



PROSPER[®]

**TECHNOLOGY AND INNOVATION:
POWERING THE FUTURE OF
FINANCIAL OPPORTUNITY**

The New Shared Economy

Phases of The Internet Evolution



How Far We Have Come



“The Gamble of Lending Peer to Peer”

New York Times

“You Are Unlikely To Prosper”

The Big Money

**“It’s Like eBay Meets Match.com.
Does peer-to-peer lending work?”**

Slate

**“Person To Person Lending Not Saving
The Economy... Actually Looking
Really, Really Bad”**

TechDirt

“Peer-To-Peer Lending: Problems and Promise”

Bloomberg Business Week

“Peer To Peer Lending: The Murky Future”

Reuters

How Far We Have Come



“A Record Month For Both Lending Club And Prosper”

Lend Academy

“Looking Beyond Banks for Financing”

Bloomberg Businessweek

“Peer to Peer Lending Platforms Look to Rival Traditional Banks”

CNBC

“Prosper.com to Live Long and Prosper with \$20M From Sequoia”

Venture Beat

“Google Buys Stake In Lending Club, Valuing Lender at \$1.6B”

Forbes

“SoFi Lands \$77M To Help Solve The Student Debt Crisis”

TechCrunch

“Kabbage Brings Data-Focused Online Merchant Lending To The UK”

Investing.com

“Funding Community Brings Local Business Lending Online”

Lend Academy

“On Deck To Help Small Businesses Connect With Capital”

TechCrunch

“P2P Lending Surpasses \$2B In Loan Origination”

Investing.com

In The Media



AMERICAN BANKER.

FINANCIAL TIMES



Bloomberg



Kiplinger



Forbes

THE WALL STREET JOURNAL.



The Peer-to-Peer Finance Landscape



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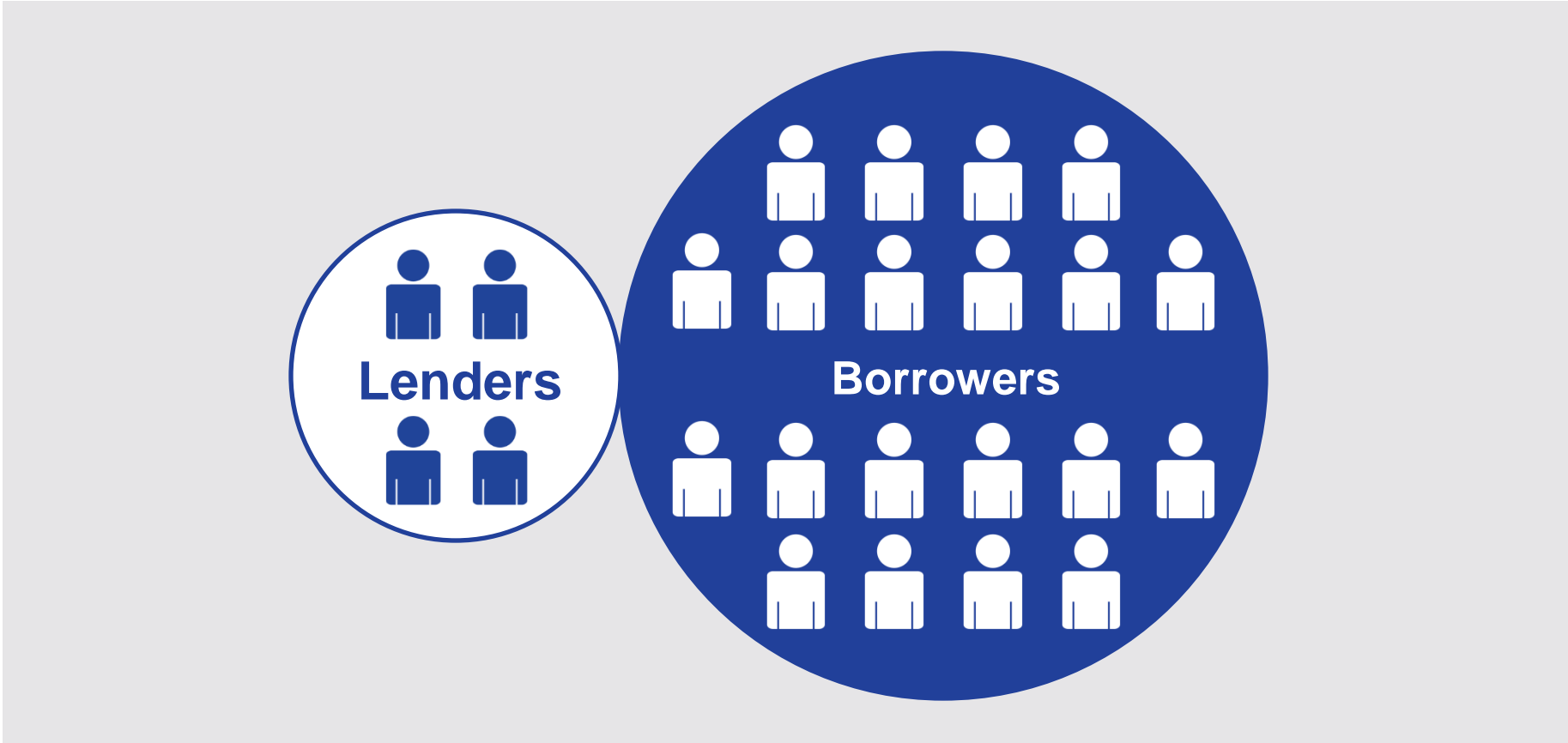
25 MM*

LendingClub

148 MM*

* May origination numbers

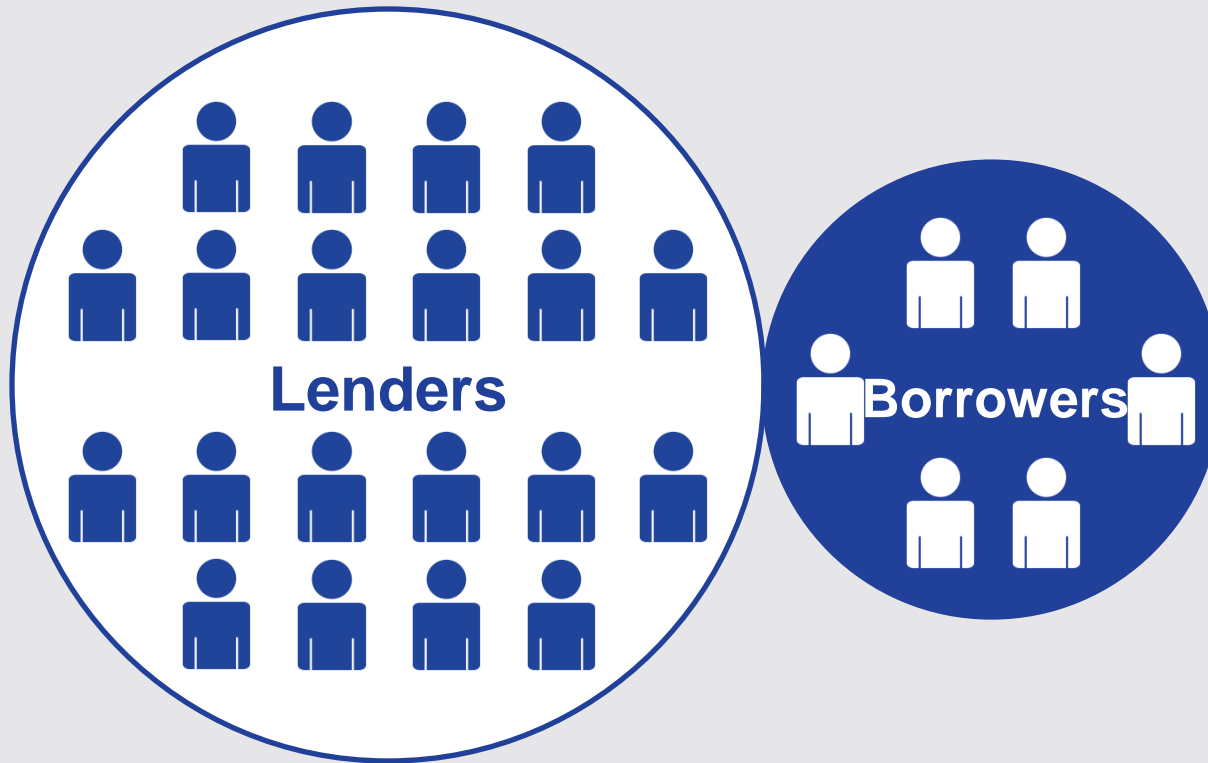
The Industry Last Year



- Incentives provided to increase Lender activity
- Large referral fees to invite friends to lend
- 1000+ Loans available

- Lengthy Funding Times for Borrowers
- Frequent delays in month end statements for Lenders

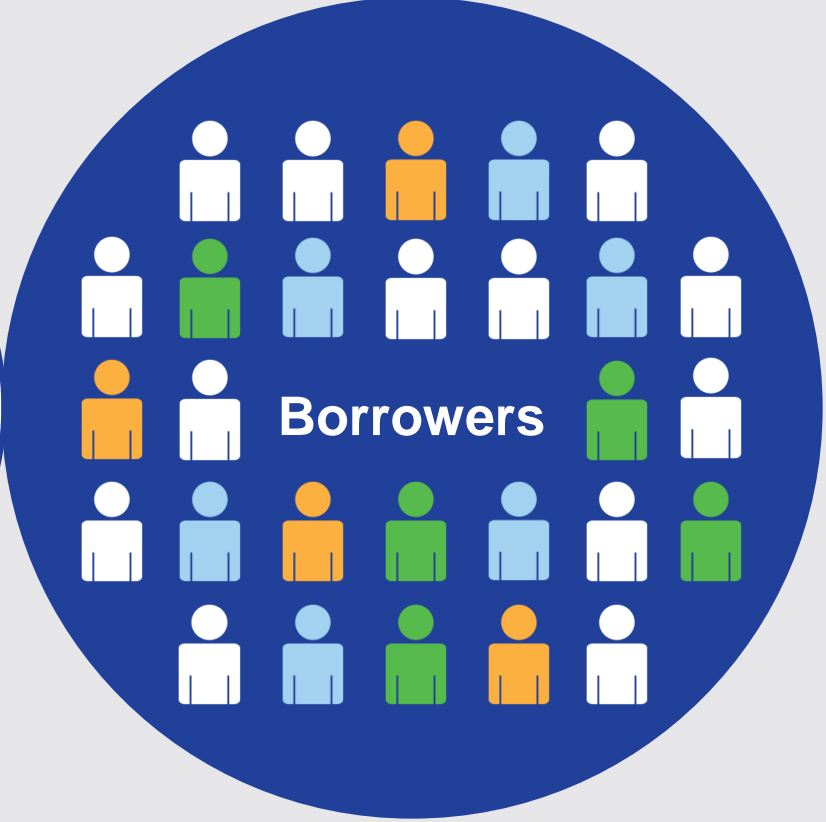
The Industry Now



- Maintain quality while growing 10%+ per month
- Reduce borrower acquisition costs
- Increase borrower activation rates

- Find additional methods to attract borrowers
- Continue to improve credit, pricing and risk models
- P2P education... tell the story

Optimism For The Future



Now-

- Credit card/consumer finance
- Small business
- Student loans

Coming now or very soon-

- Real estate (commercial or residential)
- Raw Land
- Furniture
- Elective surgery
- Auto loans
- Receivables
- Litigation finance

Conditions for Peer-to-Peer Growth



Peer-to-Peer finance is web based and easy to use

LendIt: What Did We Learn Today?

1 COMPETITION WAS NOT HERE TODAY

2 CONTROLLED GROWTH

3 EVEN AS RATES GO UP, THE SEARCH FOR YIELD WILL CONTINUE

4 EVEN MORE... MONEY, PLATFORMS, TECHNOLOGY...

5 BANKS AND INSURANCE COMPANIES NOW RECOGNIZE THE NEED TO PARTICIPATE

Where Does The Industry Go From Here... Possibilities

1. A true liquid secondary market
2. Risk free rate of return rises as fed funds rate rises making P2P returns less compelling
3. P2P platforms add many more higher risk, higher interest rate borrowers
4. New forms of data and analysis methods become available making underwriting, risk, and pricing even better
5. Loans posting in real-time throughout the day – Not set intervals
6. An insurance option where returns are lower but a minimum interest rate/return guarantee
7. Global multi asset class platforms emerge
8. Purchased by Marketplace business, social networks, or other technology companies... IPO?
9. P2P companies purchase their own bank charters
10. Credit card companies create a lower, fixed rate, amortized refinance solution for borrowers
11. Loans available in all states
12. Loan securitization

This Is Just The Beginning

	1	2	3	4	5	6	7	8	9	10	R	H	E	P
27 VISITOR	0	0									0	0	0	
31 HOME	0										0	0	0	
AT BAT	— BALL			STRIKE		OUT		— (H)		— (E)				



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Thank you

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