



**William Blair 36th Annual Growth
Stock Conference**

June 2016





About Forward-Looking Statements

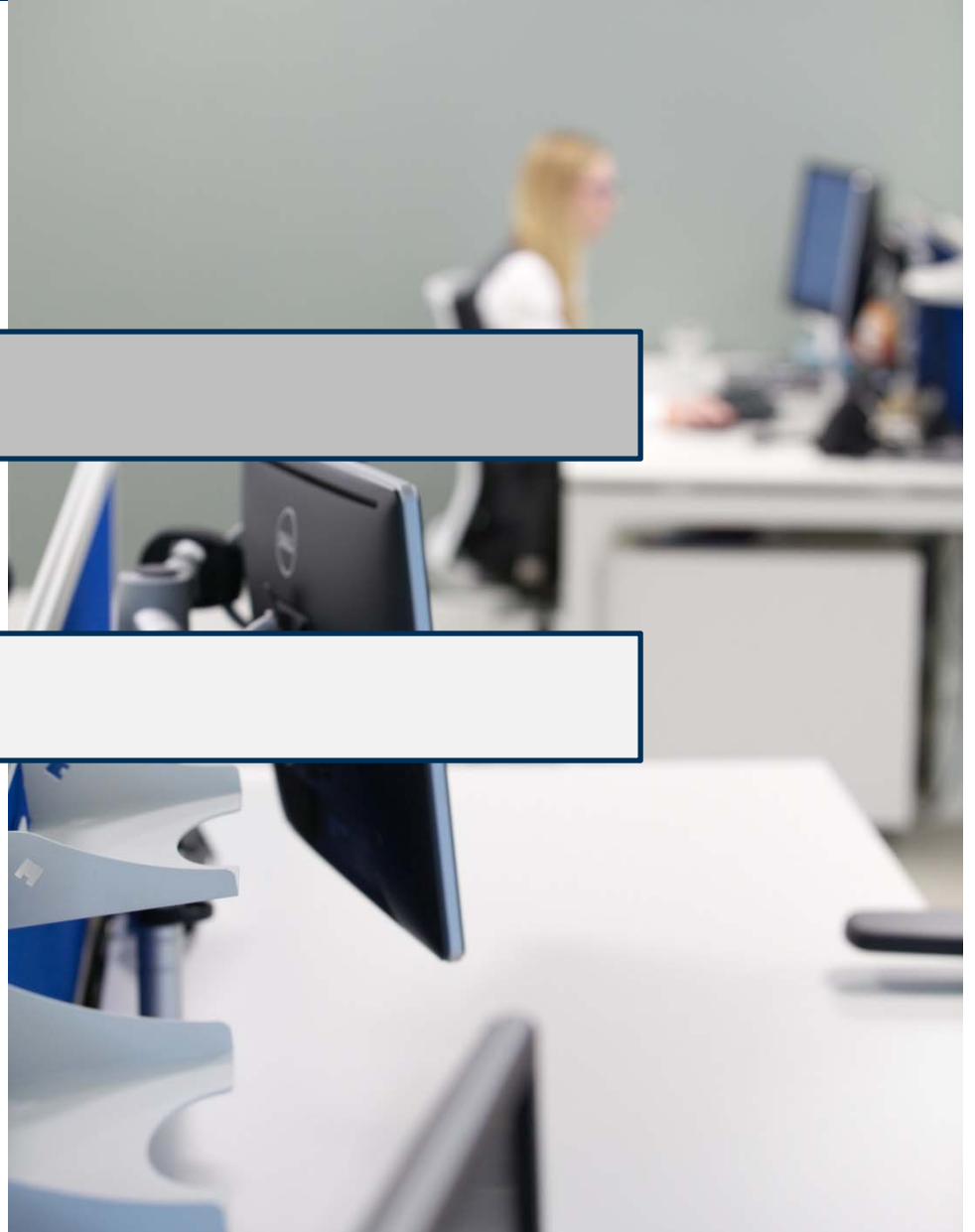
Statements herein, other than statements of historical fact, are forward-looking statements, which are based on our current beliefs, projections, assumptions and expectations concerning future operations and financial performance. Such statements involve uncertainties and risks, some of which are not currently known to us, and may be superseded by future events that could cause actual results to differ materially from those expressed or implied herein. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of today, and are qualified in their entirety by these cautionary statements. Information regarding risk factors and other information that could change our projections or impact our actual results can be found in our most recent Annual Report on Form 10-K and in subsequent public filings, and should be considered in evaluating the forward looking statements herein. Except as required by law, we assume no obligation to update or revise these statements to reflect changes in events, conditions or circumstances on which any such forward-looking statements are based, in whole or in part.



Agenda

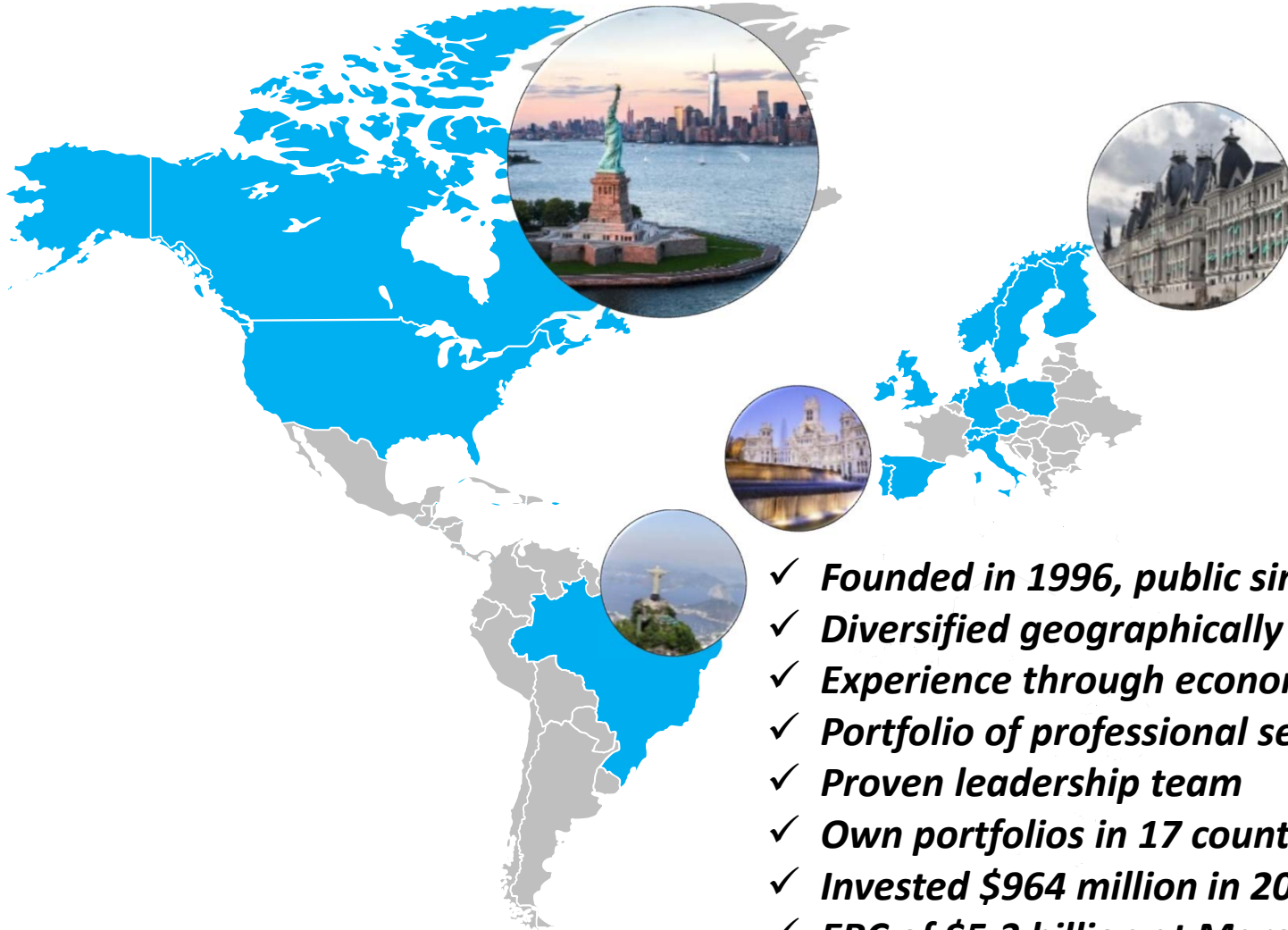
Strategy

Recent Hot Topics





Global Leader in NPL Purchases and Liquidation



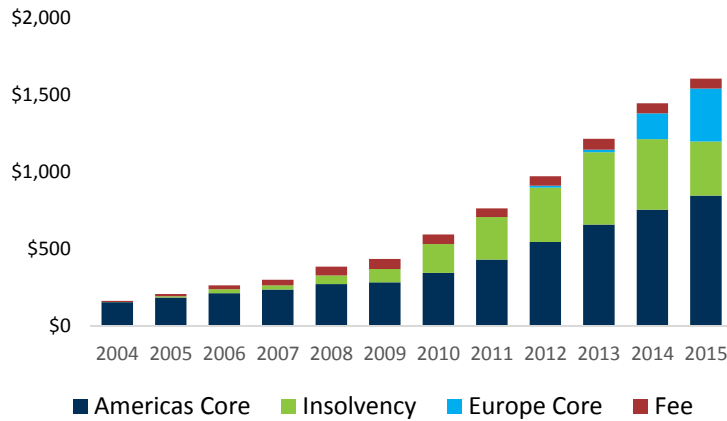
- ✓ ***Founded in 1996, public since 2002***
- ✓ ***Diversified geographically and by product type***
- ✓ ***Experience through economic cycles***
- ✓ ***Portfolio of professional service businesses***
- ✓ ***Proven leadership team***
- ✓ ***Own portfolios in 17 countries***
- ✓ ***Invested \$964 million in 2015***
- ✓ ***ERC of \$5.3 billion at March 31, 2016***



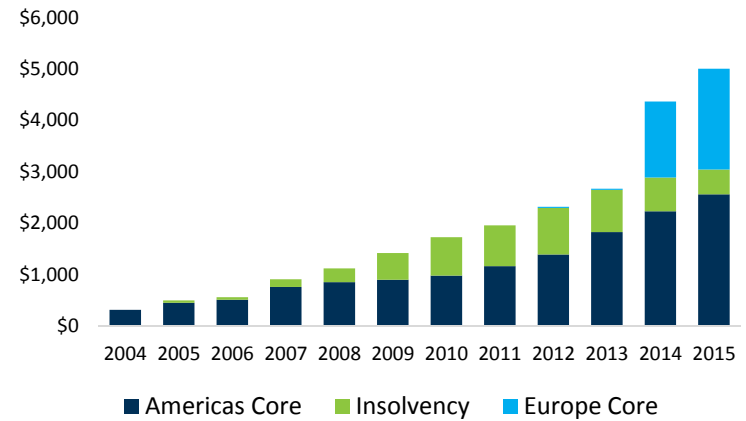
Track Record of Delivering Results

(\$ in millions)

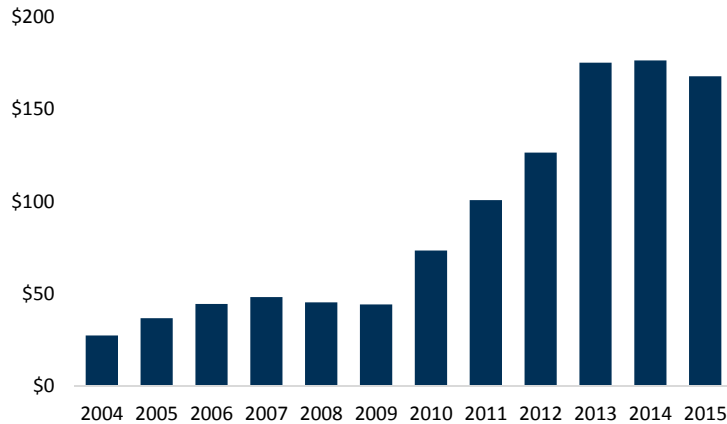
Cash Receipts



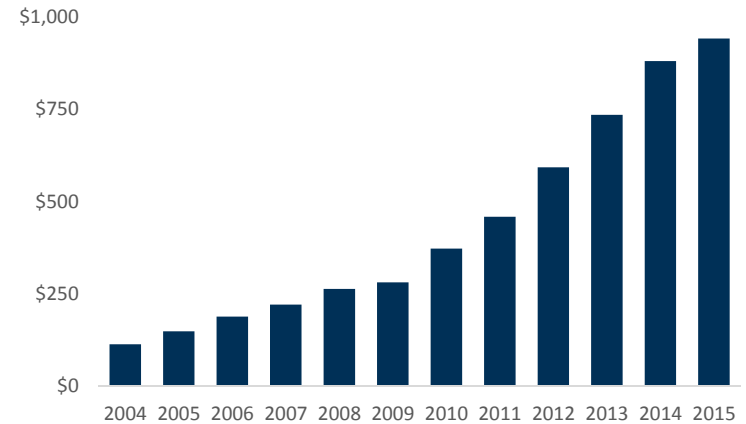
Estimated Remaining Collections



GAAP Net Income



Revenue





U.S. Strategy



Utilize advantages to continue as a market leader with appropriate returns

- Low operating costs
- Data and analytics-driven operating strategy
- Low cost capital
- Scale
- Underwriting prowess
- Adaptation to Regulation

Consolidating core market

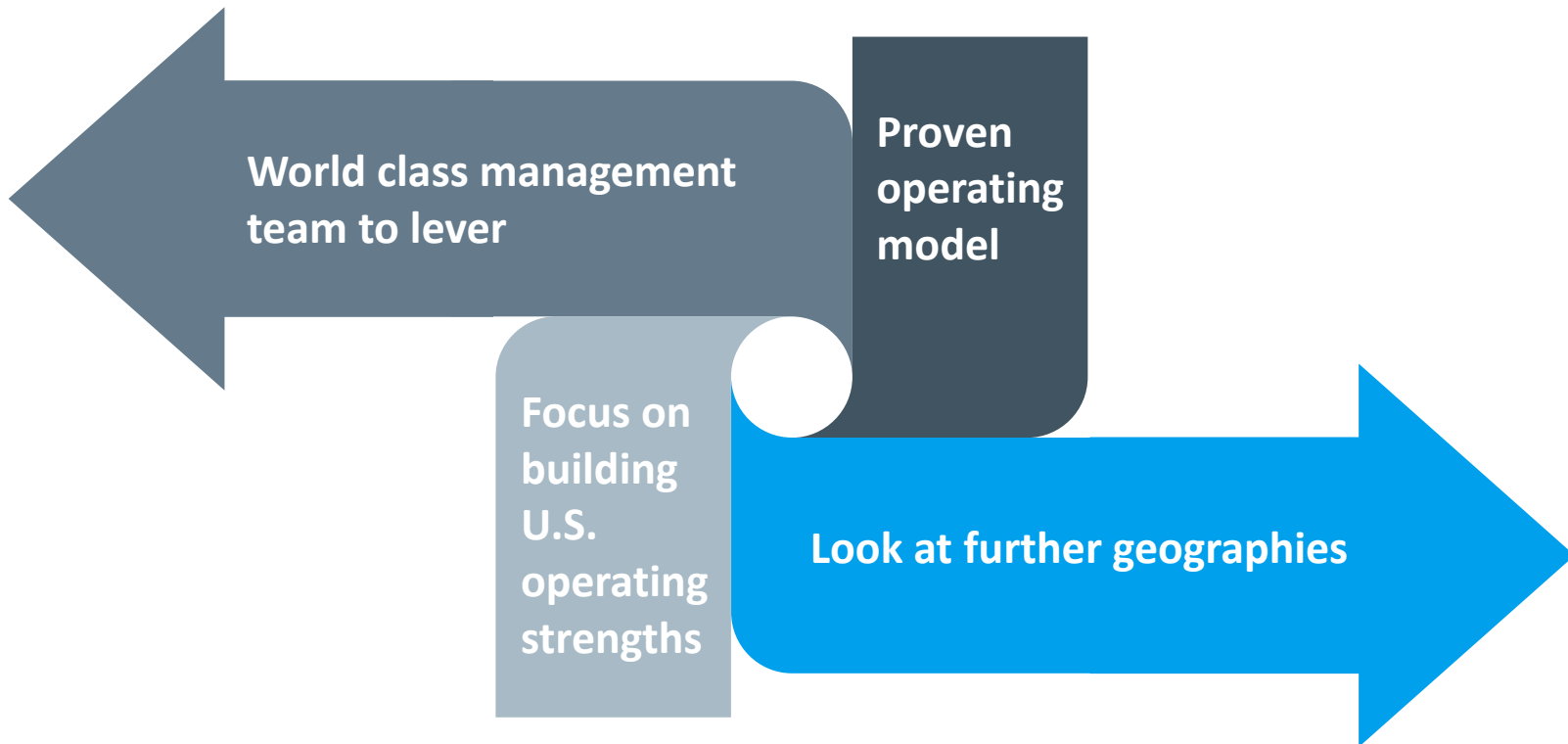


European Strategy





Latin and South America Strategy

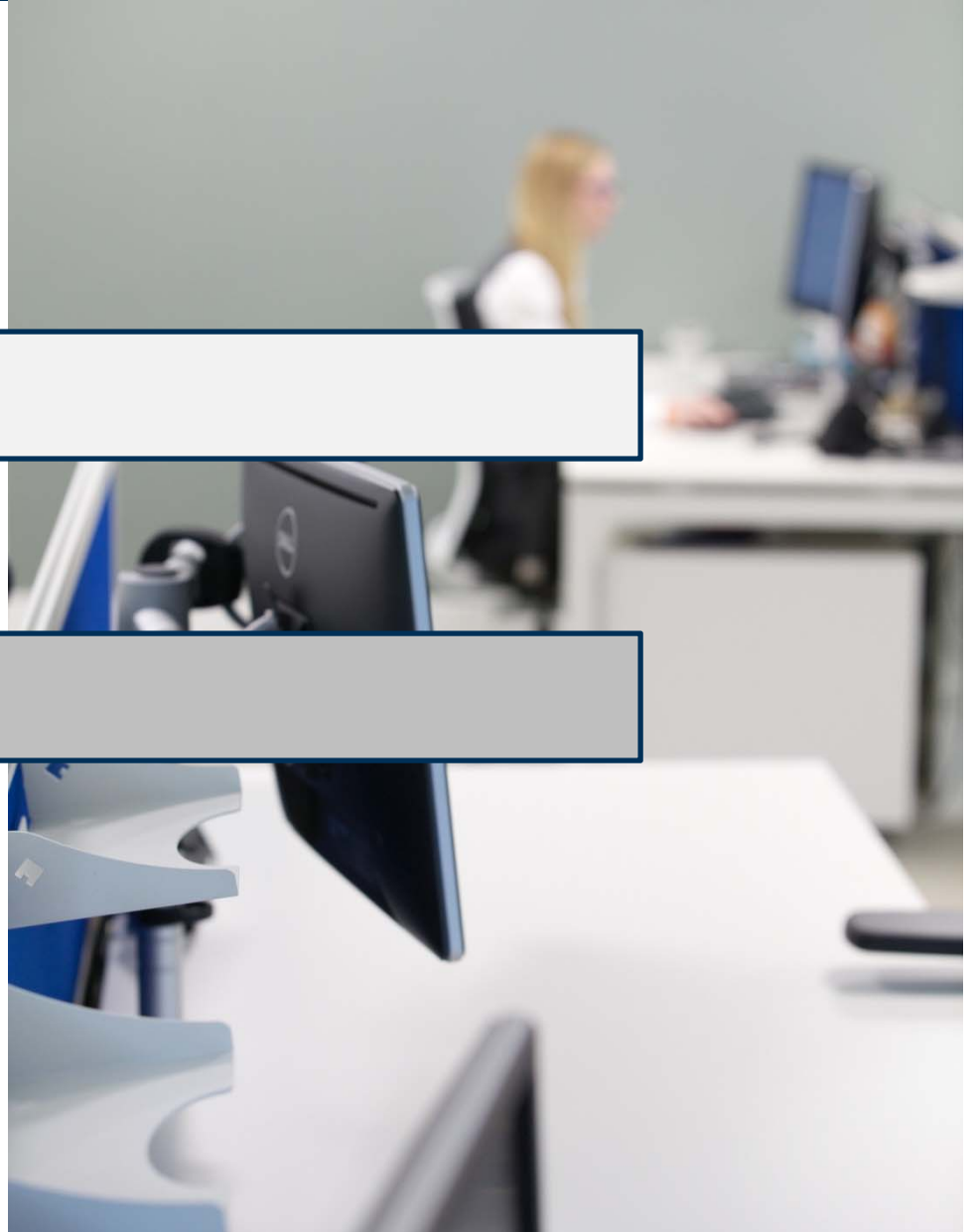




Agenda

Strategy

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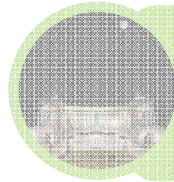
Recent Hot Topics



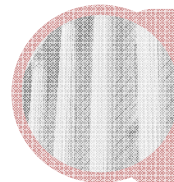
Insolvency Collections



Accounting Questions



Performance in Italy



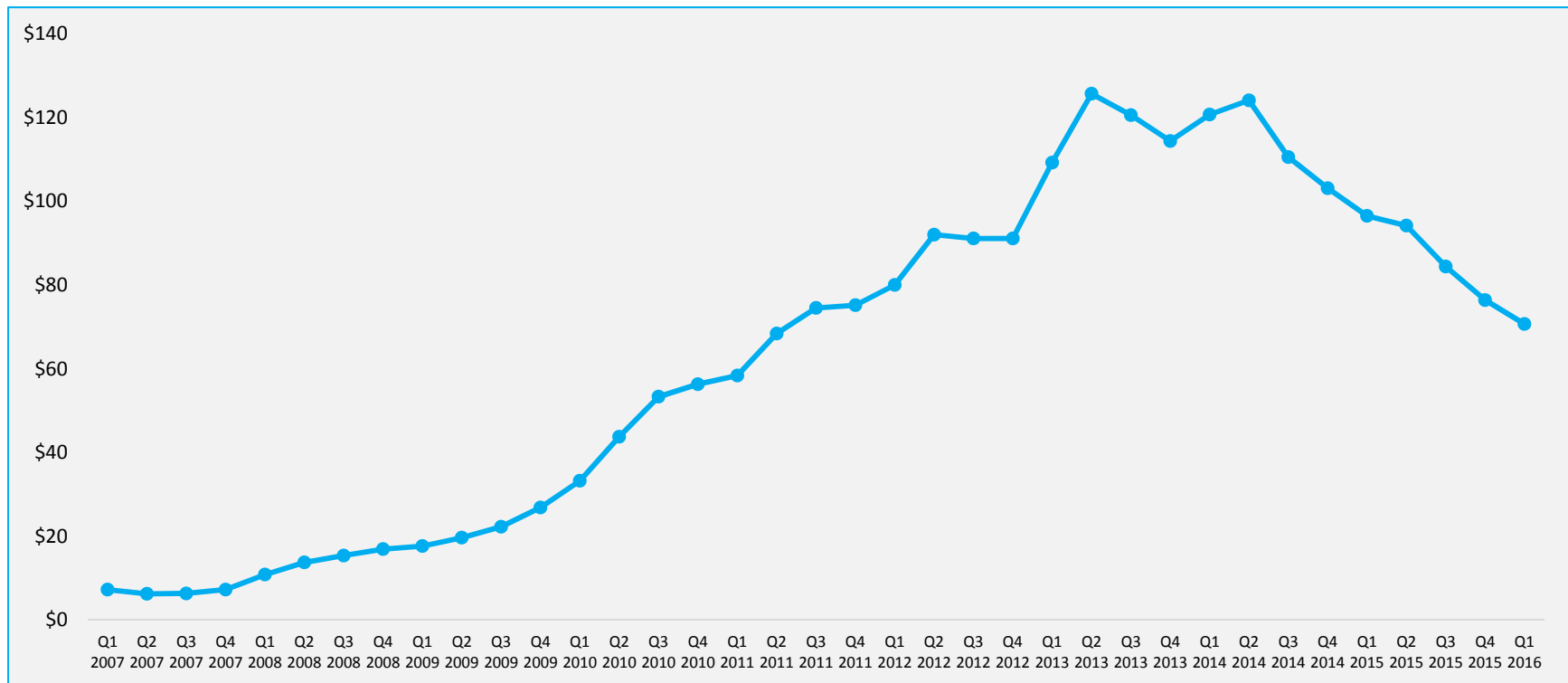
Legal Collection
Process in U.S.



Insolvency Cash Collections by Quarter

(\$ in millions)

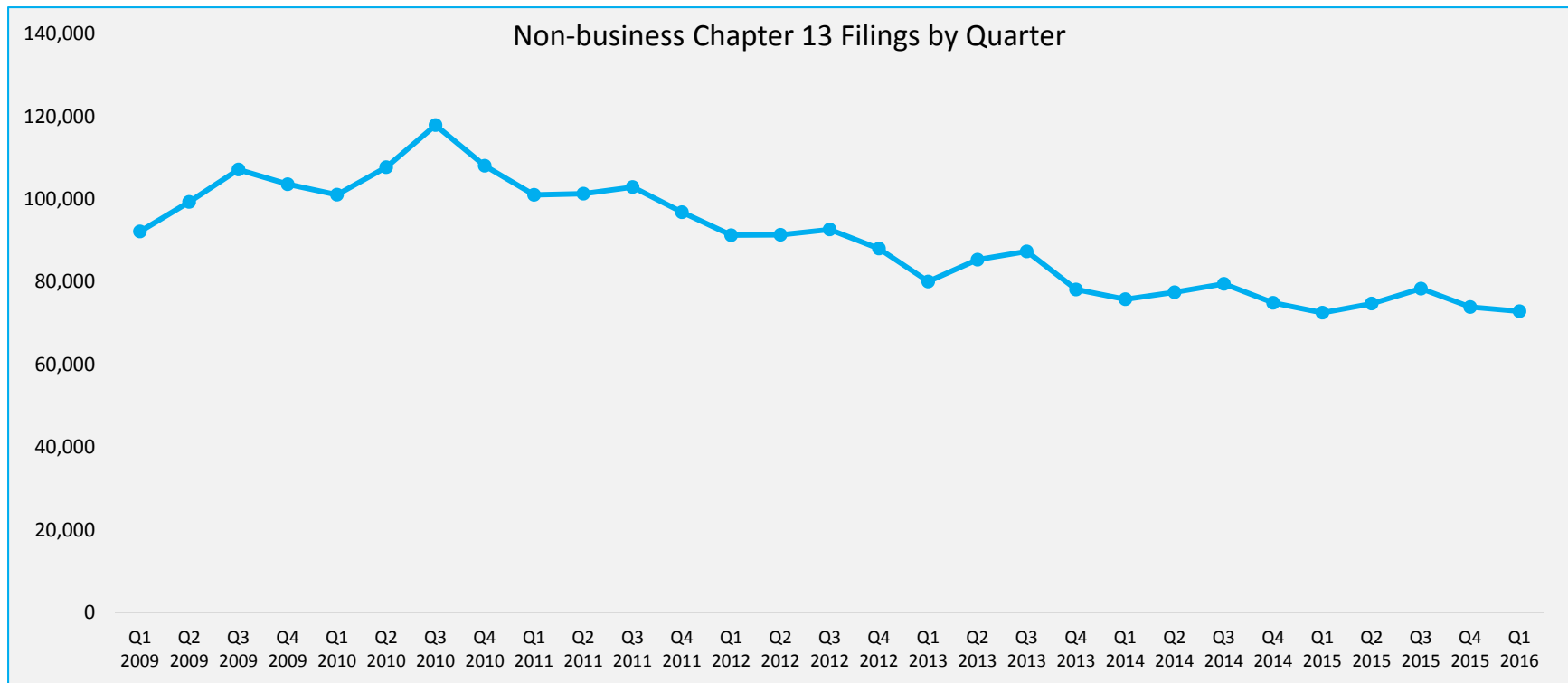
Insolvency Cash Collections Peaked in 2013-2014





Decreased Supply in Insolvency in U.S.

Decline in Chapter 13 filings and sellers out of the market has significantly decreased supply



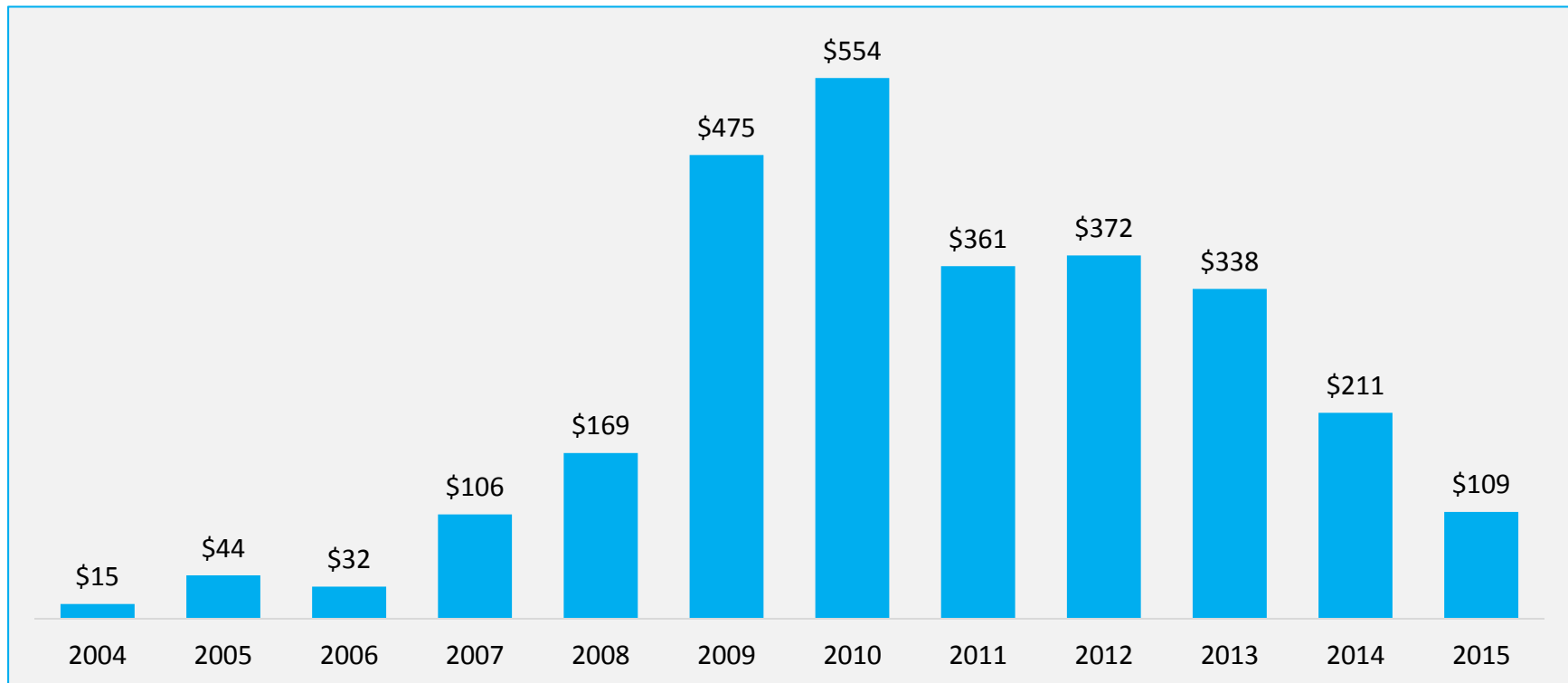
Source: U.S. Bankruptcy Courts, Table F-2 (three months)



Insolvency Total Estimated Collections Purchased by Year

(\$ in millions)

Operations are solid, TEC purchased declining since 2013



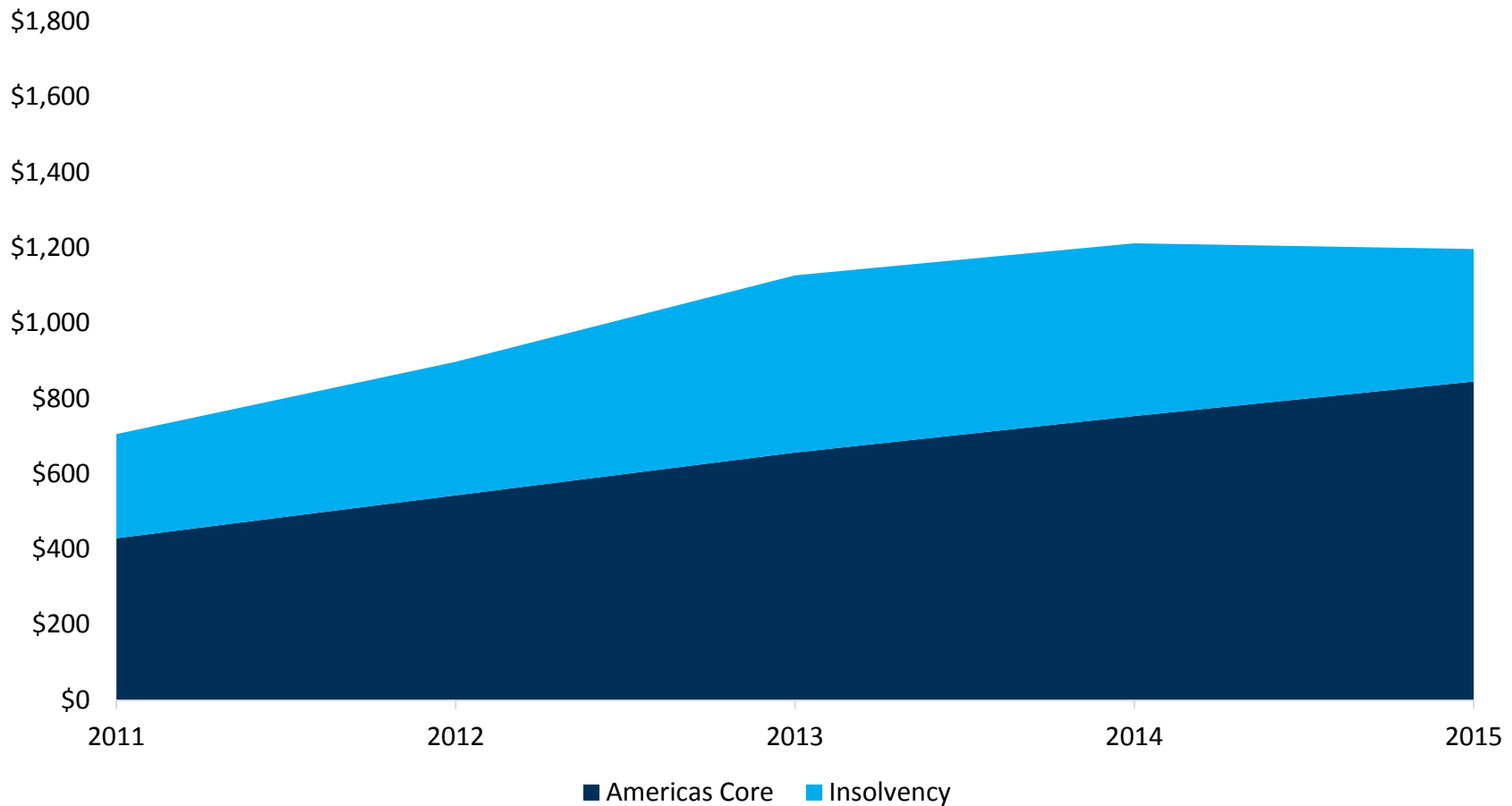
NOTE: Insolvency Total Estimated Collections is as of March 31, 2016 and includes both Americas and Europe



Cash Collection Impact from Insolvency is Significant

(\$ in millions)

Insolvency collections contracting due to lack of supply in US

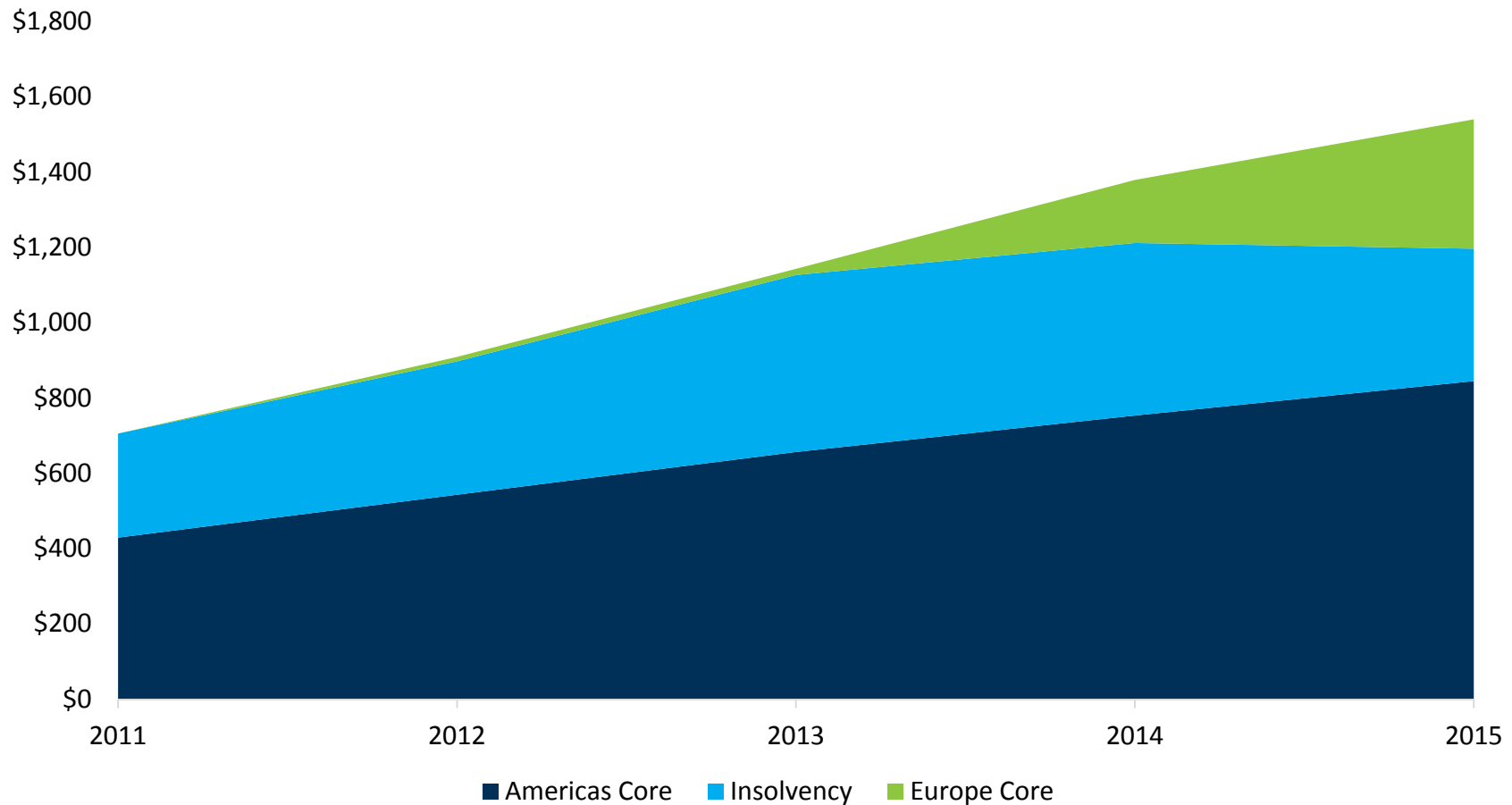




Cash Collection Impact from Insolvency is Significant

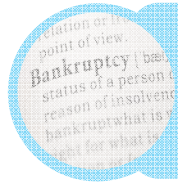
(\$ in millions)

Core growing nicely especially with addition of Europe





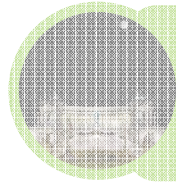
Recent Hot Topics



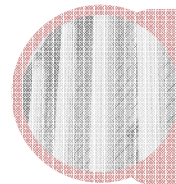
Insolvency Collections



Accounting Questions



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Process in U.S.



Accounting Standard – ASC 310-30

“...if actual cash flows are significantly greater than cash flows previously expected, the investor shall:

1. Reduce any remaining valuation allowance...
2. Recalculate the amount of accretable yield for the loan as the excess of the revised cash flows expected to be collected over the sum of the initial investment less cash collected less write-downs plus amount of yield accreted to date.”

310-30-35 Subsequent Measurement

General Note: The Subsequent Measurement Section provides guidance on an entity's subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, fair value adjustments, depreciation and amortization, and so forth.

>> Loan Not Accounted for as a Debt Security

35-10 An investor shall continue to estimate cash flows expected to be collected over the life of the loan. If, upon subsequent evaluation that is based on current information and events, it is probable that:

a. The investor is unable to collect all cash flows expected at acquisition plus additional cash flows expected to be collected arising from changes in estimate after acquisition (in accordance with (b)(2)), then the loan shall be considered impaired for purposes of applying Topic 450 or, if applicable, this Topic. For purposes of applying paragraphs 310-10-35-10 through 35-11 to a loan within the scope of this Subtopic, the phrase *all amounts due according to the contractual terms* shall be read *all cash flows originally expected to be collected by the investor plus any additional cash flows expected to be collected arising from changes in estimate after acquisition*.

b. There is a significant increase in cash flows previously expected to be collected or if actual cash flows are significantly greater than cash flows previously expected, the investor shall:

1. Reduce any remaining valuation allowance (or allowance for loan losses) for the loan established after its acquisition for the increase in the present value of cash flows expected to be collected
2. Recalculate the amount of accretable yield for the loan as the excess of the revised cash flows expected to be collected over the sum of the initial investment less cash collected less write-downs plus amount of yield accreted to date.

35-11 The investor shall adjust the amount of accretable yield by reclassification from nonaccretable difference. The adjustment shall be accounted for as a change in estimate in conformity with Topic 250 with the amount of periodic accretion adjusted over the remaining life of the loan. The resulting yield shall be used as the effective interest rate in any subsequent application of (a) in the preceding paragraph.

“The investor shall adjust the amount of accretable yield by reclassification from nonaccretable difference. The adjustment shall be accounted for as a change in estimate in conformity with Topic 250 with the amount of periodic accretion adjusted over the remaining life of the loan. The resulting yield shall be used as the effective interest rate in any subsequent application ...”



Purchase Price Multiples Over Time – Core Americas

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Q1 2016
1996	2.95	2.99	3.04	3.10	3.17	3.20	3.22	3.26	3.29	3.33	3.32	3.32	3.32	3.33	3.33
1997	2.81	2.85	2.95	3.07	3.14	3.18	3.23	3.27	3.30	3.32	3.33	3.33	3.33	3.34	3.34
1998	2.68	2.75	2.88	3.04	3.13	3.21	3.26	3.31	3.34	3.37	3.39	3.39	3.38	3.40	3.41
1999	2.81	2.88	3.02	3.18	3.28	3.39	3.47	3.57	3.62	3.66	3.70	3.70	3.69	3.70	3.71
2000	2.92	3.19	3.49	3.76	3.99	4.25	4.30	4.46	4.56	4.64	4.71	4.74	4.73	4.74	4.74
2001	3.02	3.34	3.86	4.41	4.55	4.77	4.84	4.91	5.11	5.19	5.29	5.33	5.35	5.38	5.38
2002	2.61	2.92	3.28	3.60	3.83	4.01	4.19	4.29	4.50	4.60	4.76	4.80	4.82	4.86	4.86
2003	----	2.49	2.71	3.11	3.44	3.75	3.83	3.92	4.12	4.22	4.43	4.44	4.47	4.47	4.48
2004	----	----	2.28	2.54	2.83	3.17	3.24	3.23	3.37	3.48	3.68	3.70	3.70	3.70	3.71
2005	----	----	----	2.21	2.32	2.42	2.43	2.41	2.35	2.33	2.39	2.46	2.56	2.56	2.57
2006	----	----	----	----	2.25	2.25	2.18	2.16	2.07	2.07	2.04	2.09	2.19	2.21	2.20
2007	----	----	----	----	----	2.27	2.19	2.22	2.19	2.22	2.24	2.34	2.47	2.51	2.50
2008	----	----	----	----	----	----	2.20	2.15	2.13	2.08	2.08	2.14	2.25	2.28	2.28
2009	----	----	----	----	----	----	----	2.52	2.82	3.09	3.26	3.39	3.61	3.62	3.66
2010	----	----	----	----	----	----	----	----	2.47	2.76	3.16	3.43	3.57	3.54	3.62
2011	----	----	----	----	----	----	----	----	----	2.45	2.75	3.28	3.41	3.42	3.42
2012	----	----	----	----	----	----	----	----	----	----	2.26	2.48	2.79	2.77	2.76
2013	----	----	----	----	----	----	----	----	----	----	----	2.11	2.39	2.68	2.66
2014	----	----	----	----	----	----	----	----	----	----	----	----	2.04	2.43	2.47
2015	----	----	----	----	----	----	----	----	----	----	----	----	----	2.05	2.08
Q1 2016	----	----	----	----	----	----	----	----	----	----	----	----	----	----	1.90



Recent Hot Topics

Insolvency Collections

Accounting Questions

Performance in Italy

Legal Collection Process in U.S.



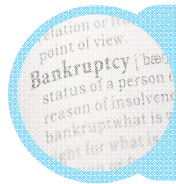
Performance in Italy

- Delayed process of establishing operations
- Performance of two larger pools began to suffer as legal collection process is a number of months behind plan
- Utilizing structure from RCB along with European and U.S. based talent to address
- Goal is to put PRA in best possible situation to be a competitive debt buyer in Italy





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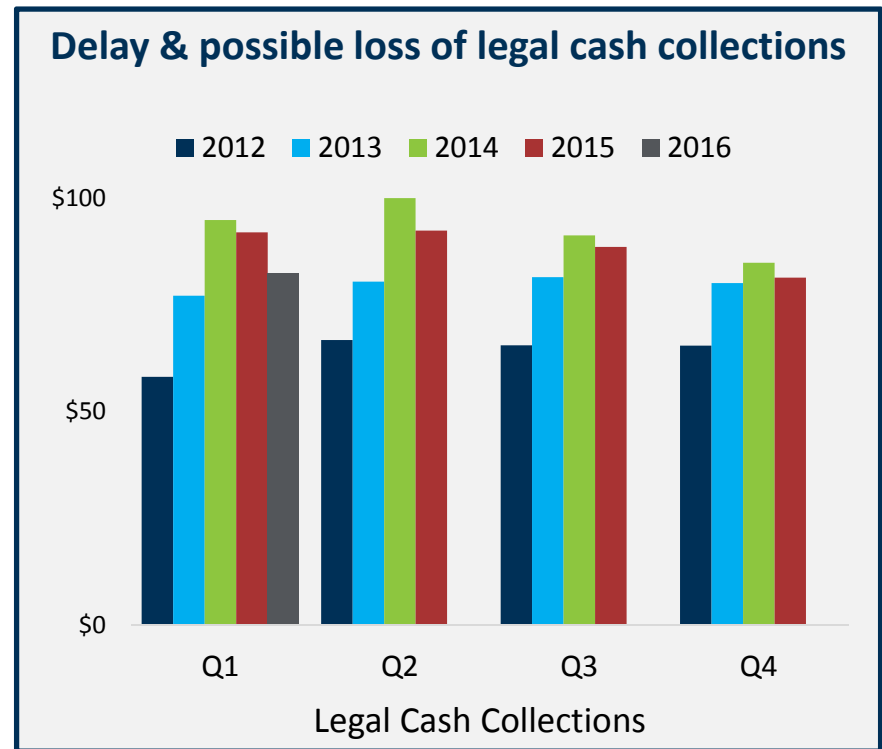


Legal Collection Process in U.S.



Impacts on Legal Collection Process in U.S.

Accounts remaining in call center, regulatory/legislative events, lawyers retooling systems & processes



We believe current trend of improving document access will contribute to greater efficiency in the legal recovery channel

PRA Group

