Prosper Performance Update: January 2017

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Monthly Originations Summary – For Month Ending January 31, 2017:

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	5.25%	6%	$ 13,283	6.31%	5.25%	1.50%	3.75%	774
A	12.19%	23%	$ 13,628	8.66%	7.60%	3.27%	4.33%	742
B	21.15%	36%	$ 13,950	11.68%	10.56%	5.20%	5.36%	721
C	29.97%	34%	$ 14,087	16.63%	15.27%	7.57%	7.70%	699
D	19.41%	38%	$ 13,160	23.51%	21.63%	10.51%	11.12%	685
E	8.89%	32%	$ 9,552	29.03%	26.53%	13.39%	13.14%	678
HR	3.14%	0%	$ 6,416	31.92%	28.78%	16.99%	11.80%	664
AA-HR	100.00%	31.22%	$12,774	16.99%	15.47%	7.61%	7.86%	707

Prosper Portfolio Highlights:

Vintage	DTI	FICO	Estimated Loss Rate [ii]	Coupon [iv]	Estimated IRR [iii]	Loss/FICO (Conservatism) 2014=1 [v]	Coupon/FICO (Price to Risk) 2014=1 [vi]
2013	18.13%	716.5	6.32%	15.81%	8.49%	1.10	1.18
2014	18.62%	705.0	5.66%	13.19%	6.82%	1.00	1.00
2015H1	19.17%	702.5	5.73%	12.24%	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	5.98%	12.50%	6.37%	1.06	0.95
2016Q2	19.55%	708.4	6.01%	13.03%	6.85%	1.06	0.98
2016Q3	20.52%	713.7	6.22%	13.72%	7.19%	1.09	1.03
2016Q4	19.94%	714.5	6.03%	13.09%	6.72%	1.05	0.98
201701	17.92%	707.2	7.61%	15.99%	7.86%	1.34	1.21

- Estimated return on January 2017 production is 7.86%. As expected, the December 2016 implementation of PMI7 shifted the rating distribution of the book towards higher risk ratings, which have higher loss and return expectations. The reason for this distribution change is largely due to PMI7's utilization of time series credit data which provides a significant boost in predictive power. The increase in predictive power enables the net swap-in of customers that would have been declined using PMI6.

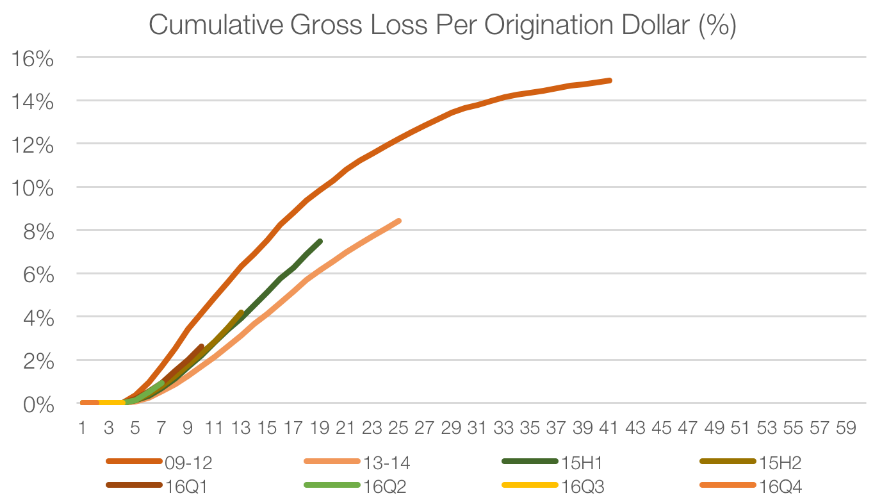
- While the portfolio coupon has increased nearly 300bps between December and January, the average DTI of the book has actually decreased and the average FICO of 707 remains well within historical norms.

- Average FICOs in the AA-B rating grades are 6 to 20 points higher in January vs. December. We believe this difference to be a result of an overly conservative initial PMI7 implementation and expect the average FICOs in the highest rating grades to move closer to those of the December booked population as 2017 progresses.

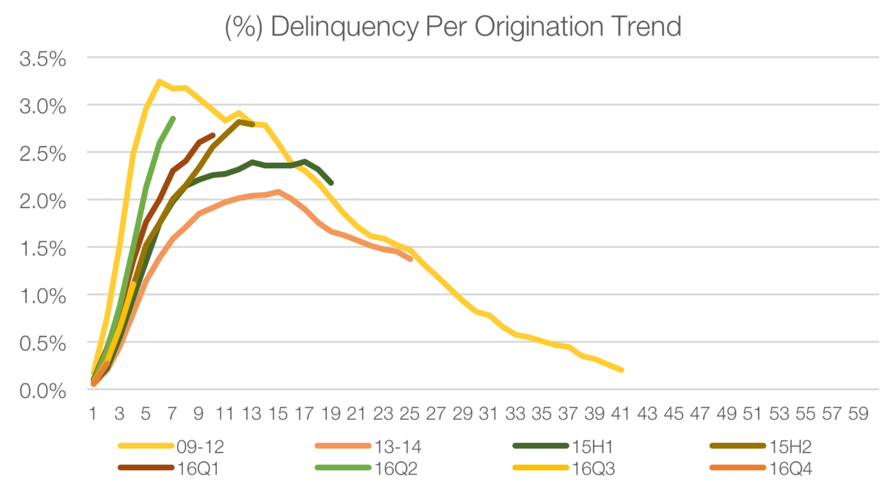
- Early delinquency rates in Q3 2016 and Q4 2016 vintages show continued improvement over H1 2016. We believe that this decrease in delinquency is attributable to policy tightening and site changes introduced in 2016 as referenced in earlier updates.

- Chargeoffs for 2016H1 and 2015 continue to trend above 2013-2014. A number of policy changes and conservatism have been introduced into our underwriting as a result of these experiences, which can be seen in the large increase in Loss/Fico and Coupon/Fico metrics noted above (1.34 and 1.21, respectively). We believe this incremental conservatism is also driving the lower delinquency for H2 2016 vintages.

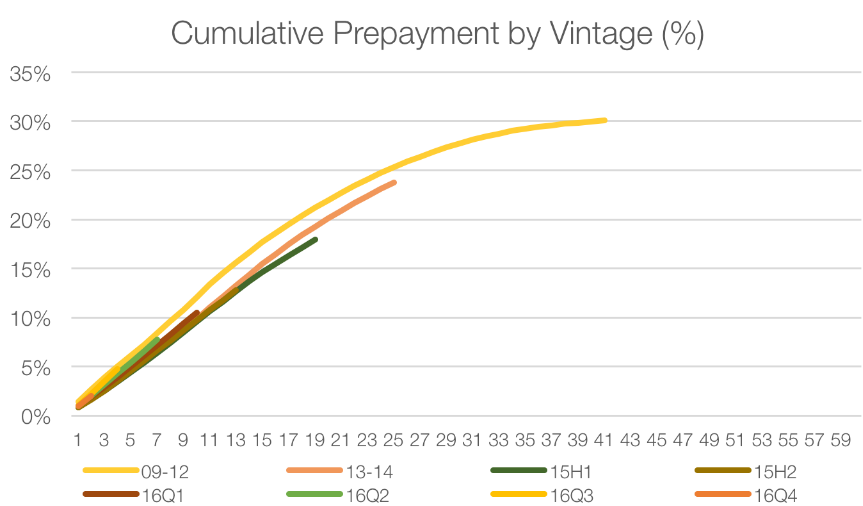
- While not immediately visible in this data, post-chargeoff recovery for the last year has ranged between 9.07% and 10.43% for investors participating in Prosper's debt sale programs. This experience compares favorably to the 7% assumption currently used for generating IRR estimates. Prosper is considering the inclusion of this better than expected performance in return expectations if this trend continues.



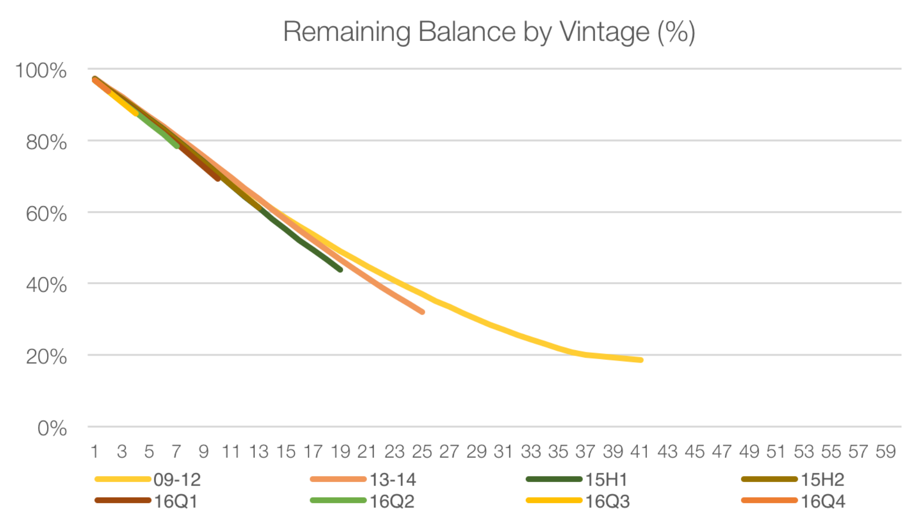
Cumulative Gross Loss Per Origination Dollar measures the cumlative principal charged off for a given vintage divided by the total principal originated in that vintage. “Gross” refers to the fact that curves do not account for the post-chargeoff recovery effort that Prosper conducts on behalf of investors. 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 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 Coupon is the contractual amortization rate of the loan minus Prosper's 1% servicing fee.

v 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.

vi 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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