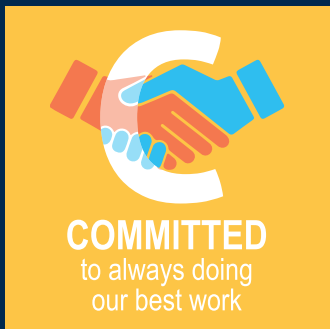


PRA CARES: Our core values come to life through five simple words.



GENDER PAY GAP REPORT 2018

PRA Group (UK) Limited

This report is for the snapshot date of 5 April 2018.

WHAT ARE THE UNDERLYING CAUSES OF PRA GROUP (UK) LIMITED GENDER PAY GAP?

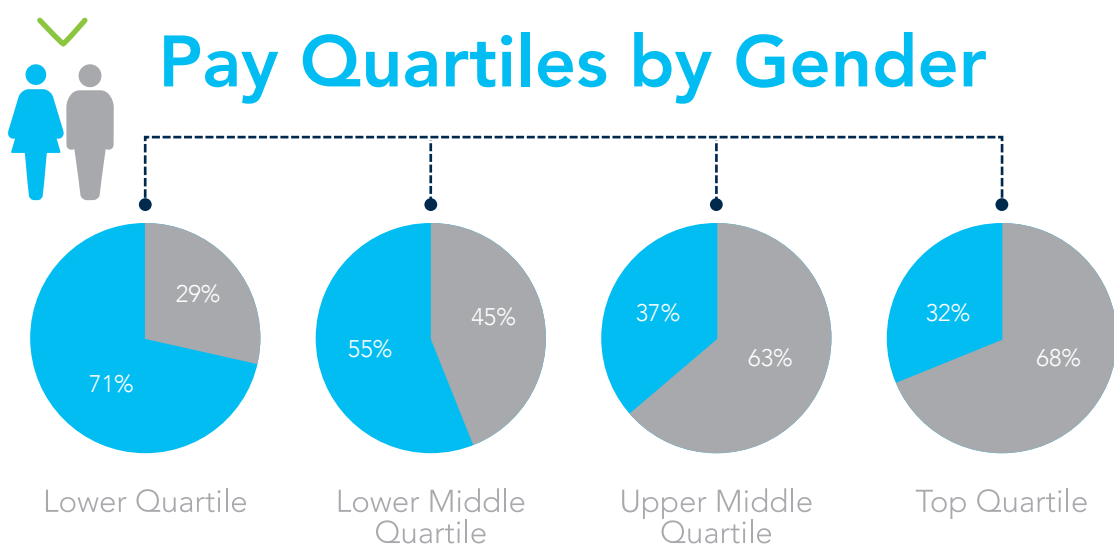
PRA Group is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. As such, the organisation pays employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). We carry out regular pay and benefit reviews to ensure this takes place.

The organisation is therefore confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather, its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Across the UK economy as a whole, men are more likely than women to be in senior roles (especially executive roles), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical and IT-related roles, which attract higher rates of pay than other roles at similar levels of seniority.

Whilst we are pleased with some improvement from last year, the pattern from the UK economy as a whole is reflected in PRA Group (UK) Limited, where the majority of front-line employees are women, while the majority of senior manager roles are held by men including the European executive team who are predominately based in the UK. In addition, the organisations increasing focus and investment in IT and Data & Analytics has resulted in male dominated hiring due to the external talent pool that is available.

This can be seen below in the Pay Quartiles by Gender. Our workforce is divided into four equal-sized groups based on hourly pay rates. During this period the organisation hired 164 roles, 85% in the front-line of which 67% are female. In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band.



PRA Group (UK) Limited has an approach of ensuring the best person for the role is appointed, internal or external, male or female. However, we have changed some hiring practices to ensure we have gender balance in our candidate pools and encourage female applicants by promoting options of flexible working. As a result, over the past 18 months we have appointed 6 female leaders in the UK. We have also developed our internal talent and increased responsibilities of a number of existing female leaders. We will continue to encourage this as and when opportunities arise.

The proportion of male employees receiving a bonus is 84% and the proportion of female employees receiving a bonus is 73%.

We apply the same bonus eligibility rules to all employees. A detailed review confirms this is the reason for the gap in receiving a bonus, for example new joiners in operations who were not eligible for incentives at the snapshot date.

We are required to calculate the gender bonus gap including part-time workers which impacts the bonus gap, as 84% of our part time workers are female and bonuses are therefore prorated accordingly. Part time working is very popular particularly with our female employees and something we will continue to promote.

WHAT DO OUR EMPLOYEES SAY?

We are delighted to see that 89% of our UK employees confirm they believe employees are treated fairly regardless of differences in race, gender, age religion, sexual orientation, via our engagement survey and overall engagement in the UK is at 79%. These scores are overwhelmingly positive and reaffirm our belief of equality at PRA Group (UK) Limited.

	RATE OF PAY		BONUS	
	MEAN	MEDIAN	MEAN	MEDIAN
2018	37%	31%	84%	69%
2017	39%	41%	76%	31%

Mean Pay Gap – is the difference in the average pay or bonus
Median Pay Gap – is the difference in pay or bonus at the midpoint

Despite these great engagement scores, the organisation is not complacent and it is committed to doing everything that it can to reduce the gap whilst recognising limited scope to act in some areas, for example talent pools available in the external market and diversity in STEM subjects.

Gender pay gap is a challenge for the Financial Services Industry as whole and any initiatives may take several years before having any impact. In the meantime, PRA Group (UK) Limited is committed to reporting on an annual basis the progress that it is making.

IN THE COMING YEAR, THE ORGANISATION IS COMMITTED TO:

- > Continue to review and audit all compensations decisions to ensure they are fair and equitable
- > Support part time working and flexible arrangements, including when hiring external candidates
- > Support internal employees with opportunities and development in order to progress
- > Strive for gender balanced candidate pools

Joanna Liddle
HR Director Europe



The data referenced in this report relates to PRA Group UK Ltd and I can confirm that the information is accurate.