# Prosper Performance Update: November 2016

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

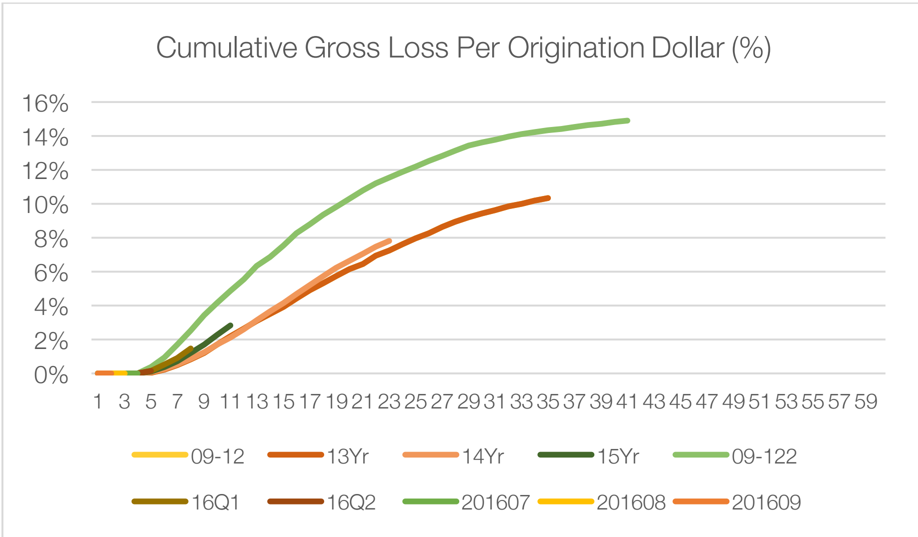
| Prosper Rating | Dollar % | % 5 Year Loans | Average Loan Size | WA Borrower Rate | WA Eff Yield (estimated)[i] | WA Loss (estimated)[ii] | WA Return (estimated)[iii] | DollarWAFICO |
|---|---|---|---|---|---|---|---|---|
| AA | 12.15% | 14% | $14,247 | 6.31% | 5.30% | 1.50% | 3.75% | 755 |
| A | 20.65% | 22% | $14,459 | 8.55% | 7.53% | 3.17% | 4.31% | 732 |
| B | 24.28% | 36% | $15,248 | 11.59% | 10.57% | 5.12% | 5.33% | 716 |
| C | 25.31% | 45% | $14,503 | 16.47% | 15.41% | 7.45% | 7.61% | 701 |
| D | 11.93% | 48% | $13,591 | 23.17% | 22.10% | 10.32% | 10.95% | 685 |
| E | 3.93% | 42% | $9,485 | 29.09% | 27.90% | 13.36% | 13.05% | 678 |
| HR | 1.75% | 0 | $5,686 | 31.90% | 30.84% | 17.25% | 11.42% | 671 |
| AA-HR | 100.00% | 33.78% | $13,853 | 13.98% | 12.94% | 6.02% | 6.58% | 714 |

## Prosper Portfolio Highlights:

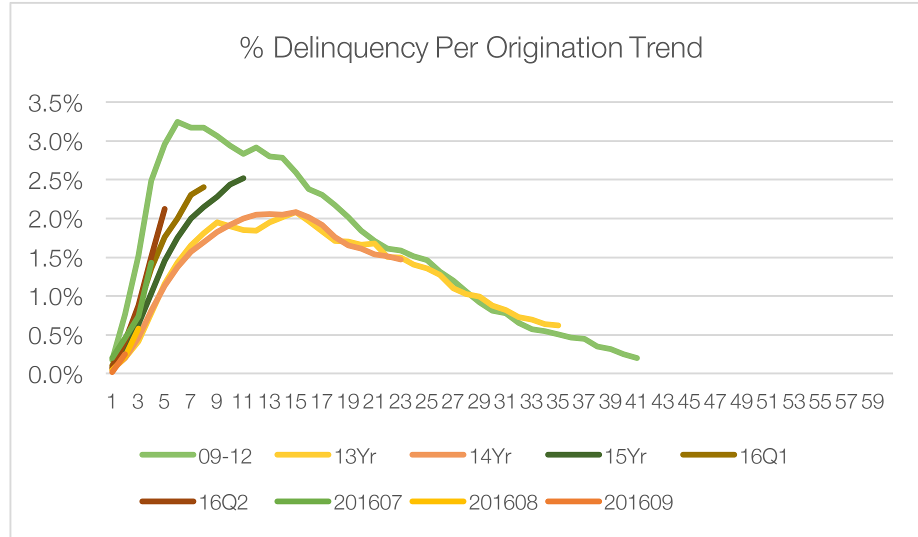
- Estimated return on November 2016 production is 6.58%. This is consistent with our expectations for the portfolio due to recent pricing changes.
- Pricing was reduced on higher rated loans in late October to match the competitive landscape, while prices were increased on lower-rated loans to account for observed credit performance on that portion of the book.
- FICO remains approximately 10 points higher than its lowest point in 2015 and early 2016.

| 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 |
| 2015H1 | 19.17% | 702.5 | 5.73% | 12.23% | 6.39% | 1.02 | 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 | 20.52% | 713.7 | 6.20% | 13.68% | 7.17% | 1.08 | 1.03 |
| 2016Q4 (Oct) | 20.14% | 714.1 | 6.20% | 13.69% | 7.12% | 1.08 | 1.02 |
| 2016Q4 (Nov) | 19.90% | 714.2 | 6.02% | 12.94% | 6.58% | 1.05 | 0.97 |

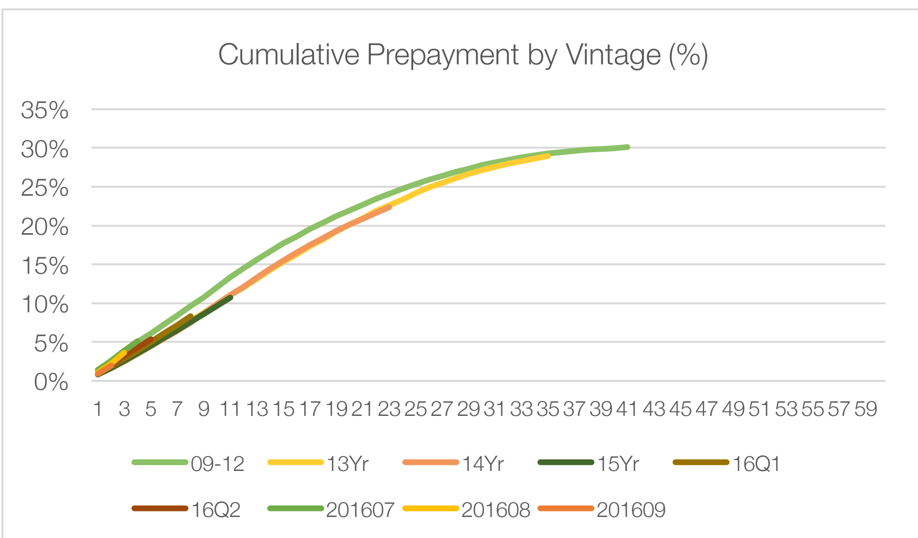
- Prepayment rates for 2016 continue to track higher than those for 2014 and 2015 vintages, which we believe may be a result of pricing increases made in 2016.
- Early delinquency rates in August and September 2016 vintages have returned to 2014 and 2015 levels. We believe that this is attributable to policy tightening that was introduced in 2016.
- Cumulative gross charge-offs in 2015 and early 2016 continue to track higher than 2013 and 2014, which we believe is a result of the overall consumer trend in the U.S and global credit environment. Policy tightening and pricing changes have been introduced in response to these charge-off trends.



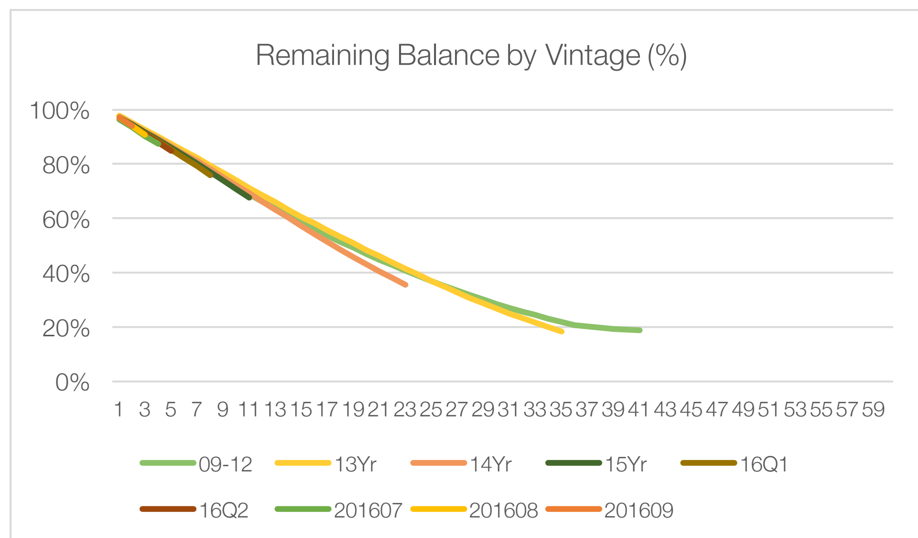

Cumulative Gross Loss Per Origination Dollar measures the cumlative principal charged off for a given vintage divided by the total principal originated in that vintage. “Gross” refers to the fact that curves do not account for the post-chargeoff recovery effort that Prosper conducts on behalf of investors.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