Prosper Performance Update: August 2016

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Monthly Originations Summary – For Month Ending August 31, 2016:

Prosper Rating	Dollar %	% 5 Year Loans	Average Loan Size	WA Borrower Rate	WA Eff Yield (estimated) [i]	WA Loss (estimated) [ii]	WA Return (estimated) [iii]	DollarWAFICO
AA	8.75%	2%	$13,419	6.70%	5.71%	1.46%	4.20%	759
A	21.21%	10%	$12,542	9.17%	8.17%	3.14%	4.97%	731
B	28.50%	28%	$14,922	12.29%	11.29%	5.18%	5.97%	717
C	31.34%	41%	$14,628	17.06%	16.06%	7.50%	8.21%	702
D	13.41%	50%	$13,236	23.05%	22.05%	10.34%	10.90%	687
E	3.89%	47%	$9,690	28.07%	27.07%	13.29%	12.39%	679
HR	1.65%	0.00%	$5,771	31.38%	30.38%	17.21%	11.10%	666
AA-HR	100.00%	28.39%	$13,541	14.79%	13.79%	6.26%	7.19%	713

Prosper Portfolio Highlights:

Vintage	DTI	FICO	Estimated Loss Rate [ii]	Coupon [i]	Estimated IRR [iii]	Loss/FICO (Conservatism) 2014=1i [iv]	Coupon/FICO (Price to Risk) 2014=1[v]
2013	18.15%	703.5	6.30%	15.74%	8.45%	1.12	1.20
2014	18.62%	705.0	5.65%	13.18%	6.82%	1.00	1.00
2015Q1	19.15%	702.9	5.65%	12.29%	6.52%	1.00	0.94
2015Q2	19.18%	702.2	5.78%	12.20%	6.30%	1.03	0.93
2015Q3	19.16%	703.2	6.00%	12.53%	6.40%	1.06	0.95
2015Q4	18.65%	703.9	6.19%	12.81%	6.45%	1.10	0.97
2016Q1	18.72%	705.5	5.97%	12.49%	6.37%	1.06	0.95
2016Q2	19.55%	708.4	5.98%	12.97%	6.83%	1.05	0.98
2016Q3	20.61%	713.3	6.32%	13.89%	7.29%	1.10	1.04

- Estimated return on August 2016 production continues to be slightly over 7% on average.
- The 2016 portfolio is on track to have the highest IRR target since 2013 and the highest average FICO to date. We believe this is a result of policy interventions made throughtout 2016.
- Deliquency rates for the 2015 vintages remain elevated in comparision to 2013 and 2014 vintages.
- All delinquency and loss patterns since 2013 remain well below the loss and delinquency levels experienced in 2012. The lower level of risk is attributed to changes made to Prosper's credit risk program at the end of 2012. Today, early delinquency continues to be a crucial input as future policy and pricing changes for the portfolio are assessed.
- Cumulative gross charge-offs remain above 2013 trend, which we believe are a result of environmental changes observed in the broad consumer credit market at the end of 2015.
- Pre-payment patterns remain relatively stable with vintages from 2015 and 2016 tracking the early pre-payment patterns of the 2013 vintage more closely than that of the 2014 vintage.

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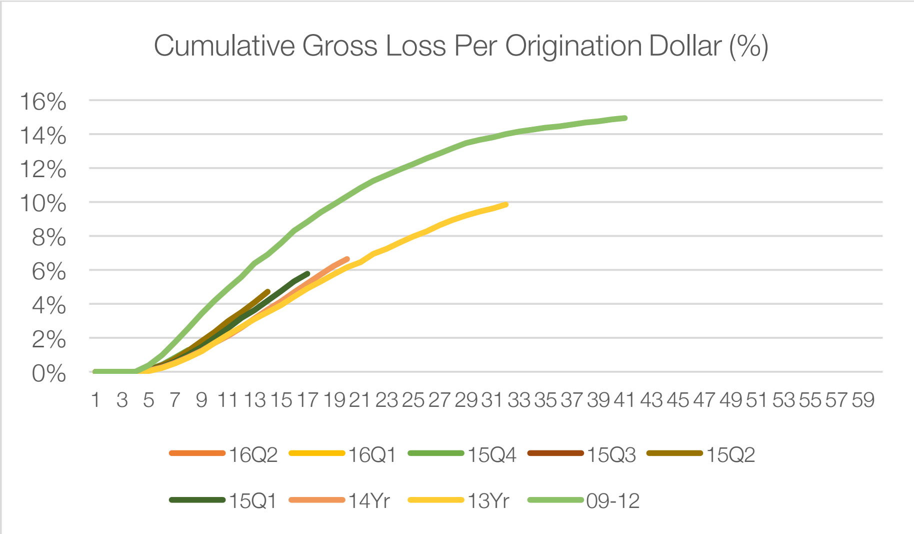
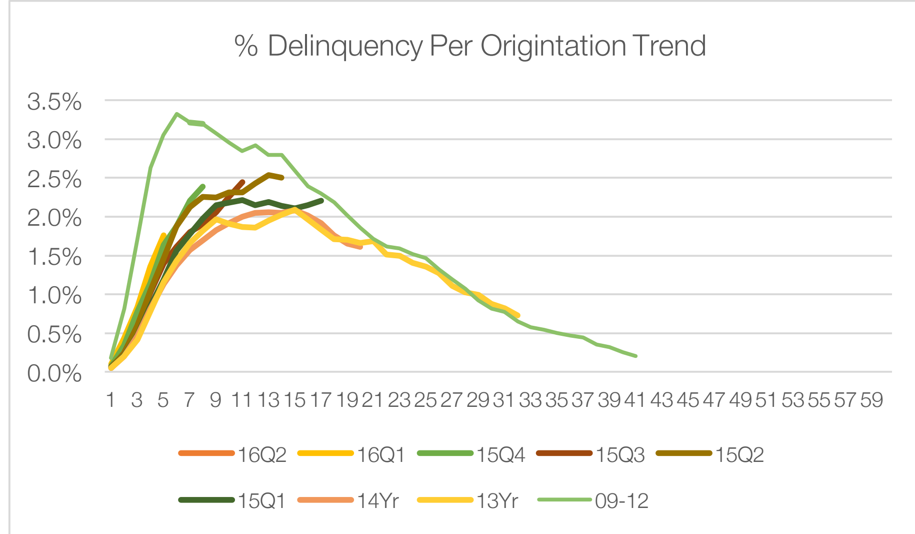
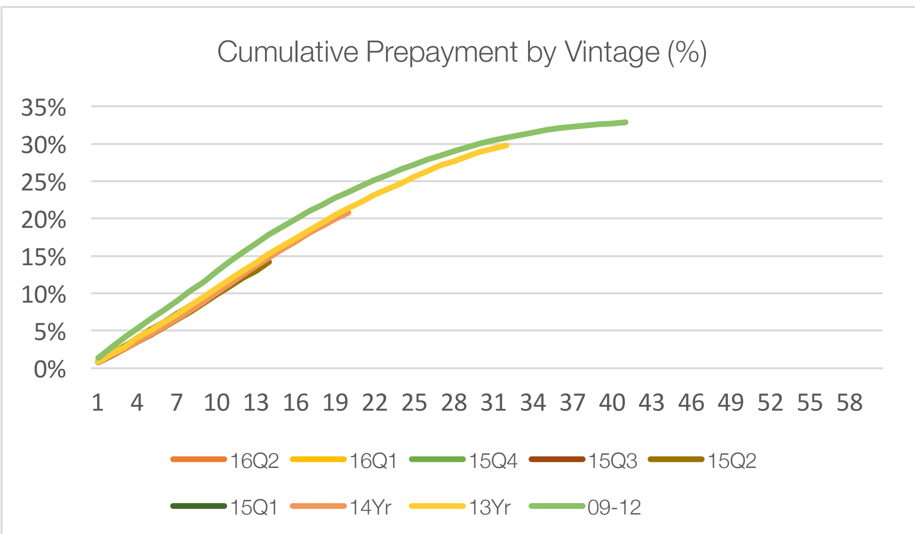
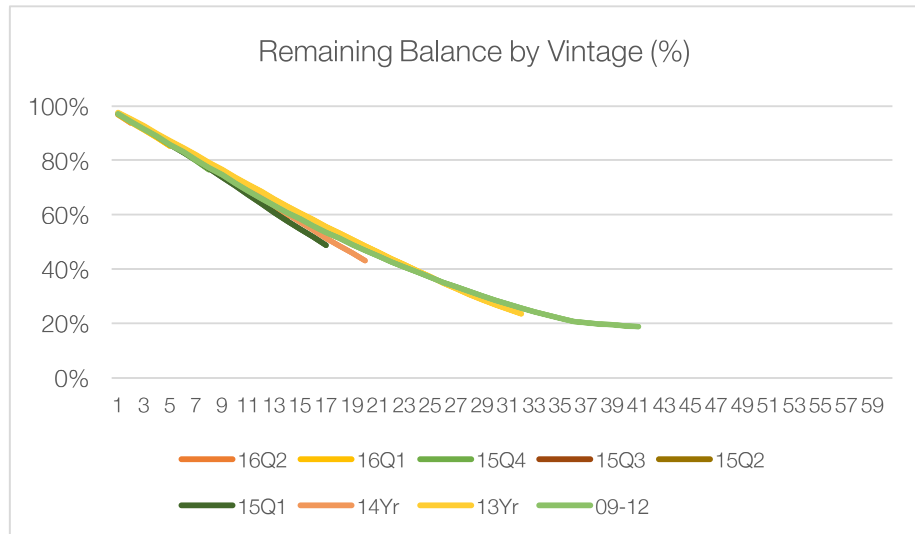




Cumulative Gross Loss Per Origination Dollar measures the cumlative principal charged off for a given vintage divided by the total principal originated in that vintage. “Gross” refers to the fact that curves do not account for the post-chargeoff recovery effort that Prosper conducts on behalf of investors. Currently investors are receiving 7-8% of chargeoff principal as a result of recovery operations. There can be no guarantee that these recovery rates will remain the same in the future.

% Delinquency Per Origination Trend measures the cumulative principal dollars that are 16 or more days past due, and that are not charged off in a given month after origination. We believe this measure is useful for discerning emerging delinquency trends and is a leading indicator for the Cumulative Gross Loss Per Origination Dollar measure.





Cumulative Prepayment by Vintage measures the cumulative principal dollars associated with accounts that prepaid in advance of their scheduled payment schedule. The cumulative prepayment rate is calculated by dividing the cumulative dollar amount prepaid by the total original loan amount funded.

Remaining Balance by Vintage measures the cumulative principal dollars remaining in the pool that have not been charged off.

Notes & Disclaimers:

i WA Eff. Yield (also known as Coupon) shows the weighted average expected effective yield and is calculated by (i) taking the weighted average borrower interest rate for all loans originated during the period, adding (ii) estimated collected late fees and post charge-off principal recovery, and subtracting (iii) the servicing fee and estimated uncollected interest on charge-offs. Actual performance may differ from estimated performance. All estimates are based on the historical performance of Prosper loans. The WA Eff. Yield calculation requires significant assumptions about the repayment of loans, and investors should make their own judgment with respect to the accuracy of these assumptions.

ii WA Loss (also known as Estimated Loss Rate) shows weighted average expected annualized loss rate on a loan or a group of loans and is calculated by taking estimated principal loss on charge-offs from such loans. WA Loss is provided as an informational tool, primarily to remind investors that it is inevitable that certain loans will charge off and result in a loss of investment capital. WA Loss is not a promise of future results and may not accurately reflect actual loss rates. Actual loss rates experienced may be impacted by, among other things, the size and diversity of the portfolio, exposure to any single Note or loan or borrower or group of Notes or loans or borrowers, as well as macroeconomic conditions. All estimates are based on the historical performance of Prosper loans.

iii WA Return (also known as Estimated IRR) shows the weighted average expected rate of return on a loan or group of loans, and is calculated bytaking the WA Eff. Yield and subtracting the WA Loss. Individual results may vary and estimates can change. Actual performance may differ from estimated performance, and the information presented is not intended to be investment advice or a guarantee of the performance of any Note or loan.

iv Loss/FICO is a measure of risk modeling conservatism relative to traditional credit metrics. Higher numbers indicate a more conservative view on risk modeling while lower numbers indicate a less conservative approach. Indexed to 2014.

v Coupon/FICO is a measure of return relative to traditional credit metrics (FICO). Higher numbers indicate more return per unit FICO. Indexed to 2014.

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