

## BANKRUPTCY SERVICES



### Bankruptcy Services set new records in 2010 with significant increases in both investment and collections.

A substantial portion of PRA's debt-purchasing business consists of the acquisition of bankrupt accounts. The business continues to build on extensive experience managing bankrupt accounts, leveraging its strong relationships with bankruptcy trustees and courts, our experienced bankruptcy staff, and a fully integrated proprietary bankrupt account management system (BMS) to maximize the profitability of Bankruptcy Services. Last year, the Bankruptcy Services business continued to be a strong growth engine for PRA. Bankruptcy Services' investment in purchased bankrupt accounts totaled \$217 million, a 34% increase over the \$163 million invested in 2009, and the business's cash collections

totaled \$187 million, a 116% increase. Both totals were new records for the Company. Purchases of bankrupt accounts represented 59% of PRA's total investment in debt last year, and collections from bankrupt accounts represented 35% of total cash collections. Bankrupt accounts that PRA acquires are primarily unsecured claims included in Chapter 13 bankruptcy cases. With its recent investments in purchased portfolios, constantly improving underwriting expertise, and operational efficiency and scale, PRA's Bankruptcy Services business is well positioned to produce continued growth in its cash collections and income contribution.