any outstanding Award without the holder's consent. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, Plan amendments shall be subject to approval by Company stockholders. Nothing in this Section 16 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(b) or 3(c).

SECTION 17. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 18. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Issuance of Stock. To the extent certificated, stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any evidence of book entry or certificates evidencing shares of Stock pursuant to the exercise or settlement of any Award, unless and until the

Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. Any Stock issued pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate or notations on any book entry to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 18(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

SECTION 19. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon the Effective Date and will be subject to stockholder approval in accordance with applicable state law, the Company's bylaws and articles of incorporation, and applicable stock exchange rules. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of

Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 20. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of Delaware, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS:	January 6, 2021
DATE APPROVED BY STOCKHOLDERS:	May 27, 2021
DATE AMENDED AND RESTATED VERSION APPROVED BY BOARD OF DIRECTORS:	July 21, 2022
DATED AMENDED AND RESTATED VERSION APPROVED BY STOCKHOLDERS:	July 12, 2022

**RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE AMENDED AND RESTATED
2021 STOCK OPTION AND INCENTIVE PLAN
FOR SOFI TECHNOLOGIES, INC.**

Name of Grantee: _____

No of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the Amended and Restated 2021 Stock Option and Incentive Plan for SoFi Technologies, Inc., as amended through the date hereof (the “Plan”), SoFi Technologies, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value \$_____ per share (the “Stock”) of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse in such amounts and on the date or dates, in each case, that the Company achieves the applicable Target Prices specified in the following schedule so long as the Grantee remains an employee of the Company or a Subsidiary on each such Vesting Date:

<u>Incremental Number of Restricted Stock Units Vested</u>	<u>Target Price</u>
_____ (33%)	_____ \$25
_____ (33%)	_____ \$35
_____ (33%)	_____ \$45

For purposes herein, the “Target Price” shall be deemed achieved when the volume-weighted average closing price of the Company’s Common Stock is above such applicable

Target Price during any consecutive 90-trading day period that occurs during the Measurement Period; the “Measurement Period” shall mean the four-year period commencing on the first anniversary of the Closing Date and ending on the fifth anniversary of the Closing Date; and the “Closing Date” shall have the meaning set forth in the Agreement and Plan of Merger by and among Social Capital Hedosophia Holdings Corp. V, Plutus Merger Sub Inc. and the Company, dated as of January 7, 2021, as amended March 16, 2021 (the “Merger Agreement”).

For the avoidance of doubt, if either (x) the Measurement Period concludes or (y) the Grantee’s employment terminates for any reason, in each case, prior to a Vesting Date, a proportionate number of the Restricted Stock Units (i.e., 33% for each respective Target Price) granted hereunder shall terminate without consideration.

The date any such Target Price above is achieved during the Measurement Period shall be deemed a “Vesting Date,” provided, that if the Company is a bank holding company under the Bank Holding Company Act of 1956, as amended, at such time, any insured depository institution subsidiary of the Company must be “well managed” pursuant to applicable standards of the Board of Governors of the Federal Reserve System and have at least a “satisfactory” rating under the Community Reinvestment Act of 1977, as amended.

Notwithstanding the foregoing, upon a Sale Event (as defined in the Plan, which excludes the transactions set forth in the Merger Agreement), a proportionate number of the Restricted Stock Units (i.e., 33% for each respective Target Price) will vest if the per share value in the Sale Event exceeds the Target Price. If the per share value in the Sale Event is less than any applicable Target Price, the corresponding Restricted Stock Units shall terminate without consideration.

3. Termination of Employment. If the Grantee’s employment with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares. Prior to the issuance of such shares of Stock, neither the Grantee nor any person claiming under or through the Grantee will have any of the rights or

privileges of a stockholder of the Company in respect of any shares of Stock deliverable hereunder.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Grantee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv)

authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

SOFI TECHNOLOGIES, INC.

By: _____
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

Grantee’s Signature

Grantee’s name and address:

**NON-QUALIFIED STOCK OPTION AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE AMENDED AND RESTATED
2021 STOCK OPTION AND INCENTIVE PLAN
FOR SOFI TECHNOLOGIES, INC.**

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: \$ _____
[FMV on Grant Date]

Grant Date: _____

Expiration Date: _____

Pursuant to the Amended and Restated 2021 Stock Option and Incentive Plan for SoFi Technologies, Inc., as amended through the date hereof (the “Plan”), SoFi Technologies, Inc. (the “Company”) hereby grants to the Optionee named above an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value \$____ per share (the “Stock”) of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as Optionee remains an employee of the Company or a Subsidiary on such dates:

Incremental Number of
Option Shares Exercisable

Exercisability Date

____ (____ %)
____ (____ %)
____ (____ %)
____ (____ %)
____ (____ %)

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration

Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination of employment, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the

laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the minimum required tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.

7. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file

with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

SOFI TECHNOLOGIES, INC.

By: _____
Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

Optionee's Signature

Optionee's name and address:

**NON-QUALIFIED STOCK OPTION AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER THE AMENDED AND RESTATED
2021 STOCK OPTION AND INCENTIVE PLAN
FOR SOFI TECHNOLOGIES, INC.**

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: \$ _____
[FMV on Grant Date]

Grant Date: _____

Expiration Date: _____
[No more than 10 years]

Pursuant to the Amended and Restated 2021 Stock Option and Incentive Plan for SoFi Technologies, Inc., as amended through the date hereof (the “Plan”), SoFi Technologies, Inc. (the “Company”) hereby grants to the Optionee named above, who is a Director of the Company but is not an employee of the Company, an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value \$_____ per share (the “Stock”), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the

following number of Option Shares on the dates indicated so long as the Optionee remains in service as a member of the Board on such dates:

<u>Incremental Number of Option Shares Exercisable</u>	<u>Exercisability Date</u>
_____ (%)	_____
_____ (%)	_____
_____ (%)	_____
_____ (%)	_____
_____ (%)	_____

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market

Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination as Director. If the Optionee ceases to be a Director of the Company, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's service as a Director terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on

such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Other Termination. If the Optionee ceases to be a Director for any reason other than the Optionee's death, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date the Optionee ceased to be a Director, for a period of six months from the date the Optionee ceased to be a Director or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date the Optionee ceases to be a Director shall terminate immediately and be of no further force or effect.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue as a Director. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Director.

7. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv)

authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

SOFI TECHNOLOGIES, INC.

By: _____
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

Optionee’s Signature

Optionee’s name and address:

**RESTRICTED STOCK AWARD AGREEMENT
UNDER THE AMENDED AND RESTATED
2021 STOCK OPTION AND INCENTIVE PLAN
FOR SOFI TECHNOLOGIES, INC.**

Name of Grantee: _____

No. of Shares: _____

Grant Date: _____

Pursuant to the Amended and Restated 2021 Stock Option and Incentive Plan for SoFi Technologies, Inc., as amended through the date hereof (the “Plan”), SoFi Technologies, Inc. (the “Company”) hereby grants a Restricted Stock Award (an “Award”) to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Common Stock, par value \$_____ per share (the “Stock”) of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.

1. Award. The shares of Restricted Stock awarded hereunder shall be issued and held by the Company’s transfer agent in book entry form, and the Grantee’s name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this Award Agreement and (ii) deliver to the Company a stock power endorsed in blank.

2. Restrictions and Conditions.

(a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

(b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(c) If the Grantee’s employment with the Company and its Subsidiaries is voluntarily or involuntarily terminated for any reason (including death) prior to vesting of shares

of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.

3. Vesting of Restricted Stock. The restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.

<u>Incremental Number of Shares Vested</u>	<u>Vesting Date</u>
_____ (____ %)	_____
_____ (____ %)	_____
_____ (____ %)	_____
_____ (____ %)	_____
_____ (____ %)	_____

Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3.

4. Dividends. Dividends on shares of Restricted Stock shall be paid to the Grantee in accordance with the terms of the Plan.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 8 below, the Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued or released by the transfer agent a

number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.

8. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the Grant Date of this Award, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

9. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

10. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

11. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file

with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

SOFI TECHNOLOGIES, INC.

By: _____
Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

Grantee's Signature

Grantee's name and address:

**RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER THE AMENDED AND RESTATED
2021 STOCK OPTION AND INCENTIVE PLAN
FOR SOFI TECHNOLOGIES, INC.**

Name of Grantee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the Amended and Restated 2021 Stock Option and Incentive Plan for SoFi Technologies, Inc., as amended through the date hereof (the “Plan”), SoFi Technologies, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value \$_____ per share (the “Stock”) of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in service as a member of the Board on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

<u>Incremental Number of Restricted Stock Units Vested</u>	<u>Vesting Date</u>
_____ (____%)	_____
_____ (____%)	_____
_____ (____%)	_____
_____ (____%)	_____

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Service. If the Grantee's service with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

7. No Obligation to Continue as a Director. Neither the Plan nor this Award confers upon the Grantee any rights with respect to continuance as a Director.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv)

authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

SOFI TECHNOLOGIES, INC.

By: _____
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

Grantee’s Signature

Grantee’s name and address:

**RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE AMENDED AND RESTATED
2021 STOCK OPTION AND INCENTIVE PLAN
FOR SOFI TECHNOLOGIES, INC.**

Name of Grantee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the Amended and Restated 2021 Stock Option and Incentive Plan for SoFi Technologies, Inc., as amended through the date hereof (the “Plan”), SoFi Technologies, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value \$_____ per share (the “Stock”) of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

<u>Incremental Number of Restricted Stock Units Vested</u>	<u>Vesting Date</u>
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Employment. If the Grantee's employment with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Grantee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

SOFI TECHNOLOGIES, INC.

By: _____
Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

Grantee’s Signature

Grantee’s name and address:

**INCENTIVE STOCK OPTION AGREEMENT
UNDER THE AMENDED AND RESTATED
2021 STOCK OPTION AND INCENTIVE PLAN
FOR SOFI TECHNOLOGIES, INC.**

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: \$ _____
[FMV on Grant Date (110% of FMV if a 10% owner)]

Grant Date: _____

Expiration Date: _____
[No more than 10 years (5 years if a 10% owner)]

Pursuant to the Amended and Restated 2021 Stock Option and Incentive Plan for SoFi Technologies, Inc., as amended through the date hereof (the “Plan”), SoFi Technologies, Inc. (the “Company”) hereby grants to the Optionee named above an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value \$0.0001 per share (the “Stock”), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 1 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains an employee of the Company or a Subsidiary on such dates:

<u>Incremental Number of Option Shares Exercisable*</u>	<u>Exercisability Date</u>
_____ (____%)	_____
_____ (____%)	_____
_____ (____%)	_____
_____ (____%)	_____
_____ (____%)	_____

* Max. of \$100,000 per yr.

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the shares of Stock attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws

or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment with the Company or a Subsidiary (as defined in the Plan) terminates, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment with the Company or a Subsidiary terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment with the Company or a Subsidiary terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by

the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company.

(d) Other Termination. If the Optionee's employment with the Company or a Subsidiary terminates for any reason other than the Optionee's death, the Optionee's disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Status of the Stock Option. This Stock Option is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements and that ***this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an "incentive stock option."*** To the extent any portion of this Stock Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Optionee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Optionee on account of such transfer.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee's employment with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee's employment with the Company or a Subsidiary at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file

with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

SOFI TECHNOLOGIES, INC.

By: _____

Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

Optionee's Signature

Optionee's name and address:

**FIRST AMENDMENT TO
STADIUM COMPLEX CORNERSTONE NAMING RIGHTS AND SPONSORSHIP AGREEMENT**

This First Amendment to Stadium Complex Cornerstone Naming Rights and Sponsorship Agreement (this “Amendment”) is made and entered into as of September 8, 2022 (the “Execution Date”) by and between (i) Social Finance, Inc., a Delaware corporation (“Naming Rights Partner”), and (ii) Stadco LA, LLC, a Delaware limited liability company and a Hollywood Park company (“StadCo”). Naming Rights Partner and StadCo are referred to in this Amendment individually as a “Party” and collectively as the “Parties.”

Recitals

A. StadCo and Naming Rights Partner are parties to the Stadium Complex Cornerstone Naming Rights and Sponsorship Agreement dated September 14, 2019 (the “Naming Rights Agreement”), pursuant to which StadCo has granted to Naming Rights Partner certain sponsorship rights and assets associated with the Stadium Complex and the Teams as described in the Naming Rights Agreement. All capitalized terms used and not defined in this Amendment shall have the meanings ascribed to such terms in the Naming Rights Agreement.

B. The Parties desire to amend the Naming Rights Agreement as more particularly set forth in this Amendment.

Agreement

Therefore, in consideration of the mutual covenants set forth herein and in the Naming Rights Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby amend the Naming Rights Agreement as follows:

1. Stadium Opening Date. For purposes of establishing the Initial Contract Year, the Parties acknowledge and agree that the Stadium Opening Date occurred on September 13, 2020 and, therefore, (a) the Initial Contract Year ended on March 31, 2021 and (b) the Expiration Date will be September 12, 2040, unless the Naming Rights Agreement is extended or earlier terminated or reduced in accordance with its terms.
2. Reduction of Sponsorship Fees for Initial Contract Year. The Parties agree that Naming Rights Partner has paid, as of the Execution Date, a total of Nine Million Eight Hundred Thousand Dollars (\$9,800,000) towards the Sponsorship Fees due for the Initial Contract Year under the Naming Rights Agreement, the District Sponsorship Agreement, and the Performance Venue Sponsorship Agreement. Notwithstanding the payment terms set forth in Section 5 of the Naming Rights Agreement, the Parties acknowledge and agree that the foregoing payment shall fully satisfy Naming Rights Partner’s obligations with respect to the payment of Sponsorship Fees for the Initial Contract Year under the Naming Rights Agreement, and that no additional payment of Sponsorship Fees for the Initial Contract Year under the Naming Rights Agreement shall be required.

3. **MUTUAL RELEASE AND WAIVER.**

(a) **BY STADCO. STADCO, ON BEHALF OF ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, PARENT ENTITIES, SUBSIDIARIES, AGENTS, AND ASSIGNS, AND ON BEHALF OF ANY OTHER PERSON OR ENTITY THAT COULD OR MAY MAKE A CLAIM BY OR IT (COLLECTIVELY THE “STADCO RELEASORS”), SHALL AND HEREBY DOES FULLY AND FOREVER RELEASE NAMING RIGHTS PARTNER AND ITS DIRECTORS, OFFICERS, EMPLOYEES, SHAREHOLDERS, MANAGERS, MEMBERS, PARENT ENTITIES, SUBSIDIARIES, AGENTS, AND ASSIGNS (THE “NAMING RIGHTS PARTNER RELEASED PARTIES”), FROM ANY AND ALL RIGHTS, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, CAUSES OF ACTION, SUITS, DEBTS, CONTRACTS, OR DAMAGES OF WHATEVER NATURE OR KIND, PAST, PRESENT OR FUTURE, KNOWN OR UNKNOWN, DIRECT OR INDIRECT, EXPRESS OR IMPLIED, WHETHER AT LAW OR IN EQUITY, AND WHETHER ASSERTED NOW OR IN THE FUTURE (EACH A “STADCO CLAIM”), WHICH ANY OF THE STADCO RELEASORS NOW HAS OR MAY HAVE AGAINST ANY OF THE NAMING RIGHTS PARTNER RELEASED PARTIES BASED ON, CONCERNING, OR ARISING FROM ANY ACTIONS OR OMISSIONS OF STADCO DURING OR IN CONNECTION WITH THE PERIOD OF TIME BEGINNING ON THE EFFECTIVE DATE AND ENDING AT THE END OF THE INITIAL CONTRACT YEAR (THE “RELEASE PERIOD”),**

INCLUDING WITHOUT LIMITATION ALL STADCO CLAIMS THAT WERE OR COULD HAVE BEEN RAISED IN CONNECTION WITH NAMING RIGHTS PARTNER'S OBLIGATION TO PAY THE SPONSORSHIP FEES WITH RESPECT TO THE INITIAL CONTRACT YEAR, WITH THE INTENTION BRINGING TO AN END ALL POSSIBLE LITIGATION OR ARBITRATION BETWEEN THE PARTIES AND ANY ENTITIES OWNED OR CONTROLLED BY THEM IN CONNECTION WITH THE RELEASE PERIOD UNDER THE NAMING RIGHTS AGREEMENT.

(b) **BY NAMING RIGHTS PARTNER.** NAMING RIGHTS PARTNER, ON BEHALF OF ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, PARENT ENTITIES, SUBSIDIARIES, AGENTS, AND ASSIGNS, AND ON BEHALF OF ANY OTHER PERSON OR ENTITY THAT COULD OR MAY MAKE A CLAIM BY OR IT (COLLECTIVELY THE "**NAMING RIGHTS PARTNER RELEASORS**"), SHALL AND HEREBY DOES FULLY AND FOREVER RELEASE STADCO, AND EACH OF ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, PARENT ENTITIES, SUBSIDIARIES, INSURERS, ATTORNEYS, AGENTS, AND ASSIGNS (COLLECTIVELY, THE "**STADCO RELEASED PARTIES**"), FROM ANY AND ALL RIGHTS, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, CAUSES OF ACTION, SUITS, DEBTS, CONTRACTS, OR DAMAGES OF WHATEVER NATURE OR KIND, PAST, PRESENT OR FUTURE, KNOWN OR UNKNOWN, DIRECT OR INDIRECT, EXPRESS OR IMPLIED, WHETHER AT LAW OR IN EQUITY, AND WHETHER ASSERTED NOW OR IN THE FUTURE (EACH A "NAMING RIGHTS PARTNER CLAIM"), WHICH ANY OF THE NAMING RIGHTS PARTNER RELEASORS NOW HAS OR MAY HAVE AGAINST ANY OF THE STADCO RELEASED PARTIES BASED ON, CONCERNING, OR ARISING FROM ANY ACTIONS OR OMISSIONS OF NAMING RIGHTS PARTNER DURING OR IN CONNECTION WITH THE RELEASE PERIOD, INCLUDING WITHOUT LIMITATION ALL NAMING RIGHTS PARTNER CLAIMS THAT WERE OR COULD HAVE BEEN RAISED IN CONNECTION WITH STADCO'S OBLIGATION TO PROVIDE THE ASSETS OR ANY OTHER RIGHTS OR BENEFITS FOR THE INITIAL CONTRACT YEAR, WITH THE INTENTION BRINGING TO AN END ALL POSSIBLE LITIGATION AND ARBITRATION BETWEEN THE PARTIES AND ANY ENTITIES OWNED OR CONTROLLED BY THEM IN CONNECTION WITH THE RELEASE PERIOD.

(c) **CALIFORNIA CIVIL CODE SECTION 1542 WAIVER.** EACH PARTY EXPRESSLY ACKNOWLEDGES AND AGREES THAT EACH PARTY INTENDS TO WAIVE UNKNOWN CLAIMS, AS DESCRIBED BELOW IN THIS SECTION 3(c), AND THAT ALL RIGHTS UNDER SECTION 1542 OF THE CALIFORNIA CIVIL CODE ARE EXPRESSLY WAIVED. THAT SECTION PROVIDES:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

4. Substitution of Terrace Suite with Patio Suite.

(b) Paragraph 7 of Schedule 2 of the Naming Rights Agreement is hereby deleted in its entirety and replaced with the following:

7. **Patio Suite.** Naming Rights Partner will receive the right to use Patio Suite 4E-2 (the "**Patio Suite**") for all "Included Events" as set forth in the Patio Suite lease agreement delivered by StadCo to Naming Rights Partner, which shall be executed by the Parties concurrently with the execution of this Amendment (the "**Patio Suite Lease Agreement**"), except that, for all Los Angeles Rams games played in the Stadium during the 2022 NFL season only, in lieu of receiving the right to use the Patio Suite, Naming Rights Partner will continue to receive the right to use Terrace Suite 7E-17 (with the related amenities set forth in the Patio Suite Lease Agreement). The license fees for the Patio Suite are included in the Sponsorship Fees, but Naming Rights Partner shall be responsible for all other costs associated with the

Patio Suite. The Patio Suite includes the following amenities, which shall each be available to Naming Rights Partner at no additional cost other than payment of the Sponsorship Fees:

- (a) Twenty-six (26) fixed seat tickets and eight (8) bar stool tickets per game (with the potential to purchase as many additional standing room-only tickets per event as possible, consistent with applicable code and occupancy constraints)
- (b) Six (6) VIP parking passes per game
- (c) Six (6) pre-game field passes per Team per regular season
- (d) Eight (8) passes to the Owner's Club (food and beverage all-inclusive) per game
- (e) Access to the Patio Club for each Patio Suite ticket holder
- (f) Opportunity to purchase available tickets to the Patio Suite, with a first priority over any other StadCo sponsor, for all other Stadium events not included in the above (including without limitation the Olympics and the World Cup)
- (g) Access to the Patio Suite Monday through Friday during normal business hours (with additional access to the greatest extent practicable consistent with operational and staffing considerations) on non-Stadium event days for business meetings or client engagement based on availability and subject to the approval of StadCo

(b) StadCo agrees that it shall be responsible for the cost of the initial build out of the Patio Suite in accordance with the Patio Suite Lease Agreement.

(c) In consideration for upgrading the Patio Suite to provide SoFi with the right to use the Patio Suite for all "Included Events" as set forth in the Patio Suite Lease Agreement, Naming Rights Partner shall pay to StadCo an additional Two Hundred and Twenty-Five Thousand Dollars (\$225,000) per Contract Year, which shall be payable in four (4) equal installments concurrently with Naming Rights Partner's payment of Sponsorship Fees pursuant to Section 5 of the Naming Rights Agreement.

5. Consistency; Ratification. If there is any conflict between this Amendment and the Naming Rights Agreement, this Amendment shall control. From and after the Execution Date, all references in the Naming Rights Agreement to "this Agreement" shall mean the Naming Rights Agreement as amended by this Amendment. Except as amended by this Amendment, the Naming Rights Agreement is hereby ratified and confirmed and remains in full force and effect.

6. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered electronically by fax or by email as a .PDF attachment, and all such counterparts shall be deemed, and shall have the same legal force and effect as, an original counterpart.

(Signatures on following page)

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Execution Date.

STADCO

STADCO LA, LLC

By: /s/ Jason S. Gannon

Name: Jason S. Gannon

Title: Managing Director

NAMING RIGHTS PARTNER

SOCIAL FINANCE, INC.

By: /s/ Anthony Noto

Name: Anthony Noto

Title: CEO

CERTIFICATION

I, Anthony Noto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SoFi Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2022

/s/ Anthony Noto

Anthony Noto

Chief Executive Officer

CERTIFICATION

I, Christopher Lapointe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SoFi Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2022

/s/ Christopher Lapointe
Christopher Lapointe
Chief Financial Officer

**Certification Pursuant to
18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of SoFi Technologies, Inc. (the “Company”) for the period ended September 30, 2022, as filed with the U.S. Securities and Exchange Commission (the “Report”), I, Anthony Noto, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2022

/s/ Anthony Noto

Anthony Noto
Chief Executive Officer

**Certification Pursuant to
18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of SoFi Technologies, Inc. (the “Company”) for the period ended September 30, 2022, as filed with the U.S. Securities and Exchange Commission (the “Report”), I, Christopher Lapointe, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2022

/s/ Christopher Lapointe

Christopher Lapointe
Chief Financial Officer