

# Prosper Performance Update: August 2017

David Staley, Vice President, Capital Markets – [dstaley@prosper.com](mailto:dstaley@prosper.com)  
John Goldston, Senior Director, Capital Markets – [jgoldston@prosper.com](mailto:jgoldston@prosper.com)

## Monthly Originations Summary – For Month Ending August 31, 2017\*:

Prosper Rating	Dollar %	% 5 Year Loans	Average Loan Size	WA Borrower Rate	WA Coupon <sup>i</sup>	Estimated WA Loss <sup>ii</sup>	Estimated WA Return <sup>iii</sup>	Dollar WA FICO
AA	6.54%	11.43%	13,672	6.53%	5.53%	1.36%	4.11%	774
A	12.53%	35.81%	14,651	9.00%	8.00%	3.26%	4.67%	737
B	22.85%	41.32%	14,040	11.46%	10.46%	5.14%	5.21%	717
C	29.78%	44.71%	13,978	16.14%	15.14%	7.47%	7.34%	701
D	16.90%	45.13%	13,004	23.46%	22.46%	10.49%	11.10%	686
E	8.67%	31.70%	9,101	29.16%	28.16%	13.47%	13.17%	676
HR	2.74%	0.00%	5,849	31.82%	30.82%	16.99%	11.70%	666
AA-HR	100.00%	38.13%	12,802	16.34%	15.34%	7.30%	7.57%	708

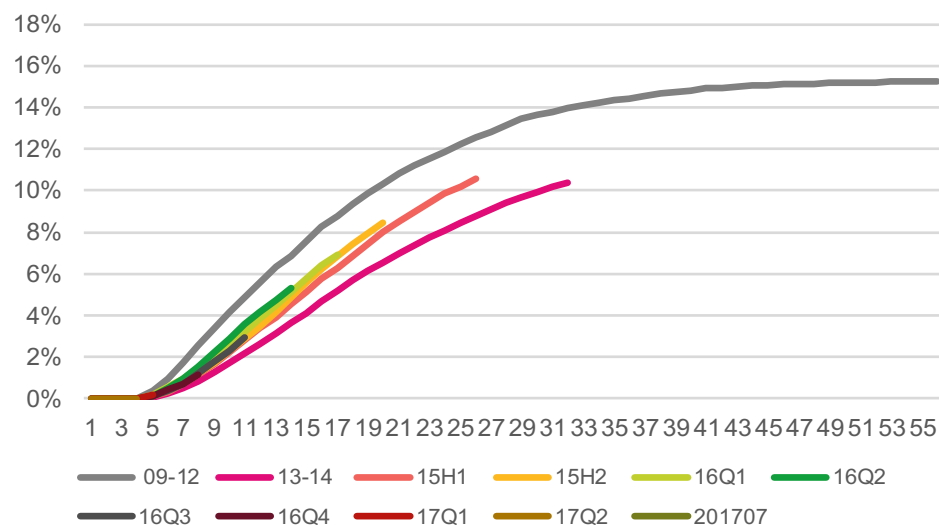
## Prosper Portfolio Highlights (at time of origination)\*:

- Credit tightening in the higher risk segments continues to slowly shift the portfolio to a higher concentration of lower risk assets (41.9% of assets were rated AA-B in August compared with 39.1% in July).
- As a result of this shift in volume, WA borrower rates on the portfolio declined by 32bps with FICO increases and a decrease in DTI.
- Chargeoff levels in 2016 Q3 and Q4 vintages continue to run close to or below 2015 Q1 and Q2 for equivalent months-on-book, highlighting the impact of changes made to the portfolio since it began to experience moderate performance stress during the end of 2015 and beginning of 2016.
- We continue to closely monitor early stage delinquencies on our 2017 vintages, as well as trends in the overall credit environment, and make appropriate changes to our credit policy.

Vintage	Original DTI	Original FICO	Original Estimated WA Loss <sup>ii</sup>	Original WA Coupon <sup>i</sup>	Original Estimated WA Return <sup>iii</sup>	Original Loss/FICO (Conservatism) 2014=1 <sup>iv</sup>	Original Coupon/FICO (Price to Risk) 2014=1 <sup>v</sup>
2013	18.28%	717	6.32%	15.81%	8.49%	1.10	1.18
2014	18.62%	705	5.66%	13.19%	6.82%	1.00	1.00
2015H1	19.17%	702	5.73%	12.24%	6.39%	1.02	0.93
2015H2	18.90%	704	6.10%	12.67%	6.43%	1.08	0.96
2016Q1	18.72%	705	5.98%	12.50%	6.37%	1.06	0.95
2016Q2	19.55%	708	6.01%	13.03%	6.85%	1.06	0.98
2016Q3	20.52%	714	6.22%	13.72%	7.19%	1.09	1.03
2016Q4	19.96%	715	6.03%	13.09%	6.72%	1.05	0.98
2017Q1	18.19%	707	7.45%	15.71%	7.77%	1.31	1.19
2017Q2	18.16%	703	7.64%	16.20%	8.04%	1.35	1.23
201707	18.45%	707	7.43%	15.66%	7.75%	1.31	1.19
201708	18.29%	708	7.30%	15.34%	7.57%	1.29	1.16

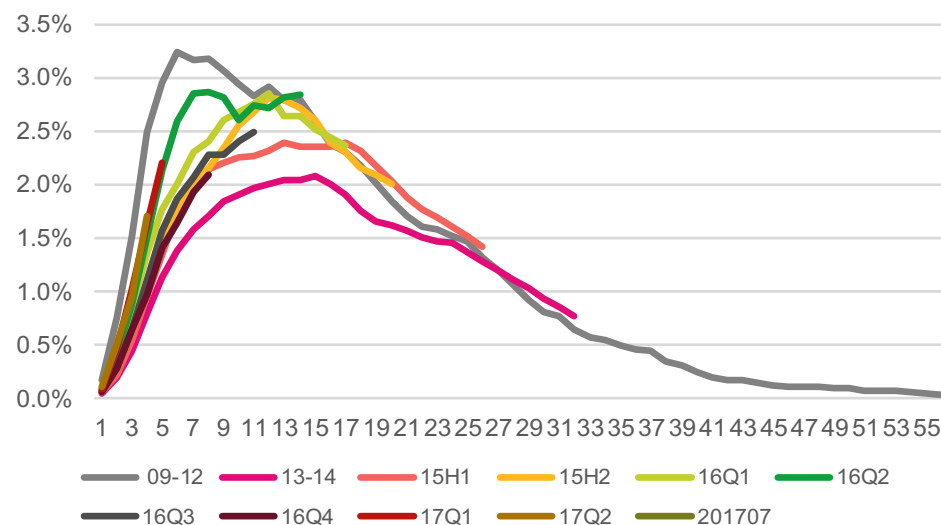
\* Information presented is from the time of origination and based on original estimated loss rate.

### Cumulative Gross Loss Per Origination Dollar (%)



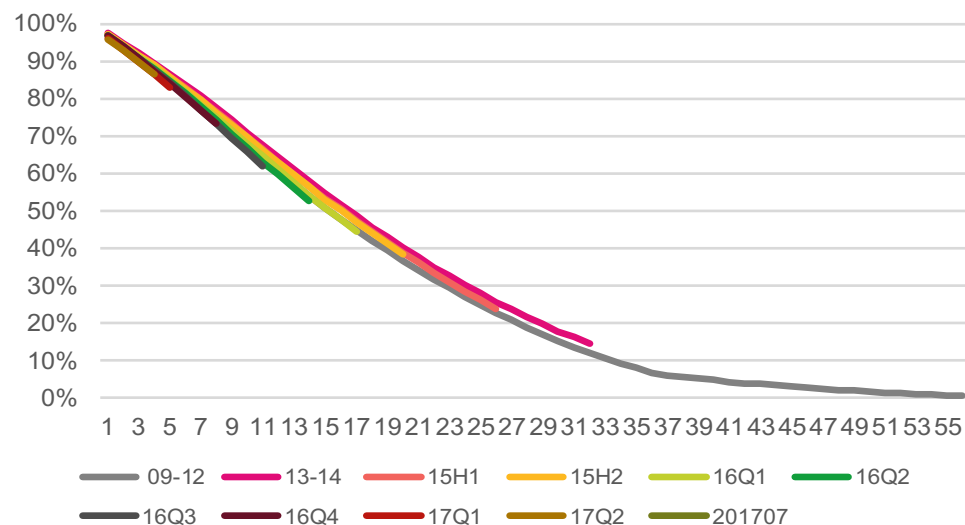
Cumulative Gross Loss Per Origination Dollar measures the cumulative principal charged off for a given vintage divided by the total principal originated in that vintage. "Gross" refers to the fact that curves do not account for the post-chargeoff recovery effort that Prosper conducts on behalf of investors. 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 (%)



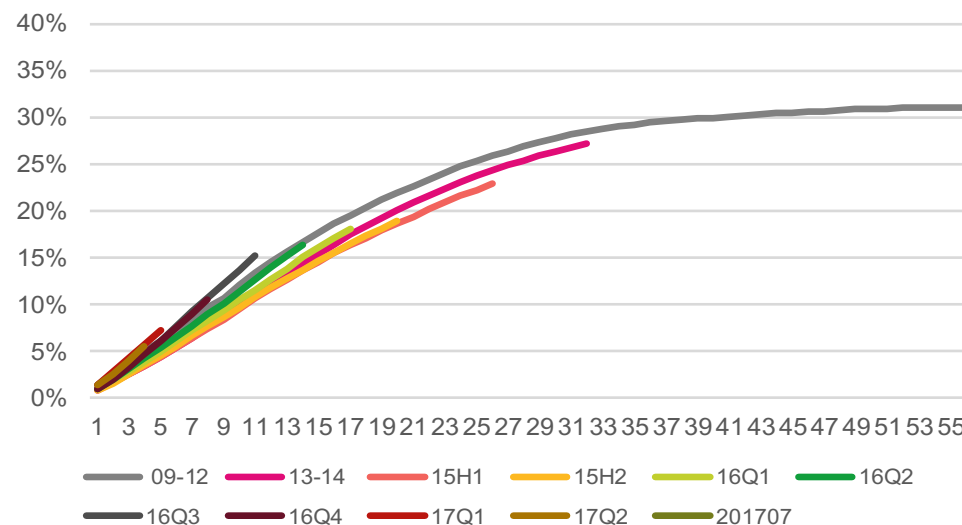
% Delinquency Per Origination Trend measures the cumulative principal dollars that are 16 or more days past due, and that are not charged off in a given month after origination. We believe this measure is useful for discerning emerging delinquency trends and is a leading indicator for the Cumulative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

### Remaining Balance (%)



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

### Cumulative Prepayments by Vintage (%)



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.

# Notes & Disclaimers:

\* All information presented in the Monthly Originations Summary and Prosper Portfolio Highlights is from the time of origination and based on original estimated loss rate.

i WA Coupon shows the weighted average coupon on a loan or group of loans and is calculated by (a) taking the weighted average contractual amortization rate for such loans, and subtracting (b) Prosper's 1% servicing fee.

ii Estimated 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. Estimated 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. Estimated 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 Estimated WA Return (also known as Estimated IRR) shows the weighted average expected rate of return at the point of underwriting on a loan or group of loans, and is calculated by (a) taking the WA Coupon; subtracting (b) the Estimated WA Loss, estimated collection and recovery fees, estimated uncollected interest on charge-offs, and the loan trailing fee (where applicable); and adding (c) estimated collected late fees and estimated post charge-off principal recovery. 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.

Prosper's borrower payment dependent notes ("Notes") are offered pursuant to a [Prospectus](#) filed with the SEC. Notes are not guaranteed or FDIC insured, and investors may lose some or all of the principal invested. Investors should carefully consider these and other risks and uncertainties before investing. This and other information can be found in the Prospectus. Investors should consult their financial advisor if they have any questions or need additional information.

The data, statements and figures in this presentation are based on Prosper's analysis and calculations which, in turn, are based on various data sources compiled and analyzed by Prosper with all reasonable care to ensure they contain no omission likely to affect their import. Neither the analysis nor the underlying data sources have been verified by an independent third party.

This presentation includes forward-looking statements. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is based on the current plans and expectations of our management and is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. All forward-looking statements speak only as of the date of this presentation and are expressly qualified in their entirety by the cautionary statements above. We undertake no obligation to update or revise forward-looking statements that may be made in this presentation to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

All personal loans are made by WebBank, a Utah-chartered Industrial Bank, Member FDIC. All personal loans through Prosper are unsecured, fully amortized personal loans. Neither Prosper Funding LLC nor Prosper Marketplace, Inc. are registered as an investment adviser with any federal or state regulatory agency. The information contained in this presentation is for informational purposes, and should not be construed as individually tailored investment advice or as a recommendation with respect to any security or investment approach. This presentation has been prepared without regard to the circumstances and objectives of its participants and should not be relied upon as authoritative or taken in substitution for the exercise of judgment by any individual. Each individual should consider the appropriateness of any investment decision having regard to his or her own circumstances, the full range of information available and appropriate professional advice. Prosper Funding LLC and Prosper Marketplace, Inc. recommend that each individual seek independent investment and financial advice concerning any services or investments discussed in this presentation.