

# Prosper Performance Update: June 2016

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## Monthly Originations Summary – For Month Ending June 30, 2016:

Prosper Rating	Dollar %	% 5 Year Loans	Average Loan Size	WA Borrower Rate	WA Eff Yield (estimated) <sup>i</sup>	WA Loss (estimated) <sup>ii</sup>	WA Return (estimated) <sup>iii</sup>	DollarWAFICO
AA	8.46%	2.58%	\$12,356	6.83%	5.86%	1.52%	4.34%	762
A	19.58%	12.30%	\$13,515	9.16%	8.20%	3.14%	5.07%	731
B	24.40%	29.35%	\$14,080	12.19%	11.18%	5.12%	6.06%	717
C	27.80%	51.10%	\$14,298	17.15%	15.92%	7.56%	8.36%	705
D	13.78%	55.97%	\$13,344	23.07%	21.42%	10.39%	11.03%	691
E	4.47%	42.69%	\$9,402	28.21%	25.99%	13.40%	12.59%	680
HR	1.53%	0.00%	\$5,850	31.34%	28.50%	17.10%	11.41%	667
<b>AA-HR</b>	<b>100.00%</b>	<b>33.61%</b>	<b>\$13,194</b>	<b>15.03%</b>	<b>13.80%</b>	<b>6.39%</b>	<b>7.42%</b>	<b>714</b>

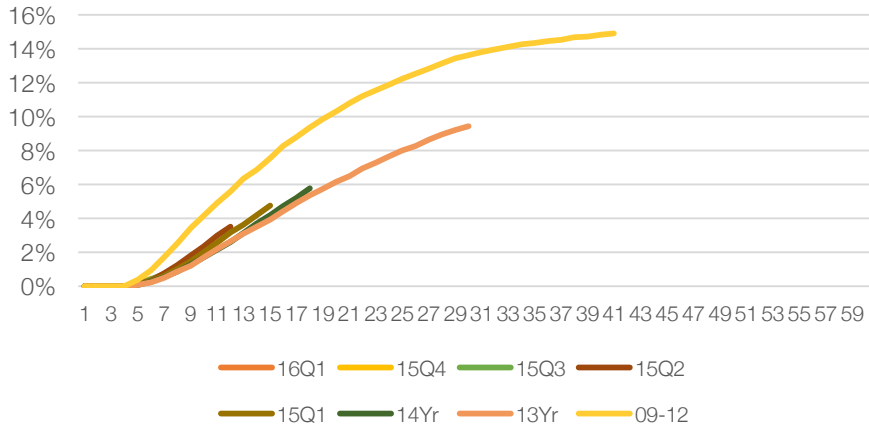
## Prosper Portfolio Highlights:

- Expected return on June 2016 production is slightly over 7.4% on average.
- The origination data continues the trend towards a more conservative portfolio with a greater coupon (on right.)
- Portfolio gross loss estimates relative to FICO (conservatism) remain near 2013 levels. Coupon relative to FICO (price to risk) is now between the 2013 and 2014 vintages and significantly above 2015 levels.

Vintage	DTI	FICO	Estimated Loss Rate <sup>ii</sup>	Coupon <sup>i</sup>	Estimated IRR <sup>iii</sup>	Loss/FICO (Conservatism) 2014=1 <sup>iv</sup>	Coupon/FICO (Price to Risk) 2014=1 <sup>v</sup>
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
6/1-6/30 2016	20.27%	714.1	6.39%	13.80%	7.42%	1.12	1.03

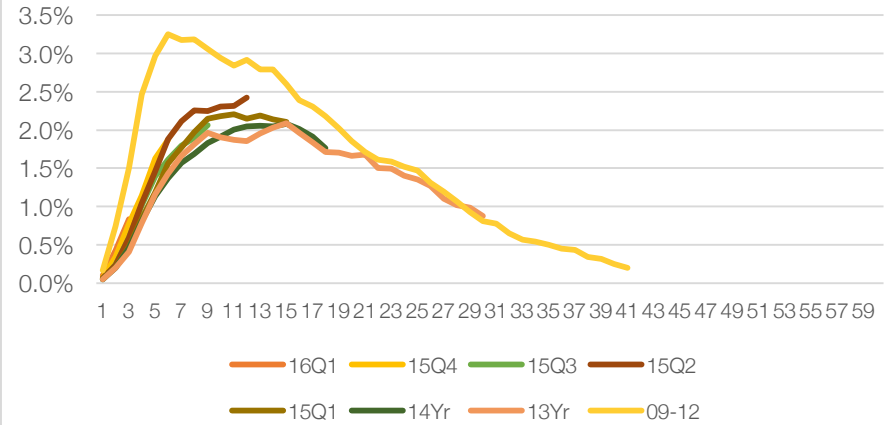
- Cumulative gross charge-offs are mixed. The vintages from Q1-Q3 of 2015 are all on a higher gross loss trajectory than 2014 and 2015Q3 vintages are now tracking to a lower cumulative gross loss rate than 2015Q2.
- Delinquency trends support the cumulative gross loss findings with the 2015Q3 vintage performing better than 2015Q2. The 2015Q4 vintage is in line with the 2015Q2 delinquency levels.
- Vintages originated since 2013 continue to exhibit stable pre-payment patterns that are generally lower than 2009-2012 vintages. There is also stability in cumulative pay-down curves across all vintages. (The slope of the curve decreases after month 36 for the 2009-2012 loans because the amortization schedule reflects a book of 5-year loans only. Other pools reflect the amortization of a mix of 3-year and 5-year loan terms.)

Cumulative Gross Loss Per Origination Dollar (%)



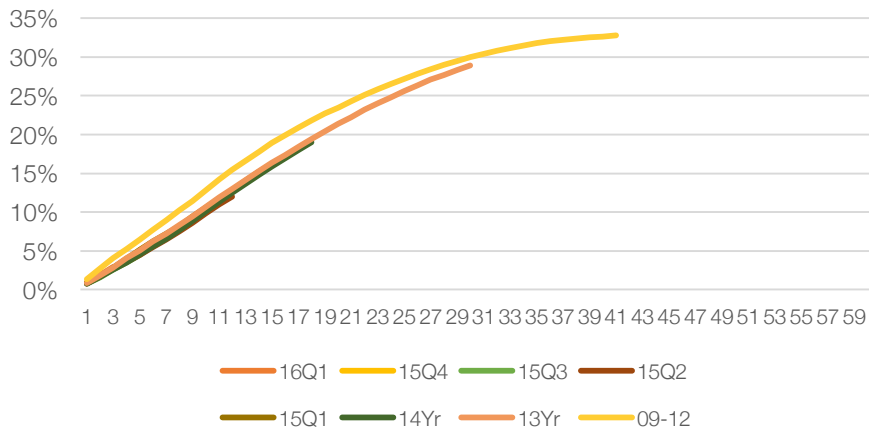
Cumulative Gross Chargeoffs measure the cumulative principal charged off for a given vintage divided by the total principal originated in that vintage. "Gross" refers to the fact that curves do not account for the post-chargeoff recovery effort that Prosper conducts on behalf of investors. Currently 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



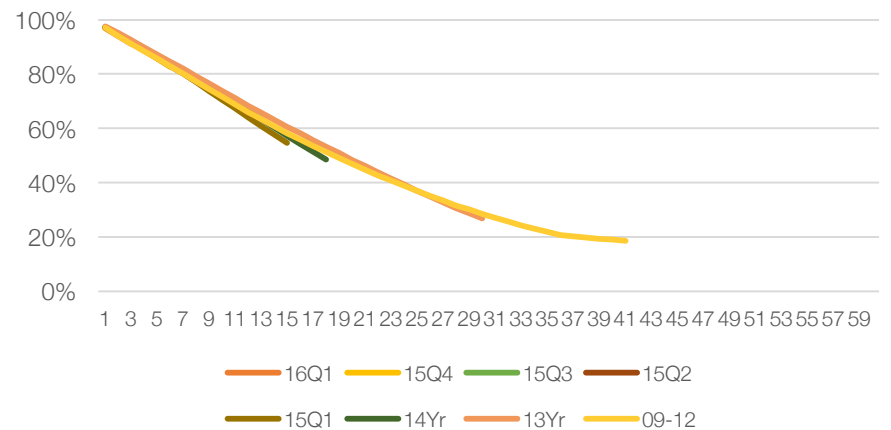
The portion of Dollars 16+ Delinquent Per Origination dollar measures the cumulative principal dollars that are 16 or more days past due, and that are not charged off in a given month after origination. The measure is useful for discerning emerging delinquency trends and is a leading indicator for the Cumulative Gross Charge off measure.

Cumulative Prepayment by Vintage (%)



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

Remaining Balance by Vintage (%)



Remaining Balance 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.

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 (i) taking estimated principal loss on charge-offs from such 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 by taking the WA Eff. Yield and subtracting the WA Loss.

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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