Prosper Performance Update: December 2016

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Monthly Originations Summary – For Month Ending December 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	14.36%	12%	$14,268	6.23%	5.23%	1.44%	3.73%	754
A	21.06%	27%	$14,449	8.51%	7.47%	3.15%	4.26%	731
B	23.55%	37%	$14,845	11.53%	10.48%	5.08%	5.28%	715
C	24.26%	43%	$14,419	16.38%	15.33%	7.43%	7.56%	700
D	11.13%	49%	$13,170	23.31%	22.25%	10.39%	11.01%	687
E	3.95%	40%	$9,598	28.99%	27.99%	13.37%	13.13%	681
HR	1.70%	0	$5,578	31.92%	30.81%	17.23%	11.42%	673
AA-HR	100.00%	33.65%	$13,711	13.66%	12.62%	5.85%	6.45%	715

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	18.13%	716.5	6.32%	15.81%	8.49%	1.10	1.18
2014	18.62%	705.0	5.65%	13.18%	6.82%	1.00	1.00
2015H1	19.17%	702.5	5.73%	12.23%	6.39%	1.02	0.93
2015H2	18.90%	703.6	6.10%	12.67%	6.43%	1.08	0.96
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	20.52%	713.7	6.19%	13.67%	7.17%	1.08	1.03
2016Q4 (Oct)	20.14%	714.1	6.20%	13.69%	7.12%	1.08	1.02
2016Q4 (Nov)	19.91%	714.2	6.02%	12.94%	6.58%	1.05	0.97
2016Q4 (Dec)	19.82%	715.2	5.85%	12.62%	6.45%	1.02	0.94

- Estimated return on December 216 production is 6.45%, with the platform distribution continuing to increase in the higher Prosper ratings as a result of pricing updates that were made in October 2016.

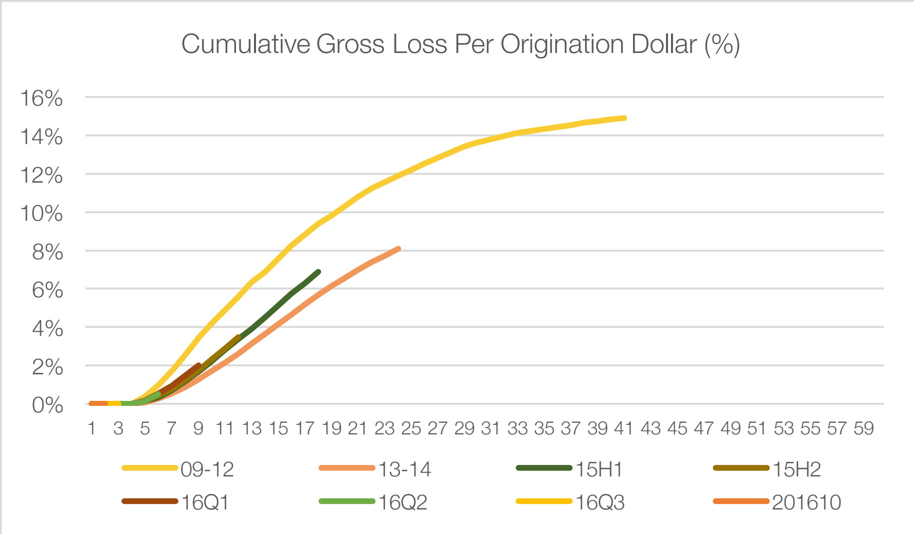
- Consistent with the goal of implementing a new custom risk model every 12-18 months, Prosper implemented the PMI7 model in late December 2016. Its predecessor (PMI6) went into production in August 2015.

- FICO remains approximately 10 points higher than its lowest point in 2015 and early 2016. As a result of PMI7 we anticipate that FICO will remain relatively consistent within each Prosper rating grade but that we will begin to book a higher proportion of assets in the lower rating grades; this mix shift is expected to decrease the average FICO of the booked portfolio in January 2017.

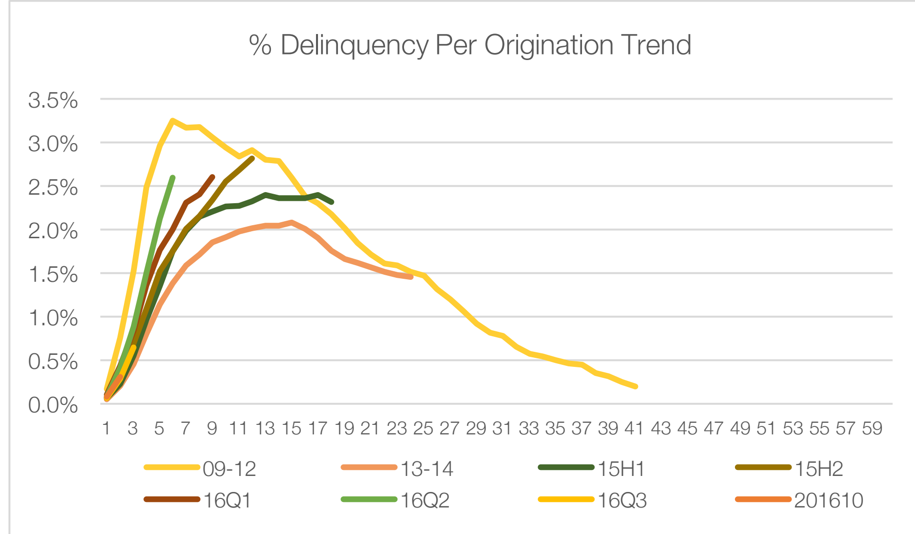
- Prepayment rates continue to track higher than those for 2014 and 2015 vintages, which we believe may be a result of pricing increases made in 2016.

- Early delinquency rates in Q3 2016 and October 2016 vintages have shown improvement over 2016 H1, and have returned to early 2015 levels. We believe that this is attributable to policy tightening that was introduced in 2016.

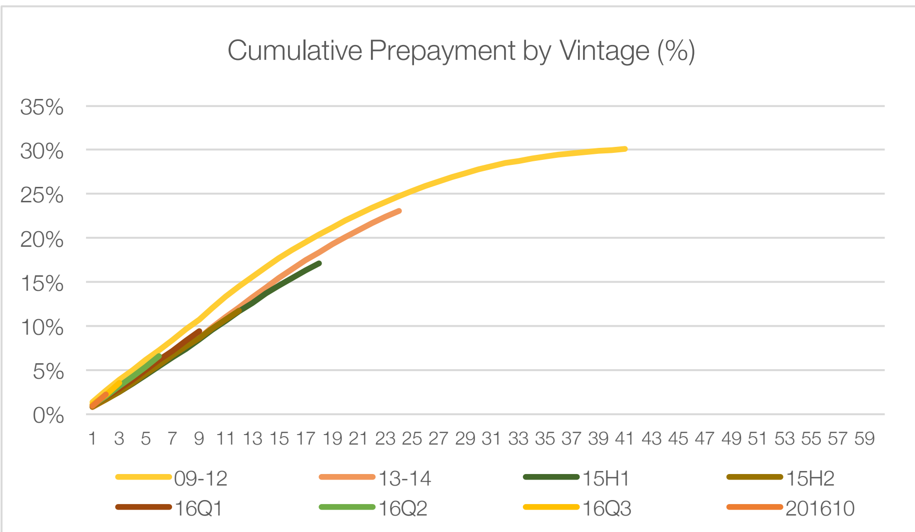
- Cumulative gross charge-offs in 2015 and 2016 continue to track higher than 2013 and 2014. Policy tightening and pricing changes have been introduced in response to these charge-off trends and we believe these changes to be driving the improved delinquency rates in the Q3 2016 and early Q4 2016 vintages.



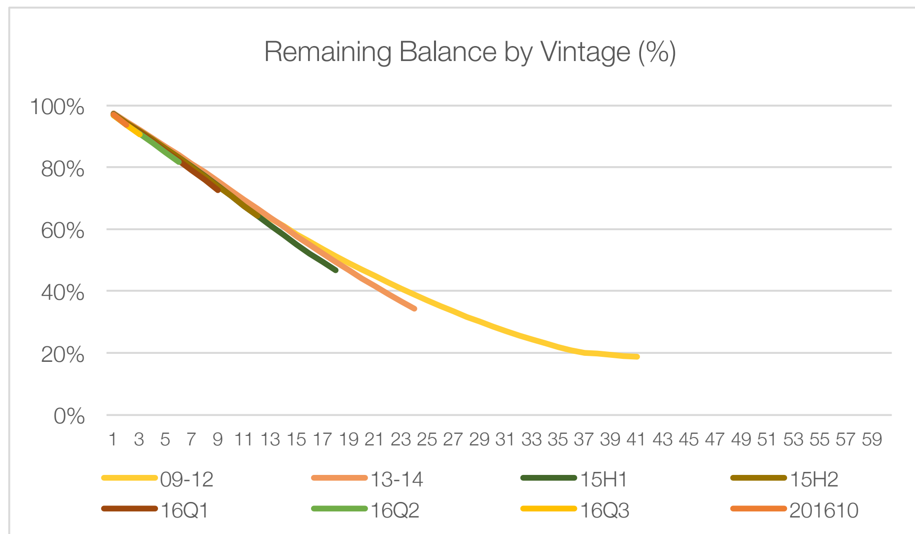
Cumulative Gross Loss Per Origination Dollar measures the cumlative principal charged off for a given vintage divided by the total principal originated in that vintage. “Gross” refers to the fact that curves do not account for the post-chargeoff recovery effort that Prosper conducts on behalf of investors.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

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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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