



**Portfolio
Recovery
Associates**



Acquisition of Aktiv Kapital

Conference Call / February 19, 2014



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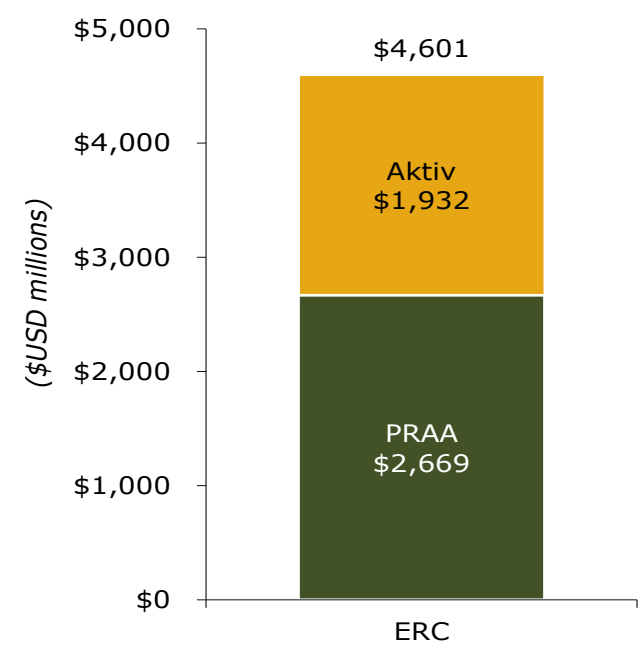
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A Transformational Acquisition Focused on Growth



Combined Estimated Remaining Collections (ERC)^a



▶ The leading acquirer of non-performing consumer debt across the U.S. & Europe

(a) Combined Estimated Remaining Collections (ERC) at December 31, 2013. Exchange rate of NOK/USD 0.1648 on December 31, 2013.



Transaction Rationale

Create a Premier Global Leader in Sector	<ul style="list-style-type: none">▪ Leading international debt purchaser and collector▪ Immediate entry and access into 13 new markets for PRA▪ Increased portfolio diversification reduces risk
Attractive Growth Markets	<ul style="list-style-type: none">▪ European market will continue to see strong supply of charged-off paper▪ New market opportunities evolving
Strong Management Team	<ul style="list-style-type: none">▪ Key management contracts negotiated prior to signing▪ Strong historical track record of ERC projections and cash collections
Financially Attractive	<ul style="list-style-type: none">▪ Accretive to earnings▪ Pro forma leverage profile is within market standards



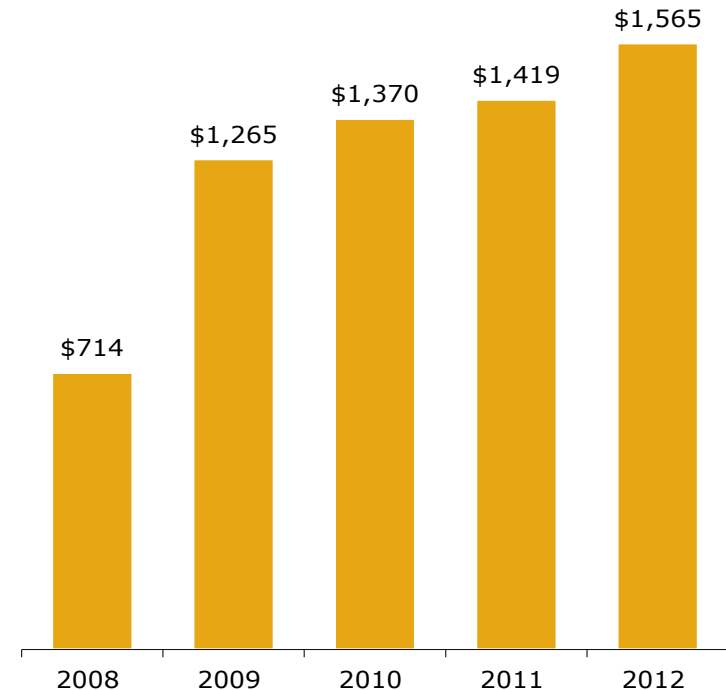
European Debt Sales Markets Immature with Large Non Performing Loan (NPL) Stock

Key Trends Could Accelerate Market

- ▶ Increased use of sales driven by financial restructuring (e.g. Spain)
- ▶ Regulatory capital requirements (Basel III etc)
- ▶ Pressure on banks to improve ROE & cut costs
- ▶ Increased use of re-sale as funds look to exit / monetize their “distressed” investments

A Large NPL Stock in Europe^(a)

Estimated total NPL stock in Europe (all segments), USD bn



(a) Exchange rate EUR/USD at respective year end (2008: 1.3901; 2009: 1.4348; 2010: 1.3416; 2011: 1.2982; 2012: 1.3184).
Source: IMF 2013, ECRI 2013, LEK, PWC 2013

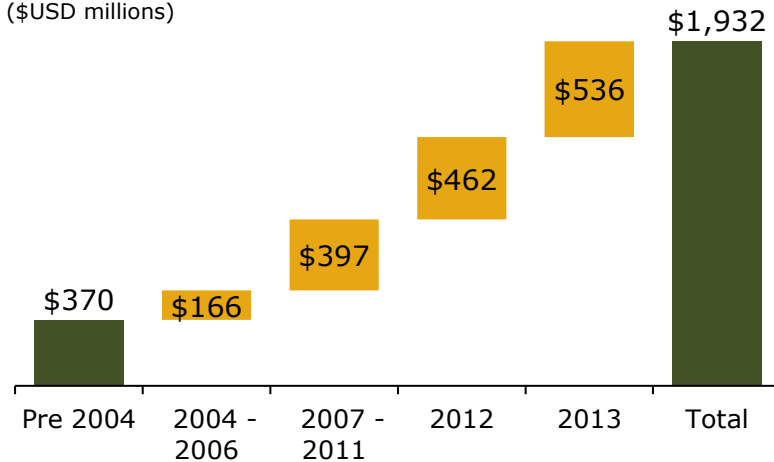


Aktiv Kapital Overview

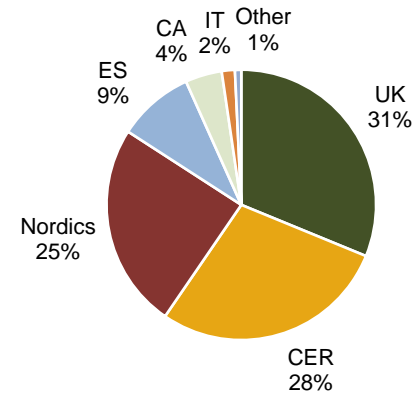
- ▶ A mixed in-house and outsourced collection model. In-house servicing platforms in 8 markets, portfolios in 15 markets
- ▶ 20 years experience in many different types of consumer NPLs
- ▶ Over 2,000 portfolios, with FV of more than \$38 billion acquired
- ▶ 2013 collections of \$318 million on wholly owned portfolios^(b)

Total 120-month gross ERC by vintage^(a)

(\$USD millions)



ERC by Region^(c)



- 120 months gross ERC: \$1.9 billion
- 84 month ERC: \$1.6 billion

(a) Exchange rate of NOK/USD 0.1648 on December 31, 2013.

(b) Exchange rate NOK/USD is 2013 average daily spot rate of 0.1702.

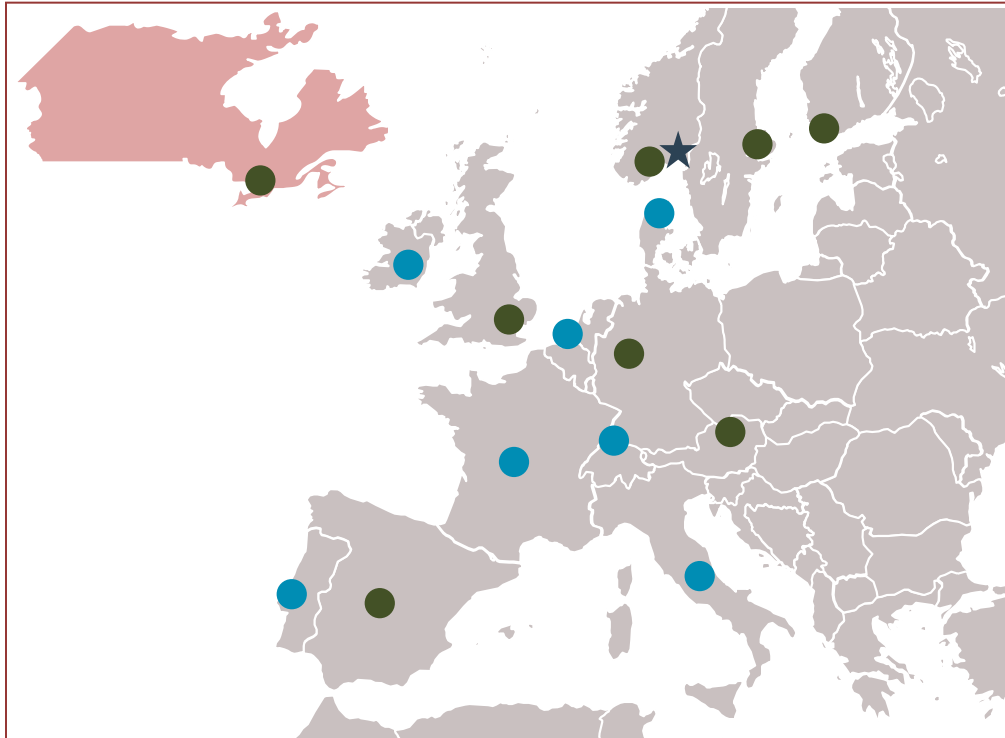
(c) Estimated remaining collections by region as of December 2013.

(d) Other countries comprising <1% of Aktiv's total ERC are Denmark, France, Portugal, Netherlands, and Ireland.



Transaction Provides Immediate Footprint Across Europe

8 in-house servicing platforms, portfolios in 15 markets, 412 Total FTE^(a)



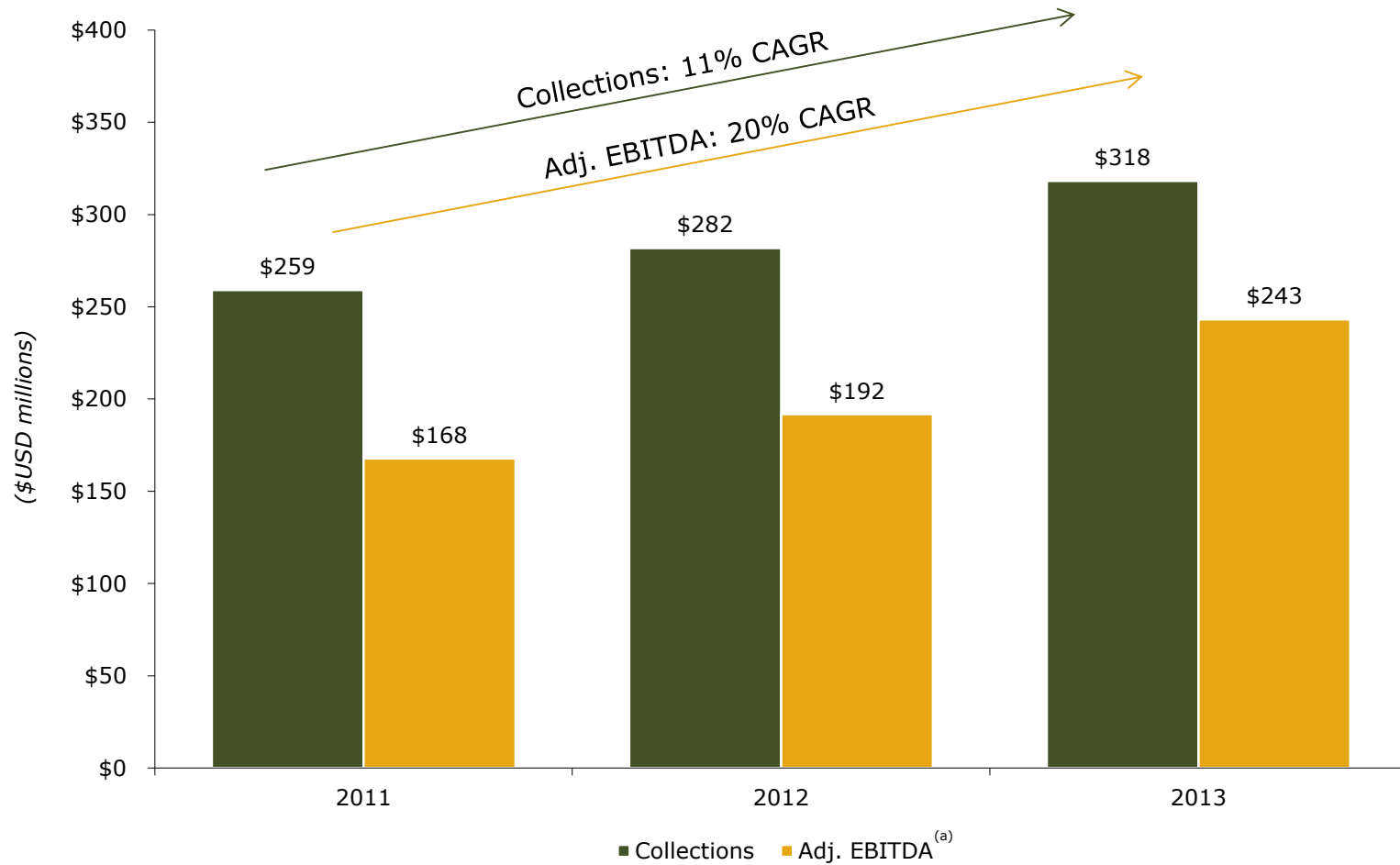
- ★ Head Office, Oslo
- AK servicing entity
- AK portfolios without in-house servicing

Core markets		Headcount (FTE)
Nordics	UK	118
	Sweden	26
	Norway	17
	Finland	15
CER	Austria	45
	Germany	33
	Spain	64
	Italy	-
	Canada	50
	Group	44
Other markets		
	Denmark	
	France	
	Portugal	
	Netherlands	
	Ireland	
	Switzerland	

(a) Full-time equivalent staff count as of January 31, 2014.



Strong Track Record of Growth



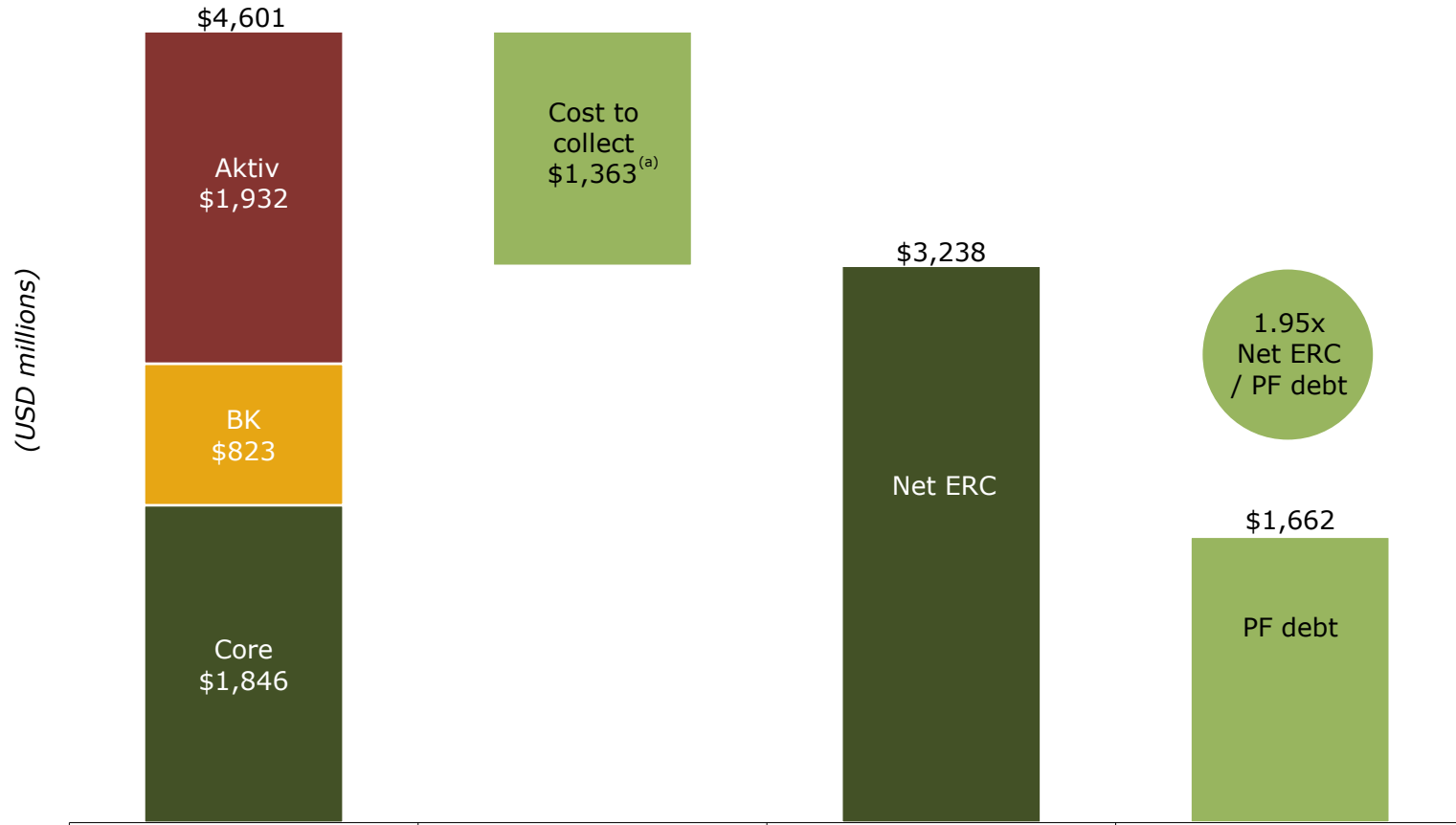
Note: Exchange rate NOK/USD is average daily spot rate of respective year (2011: 0.1786; 2012: 0.1719; 2013: 0.1702).

(a) Adjusted EBITDA includes portfolio amortization and excludes adjustments for one-time charges.



Expected Net Cash Collections are Conservatively at 1.95x Pro Forma Debt

Gross ERC – Cost to Collect = Net ERC



Note: ERC and pro forma debt as of December 31, 2013.

Exchange rate of NOK/USD 0.1648 on December 31, 2013.

(a) Assumes cost to collect of 35% on core portfolio and 5% on bankruptcy portfolio over time for PRAA and 35% for Aktiv.



Aktiv Will Help PRA Continue to Drive Growth

Attractive Growth Market

- ▶ Continue to deploy capital in growing markets
- ▶ Sustain long-term growth
- ▶ Diversity will help prevent risk to volatility within a particular region

Financial Impact

- ▶ Accretive to earnings
- ▶ Existing capacity to fund cash transaction
- ▶ Pro forma leverage is within market standards

Expected Closing

- ▶ Q2 2014



Portfolio Recovery Associates

