

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

PACCAR FINANCIAL CORP

CIK: **731288** | IRS No.: **916029712** | State of Incorpor.: **WA** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-11677** | Film No.: **05789381**
SIC: **6153** Short-term business credit institutions

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**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, 2005**

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For transition period from _____ to _____

Commission File No. **0-12553**

PACCAR FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

Washington

(State or other jurisdiction of
incorporation or organization)

91-6029712

(I.R.S. Employer Identification No.)

777 - 106th Ave. N.E., Bellevue, WA

(Address of principal executive offices)

98004

(Zip code)

(425) 468-7100

(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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Common Stock, \$100 par value—145,000 shares as of April 30, 2005

FORM 10-Q
PACAR FINANCIAL CORP.

INDEX

PART I. FINANCIAL INFORMATION:

ITEM 1. FINANCIAL STATEMENTS:

Statements of Income and Retained Earnings–
Three Months Ended March 31, 2005 and 2004 (Unaudited)

Balance Sheets–
March 31, 2005 (Unaudited), and December 31, 2004

Statements of Cash Flows–
Three Months Ended March 31, 2005 and 2004 (Unaudited)

Notes to Financial Statements (Unaudited)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

ITEM 4. CONTROLS AND PROCEDURES

PART II. OTHER INFORMATION:

ITEM 6. EXHIBITS

SIGNATURES

INDEX TO EXHIBITS

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Statements of Income and Retained Earnings (Unaudited)

(Millions of Dollars)

Three Months Ended March 31	2005	2004
Interest and fee income	\$ 55.0	\$ 47.4
Operating lease and rental income	27.0	18.3
Insurance premiums and other revenue	9.1	6.3
TOTAL INTEREST AND OTHER REVENUE	91.1	72.0
Interest and other borrowing expenses	21.3	16.8
Depreciation and other operating lease and rental expenses	22.6	15.1
Insurance claims and other expenses	4.6	4.1
Selling, general and administrative expenses	11.9	11.1
Provision for losses on receivables	1.1	.5
TOTAL EXPENSES	61.5	47.6
INCOME BEFORE INCOME TAXES	29.6	24.4
Income taxes	11.3	9.3
NET INCOME	18.3	15.1
RETAINED EARNINGS AT BEGINNING OF PERIOD	473.5	473.3
Cash dividends paid	-	69.0
RETAINED EARNINGS AT END OF PERIOD	\$ 491.8	\$ 419.4

Earnings per share and dividends per share are not reported because the Company is a wholly-owned subsidiary of PACCAR Financial Services Corporation.

See Notes to Financial Statements.

Balance Sheets	March 31	December 31
(Millions of Dollars)	2005	2004*
	(Unaudited)	
ASSETS		
Cash	\$ 16.1	\$ 18.2
Finance and other receivables, net of allowance for losses (2005 - \$67.8 and 2004 - \$67.1)	3,501.4	3,423.8
Loans to PACCAR Inc and affiliates	135.3	129.1
Equipment on operating leases, net of depreciation (2005 - \$85.3 and 2004 - \$73.4)	344.5	357.8
Other assets	77.9	41.8
TOTAL ASSETS	\$ 4,075.2	\$ 3,970.7
LIABILITIES		

Accounts payable, accrued expenses and other	\$ 140.8	\$ 133.3
Commercial paper	1,072.7	1,050.8
Medium-term notes	1,840.0	1,830.0
Income taxes – current and deferred	310.6	281.5
TOTAL LIABILITIES	\$ 3,364.1	\$ 3,295.6
STOCKHOLDER' S EQUITY		
Preferred stock, par value \$100 per share, 6% noncumulative and nonvoting, 450,000 shares authorized, 310,000 shares issued and outstanding	\$ 31.0	\$ 31.0
Common stock, par value \$100 per share, 200,000 shares authorized, 145,000 shares issued and outstanding	14.5	14.5
Additional paid-in capital	157.7	150.7
Retained earnings	491.8	473.5
Accumulated other comprehensive income	16.1	5.4
TOTAL STOCKHOLDER' S EQUITY	711.1	675.1
TOTAL LIABILITIES AND STOCKHOLDER' S EQUITY	\$ 4,075.2	\$ 3,970.7

*The December 31, 2004 balance sheet has been derived from audited financial statements.

See Notes to Financial Statements.

Statements of Cash Flows (Unaudited)

(Millions of Dollars)

Three Months Ended March 31	2005	2004
OPERATING ACTIVITIES		
Net income	\$ 18.3	\$ 15.1
Items included in net income not affecting cash:		
Depreciation and amortization	17.3	10.9
Benefit for deferred taxes	(9.1)	(11.8)
Provision for losses on receivables	1.1	.5
Increase in payables and other	8.7	7.5
NET CASH PROVIDED BY OPERATING ACTIVITIES	36.3	22.2
INVESTING ACTIVITIES		
Finance and other receivables originated	(358.0)	(304.9)
Collections on finance and other receivables	325.6	323.9

Net increase in wholesale receivables	(34.1)	(2.6)
Net (increase) decrease in loans to PACCAR Inc and affiliates	(6.2)	50.4
Acquisition of equipment on operating leases, primarily from PACCAR Inc	(9.2)	(8.9)
Proceeds from disposal of equipment	5.5	3.7
Acquisition of equipment	–	(.1)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(76.4)	61.5
FINANCING ACTIVITIES		
Net increase (decrease) in commercial paper	21.9	(112.0)
Proceeds from medium-term notes	200.0	250.0
Payments of medium-term notes	(190.0)	(150.0)
Dividends paid	–	(69.0)
Payment of advances (to) from PACCAR Inc	(.9)	.9
Capital contributions	7.0	6.9
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	38.0	(73.2)
NET (DECREASE) INCREASE IN CASH	(2.1)	10.5
CASH AT BEGINNING OF PERIOD	18.2	5.5
CASH AT END OF PERIOD	\$ 16.1	\$ 16.0

See Notes to Financial Statements.

Notes to Financial Statements

(Millions of Dollars)

NOTE A – Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. However, in the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the financial statements and footnotes included in PACCAR Financial Corp.'s (the "Company") Annual Report on Form 10-K for the year ended December 31, 2004.

Reclassifications: Certain prior year amounts have been reclassified to conform to the 2005 presentation.

NOTE B – Transactions with PACCAR Inc and Affiliates

The Company and PACCAR Inc ("PACCAR") are parties to a Support Agreement that obligates PACCAR to provide, when required, financial assistance to the Company to ensure that the Company maintains a ratio of net earnings available for fixed charges to fixed charges (as defined) of at least 1.25 to 1 for any fiscal year. The required ratio for the three months ended March 31, 2005 and full year 2004 was met without assistance. The Company determines the amount of PACCAR assistance, if any, at the end of each fiscal year. The Support Agreement also requires PACCAR to own, directly or indirectly, all outstanding voting stock of the Company.

PACCAR Financial Services Corporation (“PFSC”) charges the Company for certain administrative services it provides and certain services the Company receives indirectly from PACCAR. The costs are charged to the Company based upon the Company’s specific use of the services at PFSC’s or PACCAR’s cost. Management considers these charges similar to the costs that would be incurred if the Company were on a stand-alone basis. PFSC recognizes certain of these administrative services as an additional investment in the Company. The Company records the investment as additional paid-in capital. There were no cash dividends declared or paid during the first quarter 2005. A cash dividend in the amount of \$69.0 was declared and paid during the first quarter 2004.

The Company’s principal office is located in the corporate headquarters building of PACCAR (owned by PACCAR). The Company also leases office space from two additional facilities owned by PACCAR and two facilities leased by PACCAR.

The Company’s employees are covered by a defined benefit pension plan, an unfunded post-retirement medical and life insurance plan, and a defined contribution plan sponsored by PACCAR. Separate allocations of defined benefit plan assets and obligations relating to the Company have not been made.

Periodically, the Company borrows funds from PACCAR and makes loans to PACCAR. Loans outstanding to PACCAR were \$19.9 and \$13.8 at March 31, 2005 and December 31, 2004, respectively. There were no loans outstanding from PACCAR at March 31, 2005. Loans outstanding from PACCAR were \$.9 at December 31, 2004.

PACCAR has issued letters of credit as of March 31, 2005 in the amount of \$8.7 on behalf of the Company to guarantee funds for payment to insured franchisees and their customers for any future insurance losses.

The Company periodically loans funds to certain foreign finance and leasing affiliates of PACCAR. These various affiliates have Support Agreements with PACCAR, similar to the Company’s Support Agreement. The foreign affiliates operate in the United Kingdom, The Netherlands, Mexico, Canada and Australia, and any resulting currency exposure is fully hedged. The foreign affiliates provide financing and leasing of PACCAR- manufactured trucks and related equipment sold through PACCAR’s independent dealer networks in Europe, Mexico, Canada and Australia. The Company will not make loans to the foreign affiliates in excess of the equivalent of \$375.0 United States dollars, unless the amount in excess of such limits is guaranteed by PACCAR. The Company periodically reviews the funding alternatives for these affiliates, and these limits may be revised in the future. There was a total of \$115.4 and \$115.3 in loans outstanding to foreign affiliates operating in the United Kingdom and The Netherlands at March 31, 2005 and December 31, 2004, respectively.

NOTE C – Stockholder’s Equity

Preferred Stock

The Company’s Articles of Incorporation provide that the 6% noncumulative, nonvoting preferred stock (100% owned by PFSC) is redeemable only at the option of the Company’s Board of Directors.

Comprehensive Income

The components of comprehensive income, net of related tax, were as follows:

	Three Months Ended	
	March 31	
	2005	2004
Net income	\$ 18.3	\$ 15.1
Other comprehensive income:		
Unrealized net gain (loss) on derivative contracts	10.7	(1.1)

Accumulated other comprehensive income of \$16.1 and \$5.4 at March 31, 2005 and December 31, 2004, respectively, is comprised of the unrealized net gain on derivative contracts.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Millions of Dollars)

Results of Operations

The Company's net income increased 21% to \$18.3 for the first quarter of 2005 from \$15.1 for the first quarter of 2004. The profit improvement primarily resulted from a higher finance margin (revenues minus borrowing, lease and insurance expenses) due to an increase in average earning assets. In the first quarter of 2005, average earning assets increased 18% to \$3,714.1 from \$3,138.9 in the first quarter of 2004. This was due to higher new loan and lease volume from higher truck production and the resulting increase in units financed. Interest income and expense in the first quarter of 2005 were higher from growth in the portfolio and higher market interest rates. Operating lease revenue and related depreciation have increased due to an increase in operating leases in the past year. In addition, increased revenue from insurance premiums and used equipment dispositions contributed to growth in interest and other revenues.

The following table summarizes the activity in the Company's allowance for losses on receivables and presents related ratios:

Allowance for Losses

	Three Months Ended March 31 2005	Year Ended December 31 2004	Three Months Ended March 31 2004
Balance at beginning of period	\$ 67.1	\$ 67.4	\$ 67.4
Provision for losses	1.1	4.3	.5
Credit losses net of recoveries	(.4)	(4.6)	(1.1)
Balance at end of period	<u>\$ 67.8</u>	<u>\$ 67.1</u>	<u>\$ 66.8</u>
Ratios:			
Credit losses net of recoveries (\$.4 in 2005) to average net receivables (\$3,359.4 in 2005) annualized for March 31, 2005 and 2004	.04 %	.15 %	.16 %
Allowance for losses (\$67.8 in 2005) to period-end net receivables (\$3,453.4 in 2005)	1.96 %	1.98 %	2.26 %
Period-end finance and lease receivables and leases past due, over 60 days, (\$14.6 in 2005) to period-end retail contracts and lease receivables (\$3,210.3 in 2005)	.45 %	.52 %	1.03 %

Company Outlook

The future profitability of the Company is primarily dependent on the generation of new business and on the level of credit losses experienced. Asset growth is contingent upon continued improvement in the general economy and the resulting increase in truck sales financed and the impact of increased competition. Some economic weakness, as well as continuing high fuel and insurance costs and higher interest rates, could exert pressure on the profit margins of truck operators and could cause higher levels of past-due accounts and repossessions, which could result in higher credit losses.

Funding and Liquidity

The Company manages its capital structure consistent with industry standards. Since 1983, the Company has registered debt securities under the Securities Act of 1933 for offering to the public. In December 2003, the Company filed a shelf registration statement under which \$3,000.0 of medium-term notes could be issued as needed. As of March 31, 2005, \$1,650.0 of such securities were available for issuance.

The Company believes that it has sufficient financial capabilities to continue funding receivables and servicing debt through internally generated funds, access to public and private debt markets, lines of credit and other financial resources.

The Company's investment grade credit ratings continue to provide access to capital markets at competitive interest rates. The Company's debt ratings at March 31, 2005 are as follows:

	<u>Moody's</u>	<u>Standard and Poor's</u>
Commercial paper	P-1	A-1+
Senior unsecured debt	A1	AA-

The Company participates with PACCAR and certain other PACCAR affiliates in syndicated credit facilities of \$1,500.0 at March 31, 2005 of which \$750.0 expires in July 2005 and \$750.0 expires in July 2006. PACCAR intends to replace these credit facilities as they expire with facilities of similar amounts. Of the \$1,500.0 in syndicated credit facilities, \$1,350.0 is available for use by the Company and/or PACCAR and certain other PACCAR affiliates. The remaining \$150.0 is only available for use by PACCAR's Canadian subsidiaries. These credit facilities are used to provide backup liquidity for the Company's commercial paper and maturing medium-term notes. The Company is liable only for its own borrowings under these credit facilities. There were no borrowings under these credit facilities in the three months ended March 31, 2005 and the year ended December 31, 2004.

Other information on liquidity, sources of capital, and contractual cash commitments as presented in the Company's 2004 Annual Report on Form 10-K continues to be relevant.

Forward Looking Statements

Certain information presented in this Form 10-Q contains forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties that may affect actual results. Risks and uncertainties include, but are not limited to: national and local economic, political and industry conditions; changes in the levels of new business volume due to unit fluctuations in new PACCAR truck sales; changes in competitive factors; changes affecting the profitability of truck owners and operators; price changes impacting equipment costs and residual values; changes in costs and availability of external funding sources; and legislation and governmental regulation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There was no reportable information during the three months ended March 31, 2005.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the principal executive officer and principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended) as of March 31, 2005 ("Evaluation Date"). Based on that evaluation, the principal executive officer and principal financial officer of the Company concluded that the disclosure controls and procedures in place at the Company were adequate to ensure that information required to be disclosed by the Company, including its consolidated subsidiaries (the Company has no subsidiaries), in reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported on a timely basis in accordance with applicable rules and regulations. There have been no significant changes in the Company's internal controls over financial reporting during the first quarter of 2005 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

For Items 1, 2, 3, 4 and 5, there was no reportable information during the three months ended March 31, 2005.

ITEM 6. EXHIBITS

Any exhibits filed herewith as part of this report are listed in the accompanying Index to Exhibits.

10

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PACCAR Financial Corp.

(Registrant)

Date May 2, 2005

By /s/ Timothy M. Henebry

Timothy M. Henebry
President
(Authorized Officer)

By /s/ Brice J. Poplawski

Brice J. Poplawski
Controller
(Chief Accounting Officer)

11

FORM 10-Q
PACCAR FINANCIAL CORP.

INDEX TO EXHIBITS

Exhibits (in order of assigned index numbers)

- 3.1 Restated Articles of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K dated March 26, 1985. Amendment incorporated by reference to Exhibit 19.1 to the Company's Quarterly Report on Form 10-Q dated August 13, 1985, File Number 0-12553).
- 3.2 By-laws of the Company, as amended (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form 10 dated October 20, 1983, File Number 0-12553).
- 4.1 Indenture for Senior Debt Securities dated as of December 1, 1983 and first Supplemental Indenture dated as of June 19, 1989 between the Company and Citibank, N.A. (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K dated March 26, 1984, File Number 0-12553 and Exhibit 4.2 to the Company's Registration Statement on Form S-3 dated June 23, 1989, Registration Number 33-29434).
- 4.5 Forms of Medium-Term Note, Series J (incorporated by reference to Exhibits 4.2A and 4.2B to the Company's Registration Statement on Form S-3 dated March 2, 2000, Registration Number 333-31502).
- Form of Letter of Representation among the Company, Citibank, N.A. and The Depository Trust Company, Series J (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3 dated March 2, 2000, Registration Number 333-31502).
- 4.6 Forms of Medium-Term Note, Series K (incorporated by reference to Exhibits 4.2A and 4.2B to the Company's Registration Statement on Form S-3 dated December 23, 2003, Registration Number 333-111504).
- Form of Letter of Representation among the Company, Citibank, N.A. and The Depository Trust Company, Series K (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3 dated December 23, 2003, Registration Number 333-111504).
- 10.1 Support Agreement between the Company and PACCAR dated as of June 19, 1989 (incorporated by reference to Exhibit 28.1 to the Company's Registration Statement on Form S-3 dated June 23, 1989, Registration Number 33-29434).

- 12.1 Statement re: computation of ratio of earnings to fixed charges of the Company pursuant to SEC reporting requirements for the three-month periods ended March 31, 2005 and 2004.
- 12.2 Statement re: computation of ratio of earnings to fixed charges of the Company pursuant to the Support Agreement between the Company and PACCAR for the three-month periods ended March 31, 2005 and 2004.
- 12.3 Statement re: computation of ratio of earnings to fixed charges of PACCAR and subsidiaries pursuant to SEC reporting requirements for the three-month periods ended March 31, 2005 and 2004.
- 31.1 Rule 13a-14(a)/15d-14(a) Certification - Certification of Principal Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification - Certification of Principal Financial Officer.

32.1 Section 1350 Certifications - Certification pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. section 1350).

Other exhibits listed in Item 601 of Regulation S-K are not applicable.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES**PURSUANT TO SEC REPORTING REQUIREMENTS (1)**(Millions of Dollars)

	Three Months Ended	
	March 31	
	<u>2005</u>	<u>2004</u>
FIXED CHARGES		
Interest expense	\$ 20.1	\$ 15.9
Portion of rentals deemed interest	<u>.4</u>	<u>.3</u>
TOTAL FIXED CHARGES	\$ 20.5	\$ 16.2
EARNINGS		
Income before income taxes	\$ 29.6	\$ 24.4
Fixed charges	<u>20.5</u>	<u>16.2</u>
EARNINGS AS DEFINED	\$ 50.1	\$ 40.6
RATIO OF EARNINGS TO FIXED CHARGES	2.44 X	2.51 X

(1) The method of computing the ratio of earnings to fixed charges shown above complies with SEC reporting requirements but differs from the method called for in the Support Agreement between the Company and PACCAR as shown in Exhibit 12.2.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES**PURSUANT TO THE SUPPORT AGREEMENT**
BETWEEN THE COMPANY AND PACCAR

(Millions of Dollars)

	Three Months Ended	
	March 31	
	2005	2004
FIXED CHARGES		
Interest expense	\$ 20.1	\$ 15.9
Facility and equipment rental	.5	.4
TOTAL FIXED CHARGES	\$ 20.6	\$ 16.3
EARNINGS		
Income before taxes	\$ 29.6	\$ 24.4
Depreciation	15.7	9.6
	45.3	34.0
Fixed charges	20.6	16.3
EARNINGS AS DEFINED	\$ 65.9	\$ 50.3
RATIO OF EARNINGS TO FIXED CHARGES	3.20 X	3.09 X

PACCAR and Subsidiaries**COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES****PURSUANT TO SEC REPORTING REQUIREMENTS**

(Millions of Dollars)

	Three Months Ended	
	March 31	
	2005	2004
FIXED CHARGES		
Interest expense - PACCAR and Subsidiaries (1)	\$ 40.7	\$ 32.3
Portion of rentals deemed interest	3.6	3.2
TOTAL FIXED CHARGES	\$ 44.3	\$ 35.5
EARNINGS		
Income before taxes - PACCAR and Subsidiaries (2)	\$ 416.1	\$ 278.6
Fixed charges	44.3	35.5
EARNINGS AS DEFINED	\$ 460.4	\$ 314.1
RATIO OF EARNINGS TO FIXED CHARGES	10.39X	8.85 X

(1) Exclusive of interest, if any, paid to PACCAR.

(2) Includes before-tax earnings of wholly-owned subsidiaries.

PACCAR Financial Corp.
CERTIFICATIONS

Exhibit 31.1

I, Mark C. Pigott, Chairman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PACCAR Financial Corp.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date May 2, 2005

/s/ Mark C. Pigott

Mark C. Pigott
Chairman
(Principal Executive Officer)

PACCAR Financial Corp.
CERTIFICATIONS

Exhibit 31.2

I, Michael A. Tembreull, Vice Chairman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PACCAR Financial Corp.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal controls over financial reporting.

Date May 2, 2005

/s/ Michael A. Tembreull

Michael A. Tembreull

Vice Chairman

**CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of PACCAR Financial Corp. (the "Company") on Form 10-Q for the quarter ended March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. section 1350), that to the best of our knowledge and belief:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date May 2, 2005

By /s/ Mark C. Pigott
Mark C. Pigott
Chairman
PACCAR Financial Corp.
(chief executive officer)

By /s/ Michael A. Tembreull
Michael A. Tembreull
Vice Chairman
PACCAR Financial Corp.
(chief financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
