

PRA GROUP INC
 Form 10-Q
 May 08, 2015
 UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015.

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 000-50058

PRA Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	75-3078675
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

120 Corporate Boulevard, Norfolk, Virginia	23502
(Address of principal executive offices)	(zip code)

(888) 772-7326
 (Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☑ NO ..

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☑ NO ..

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ..

Non-accelerated filer .. Smaller reporting company ..

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES .. NO ☑

The number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of May 5, 2015
Common Stock, \$0.01 par value	48,320,549

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

PRA GROUP, INC.

CONSOLIDATED BALANCE SHEETS

March 31, 2015 and December 31, 2014

(unaudited)

(Amounts in thousands, except per share amounts)

	March 31, 2015	December 31, 2014
Assets		
Cash and cash equivalents	\$40,542	\$39,661
Investments	91,470	89,703
Finance receivables, net	1,954,772	2,001,790
Other receivables, net	16,834	12,959
Net deferred tax asset	5,771	6,126
Property and equipment, net	46,855	48,258
Goodwill	496,653	527,445
Intangible assets, net	10,042	10,933
Other assets	37,674	41,876
Total assets	\$2,700,613	\$2,778,751
Liabilities and Equity		
Liabilities:		
Accounts payable	\$7,838	\$4,446
Accrued expenses	69,250	89,361
Income taxes payable	22,120	11,020
Other liabilities	6,725	5,962
Net deferred tax liability	265,661	255,587
Interest bearing deposits	32,439	27,704
Borrowings	1,479,262	1,482,456
Total liabilities	1,883,295	1,876,536
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock, par value \$0.01, authorized shares, 2,000, issued and outstanding shares - 0	—	—
Common stock, par value \$0.01, 100,000 authorized shares, 48,320 issued and outstanding shares at March 31, 2015, and 49,577 issued and outstanding shares at December 31, 2014	483	496
Additional paid-in capital	31,339	111,659
Retained earnings	964,145	906,010
Accumulated other comprehensive (loss)	(178,649) (115,950
Total stockholders' equity	817,318	902,215
Total liabilities and equity	\$2,700,613	\$2,778,751

The accompanying notes are an integral part of these consolidated financial statements.

PRA GROUP, INC.
CONSOLIDATED INCOME STATEMENTS
For the three months ended March 31, 2015 and 2014
(unaudited)
(Amounts in thousands, except per share amounts)

	Three Months Ended March	
	31,	
	2015	2014
Revenues:		
Income recognized on finance receivables, net	\$228,403	\$177,970
Fee income	13,053	15,608
Other revenue	3,750	344
Total revenues	245,206	193,922
Operating expenses:		
Compensation and employee services	65,271	51,385
Legal collection fees	13,691	10,833
Legal collection costs	20,854	26,533
Agent fees	8,261	1,450
Outside fees and services	12,797	10,791
Communications	10,418	8,963
Rent and occupancy	3,560	2,338
Depreciation and amortization	4,610	3,947
Other operating expenses	9,578	6,100
Total operating expenses	149,040	122,340
Income from operations	96,166	71,582
Other income and (expense):		
Interest income	147	1
Interest expense	(14,923)) (