

Prosper Performance Update: September 2016

David Staley, Director, Capital Markets – dstaley@prosper.com
Ben Croes, CFA, Capital Markets – bcroes@prosper.com

Monthly Originations Summary – For Month Ending September 30, 2016:

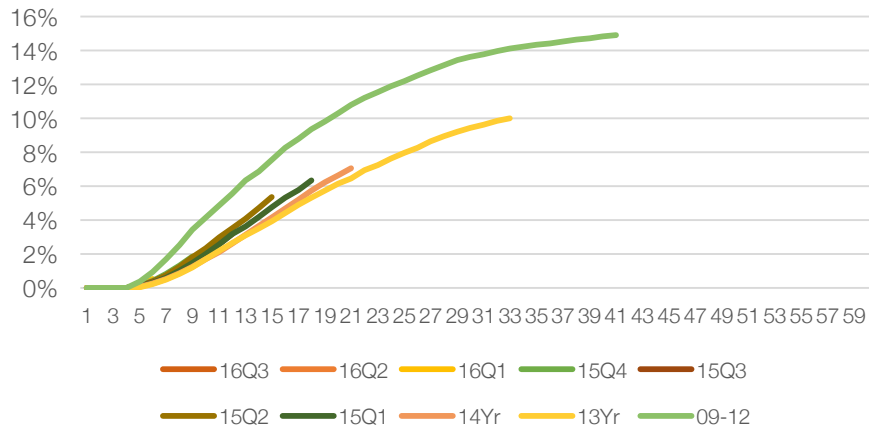
| Prosper Rating | Dollar % | % 5 Year Loans | Average Loan Size | WA Borrower Rate | WA Eff Yield (estimated) ⁱ | WA Loss (estimated) ⁱⁱ | WA Return (estimated) ⁱⁱⁱ | DollarWAFICO |
|----------------|----------------|----------------|-------------------|------------------|---------------------------------------|-----------------------------------|--------------------------------------|--------------|
| AA | 9.89% | 7% | \$12,726 | 6.75% | 5.69% | 1.48% | 4.21% | 758 |
| A | 20.53% | 12% | \$13,781 | 9.21% | 8.13% | 3.16% | 4.97% | 730 |
| B | 25.92% | 31% | \$14,684 | 12.20% | 11.06% | 5.13% | 5.93% | 717 |
| C | 27.01% | 49% | \$14,247 | 17.15% | 15.77% | 7.54% | 8.23% | 702 |
| D | 12.29% | 55% | \$13,450 | 23.01% | 21.19% | 10.32% | 10.86% | 687 |
| E | 2.87% | 47% | \$8,828 | 28.27% | 25.84% | 13.42% | 12.42% | 680 |
| HR | 1.48% | 0 | \$5,696 | 31.38% | 28.28% | 17.22% | 11.05% | 669 |
| AA-HR | 100.00% | 32.45% | \$13,461 | 14.46% | 13.12% | 6.07% | 7.05% | 714 |

Prosper Portfolio Highlights:

- Estimated return on September 2016 production while above 7%, showed a 14 basis point drop from August.
- FICO remains approximately 10 points higher than FICO from early 2016, which we believe reflects a continued increase in loss-conservatism.
- Coupon to FICO (price to risk) at 1.03 is the highest it has been since 2013, which we believe reflects increased conservatism and pricing in the book.
- The prepayment rate for Q1 2016 and Q2 2016 originations has increased on a vintage basis, which we believe is the result of higher pricing and increased conservatism that was introduced during the first half of 2016.
- The Q2 2015 delinquency trend appears to be improving. We believe the trend in early delinquency for the Q4 2015 vintage is a byproduct of borrowers increasingly selecting manual pay vs. automatic monthly ACH and we expect this trend to continue to impact early delinquency throughout 2016.
- All delinquency and loss patterns since 2013 remain below the loss and delinquency levels experienced in 2012. We believe the lower level of risk is attributable to changes made to the credit risk program at the end of 2012.
- Cumulative gross charge-offs continue to trend above 2013 levels, which we believe is a result of the overall consumer credit environment, which is improving at a slower pace than it had throughout 2013-2014.

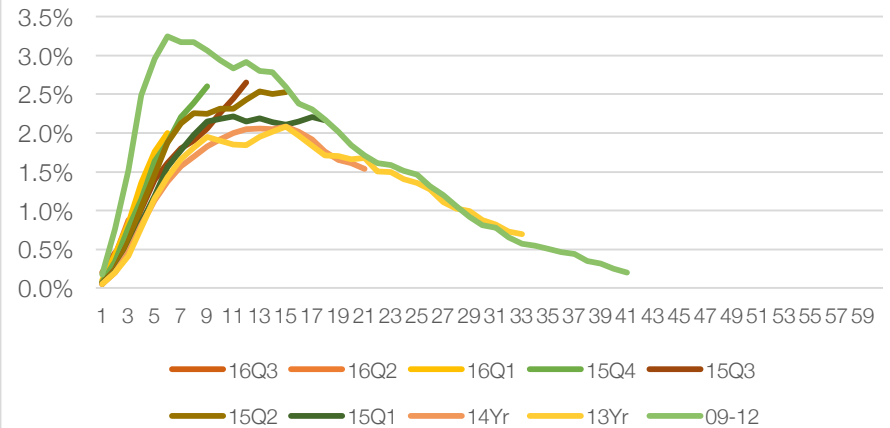
| Vintage | DTI | FICO | Estimated Loss Rate ⁱⁱ | Coupon ⁱ | Estimated IRR ⁱⁱⁱ | Loss/FICO (Conservatism) 2014=1i ^{iv} | Coupon/FICO (Price to Risk) 2014=1v ^v |
|---------|--------|-------|-----------------------------------|---------------------|------------------------------|--|--|
| 2013 | 18.15% | 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 |
| 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 |
| 2016Q3 | 20.52% | 713.7 | 6.20% | 13.68% | 7.17% | 1.08 | 1.03 |

Cumulative Gross Loss Per Origination Dollar (%)



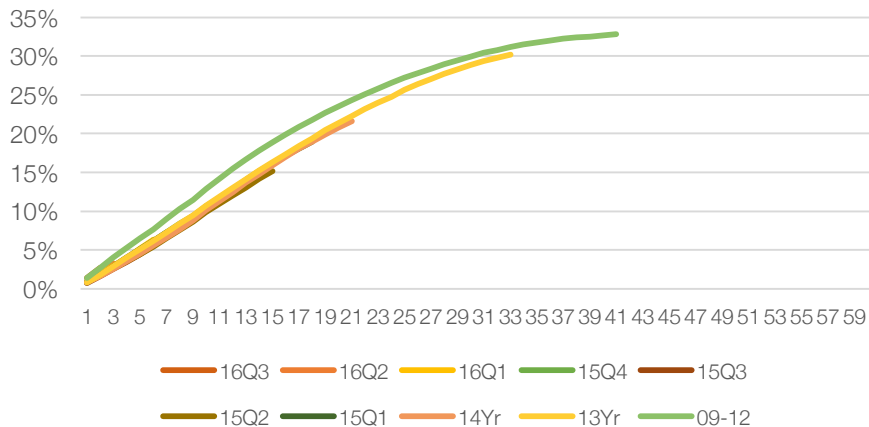
Cumulative Gross Loss Per Origination Dollar measures the cumulative principal charged off for a given vintage divided by the total principal originated in that vintage. "Gross" refers to the fact that curves do not account for the post-chargeoff recovery effort that Prosper conducts on behalf of investors.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



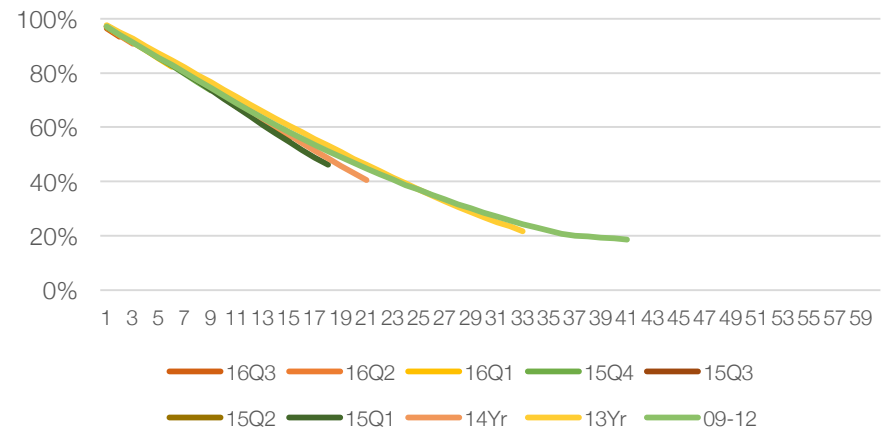
% Delinquency Per Origination Trend measures the cumulative principal dollars that are 16 or more days past due, and that are not charged off in a given month after origination. We believe this measure is useful for discerning emerging delinquency trends and is a leading indicator for the Cumulative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

Cumulative Prepayment 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.

Remaining Balance by Vintage (%)



Remaining Balance by Vintage 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. 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 by taking 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.

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.