

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

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### FILER

#### COMPUCREDIT CORP

CIK: **1068199** | IRS No.: **582336689** | State of Incorporation: **GA** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **000-25751** | Film No.: **06817061**  
SIC: **6141** Personal credit institutions

Mailing Address  
245 PERIMETER CENTER  
PARKWAY  
SUITE 600  
ATLANTA GA 30346

Business Address  
245 PERIMETER CENTER  
PARKWAY  
SUITE 600  
ATLANTA GA 30346  
7702066200

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 8, 2006

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**CompuCredit Corporation**

(Exact name of registrant as specified in its charter)

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**Georgia**  
(State or other jurisdiction  
of incorporation)

**000-25751**  
(Commission File Number)

**58-2336689**  
(I.R.S. Employer  
Identification No.)

**245 Perimeter Center Parkway, Suite 600, Atlanta, Georgia, 30346**  
(Address of principal executive offices)

**Registrant's telephone number, including area code: 770-206-6200**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

All of the information furnished in Items 2.02 and 9.01 of this report, including the accompanying exhibit, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, except to the extent expressly set forth by specific reference in such filing.

On May 8, 2006, CompuCredit Corporation (the “Company”) issued a press release reporting the financial results of the Company for the three months ended March 31, 2006. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits**

Exhibit 99.1 News release reporting results for the three months ended March 31, 2006, issued by Company on May 8, 2006.

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## 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.

COMPUCREDIT CORPORATION

Dated: May 8, 2006

By: /s/ J. Paul Whitehead

Name: J. Paul Whitehead, III

Title: Chief Financial Officer

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**EXHIBIT INDEX**

Form 8-K  
May 8, 2006

| <u>Exhibit No.</u> | <u>Description</u>  | <u>Filed</u>    |                     |
|--------------------|---|-----------------|---------------------|
|                    |   | <u>Herewith</u> | <u>By Reference</u> |
| 99.1               | News release reporting results for the three months ended March 31, 2006, issued by Company on May 8, 2006. | X               |                     |



## COMPU CREDIT REPORTS FIRST QUARTER EARNINGS

**ATLANTA, GA, May 8, 2006** - CompuCredit (NASDAQ: CCRT) reported first quarter 2006 managed earnings of \$54.8 million, or \$1.09 of managed earnings per common share on a fully diluted basis, as compared with \$38.5 million of managed earnings, or \$0.73 of managed earnings per common share on a fully diluted basis, for the first quarter of 2005.

Under GAAP, first quarter 2006 net income was \$30.7 million, or \$0.61 net income per common share on a fully diluted basis, as compared to first quarter 2005 net income of \$49.2 million, or \$0.94 net income per common share on a fully diluted basis.

“CompuCredit delivered excellent results in the first quarter with high return on assets, historically low losses, and strong new customer account growth,” said David G. Hanna, CompuCredit’s Chairman and Chief Executive Officer. He added, “We are very pleased with this start to the year, and we will continue to focus on the needs of our customers and expanding our product and service offerings throughout 2006.”

CompuCredit’s net interest margin was an all-time high of 25.0 percent in the first quarter of 2006, as compared to 20.8 percent for the first quarter of 2005 and 22.4 percent in the previous quarter. The adjusted charge-off rate was 7.1 percent in the first quarter of 2006, as compared to 6.9 percent for the first quarter of 2005 and 11.2 percent in the previous quarter. Also, as of March 31, 2006, the 60-plus day delinquency rate was 10.6 percent, as compared to 8.7 percent as of March 31, 2005 and 9.3 percent as of December 31, 2005.

Various references within this press release and the accompanying financial information are to CompuCredit’s managed receivables, which include its non-securitized receivables, together with the receivables underlying its off balance sheet securitization facilities. Financial, operating and statistical data based on these aggregate managed receivables are key to any evaluation of CompuCredit’s performance in managing (including underwriting, valuing purchased receivables, servicing and collecting) the portfolios of receivables reflected on CompuCredit’s balance sheet and underlying its securitization facilities. In allocating CompuCredit’s resources and managing its business, management relies heavily upon financial, operating and statistical data prepared on a so-called “managed basis.” It is also important to analysts, investors and others that CompuCredit provides selected metrics and data on a managed basis because this allows a comparison of CompuCredit to others within the specialty finance

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industry. Moreover, CompuCredit's management, analysts, investors and others believe it is critical that they understand the credit performance of the entire portfolio of CompuCredit's managed receivables because it reveals information concerning the quality of loan originations and the related credit risks inherent within the securitized portfolios and CompuCredit's retained interests in its securitization facilities.

Managed receivables data assume that none of the credit card receivables underlying CompuCredit's off balance sheet securitization facilities were ever transferred to securitization facilities and present the net credit losses and delinquent balances on the receivables as if CompuCredit still owned the receivables. Reconciliation of the managed receivables data to CompuCredit's GAAP financial statements requires: (1) recognition that a significant majority of CompuCredit's loans and fees receivable had been sold in securitization transactions as of March 31, 2006; (2) a look-through to CompuCredit's economic share of the receivables that it manages for its equity-method investees; (3) removal of CompuCredit's minority interest holders' interests in the managed receivables underlying CompuCredit's GAAP consolidated results; and (4) recognition that, prior to their re-securitization, CompuCredit's Fingerhut managed receivables were recorded at a \$0.0 basis in CompuCredit's GAAP financial statements.

CompuCredit's expectation with regards to expanding its product and service offerings is a forward-looking statement. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond CompuCredit's control. Actual results may differ materially from those suggested by the forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are the factors set forth in Item 1A, "Risk Factors" in CompuCredit's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006, changes in the general economy that might make originated and acquired receivables more difficult to collect (and future receivables less profitable), CompuCredit's ability to transfer acquired receivables to its systems and effectively collect them, changes in the laws and regulations, or the interpretation or application of such laws and regulations, to which CompuCredit and the financial institutions that issue credit products on its behalf are subject, and CompuCredit's ability to successfully integrate and grow acquired businesses. CompuCredit expressly disclaims any obligation to update any forward-looking statements except as may be required by law.

\* \* \* \* \*

Further details regarding CompuCredit's first quarter 2006 financial performance will be discussed during management's conference call, today, May 8, 2006 at 5:00 p.m., Eastern Time. The media and public are invited to listen to the live webcast of the call, accessible on the Internet at [www.CompuCredit.com](http://www.CompuCredit.com). A replay of the conference call also will be available on the web site.

CompuCredit is a specialty finance company and marketer of branded credit cards and related financial services. CompuCredit provides these services to consumers who are

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underserved by traditional financial institutions. Through corporate and affinity contributions focused on the underserved and un-banked communities, CompuCredit also uses its financial resources and volunteer efforts to address the numerous challenges affecting its customers. For more information about CompuCredit, visit [www.CompuCredit.com](http://www.CompuCredit.com).

Contact: Jay Putnam  
Investor Relations  
+1-770-206-6364  
[Jay.Putnam@CompuCredit.com](mailto:Jay.Putnam@CompuCredit.com)



**CompuCredit Corporation and Subsidiaries**  
**Financial and Statistical Summary**  
**(Unaudited)**  
*(In thousands, except for per share data and percentages)*

|  | <u>March 31,</u><br><u>2006</u> |   | <u>December 31,</u><br><u>2005</u> |   | <u>March 31,</u><br><u>2005</u> |   |
|--|---------------------------------|---|------------------------------------|---|---------------------------------|---|
| <b>Common Share Statistics</b>                       |                                 |   |                                    |   |                                 |   |
| Net Income Per Common Share–Basic                    | \$0.63                          |   | \$0.06                             |   | \$0.96                          |   |
| Net Income Per Common Share–Diluted                  | \$0.61                          |   | \$0.06                             |   | \$0.94                          |   |
| Book Value Per Common Share Outstanding (period end) | \$16.29                         |   | \$15.67                            |   | \$14.25                         |   |
| Stock Price Per Share (period end)                   | \$36.81                         |   | \$38.46                            |   | \$26.62                         |   |
| Total Market Capitalization (period end)             | \$1,806,265                     |   | \$1,882,620                        |   | \$1,371,254                     |   |
| Shares Outstanding (period end)(1)                   | 49,070                          |   | 48,950                             |   | 51,507                          |   |
| Weighted Average Shares Outstanding–Basic            | 48,632                          |   | 48,603                             |   | 51,277                          |   |
| Weighted Average Shares Outstanding–Diluted          | 50,304                          |   | 50,387                             |   | 52,516                          |   |
| <b>Average Managed Receivables Statistics (2)</b>    |                                 |   |                                    |   |                                 |   |
| Average Managed Receivables                          | \$2,505,417                     |   | \$2,430,026                        |   | \$2,335,567                     |   |
| Average Shareholders' Equity                         | \$782,269                       |   | \$764,993                          |   | \$705,344                       |   |
| GAAP Return on Average Managed Receivables           | 4.9                             | % | 0.5                                | % | 8.4                             | % |
| GAAP Return on Average Equity (ROE)                  | 15.6                            | % | 1.6                                | % | 27.9                            | % |
| Net Interest Margin                                  | 25.0                            | % | 22.4                               | % | 20.8                            | % |

|                          |          |   |          |   |          |   |
|--------------------------|----------|---|----------|---|----------|---|
| Net Charge-Off Rate      | 8.5      | % | 13.4     | % | 9.2      | % |
| Adjusted Charge-Off Rate | 7.1      | % | 11.2     | % | 6.9      | % |
| Adjusted Charge Offs     | \$44,779 |   | \$67,777 |   | \$40,491 |   |
| Risk Adjusted Margin     | 36.5     | % | 28.4     | % | 27.8     | % |
| Operating Ratio          | 18.5     | % | 18.6     | % | 14.3     | % |
| Other Income Ratio       | 19.2     | % | 17.4     | % | 13.9     | % |

#### Period-End Managed Receivables Statistics (2)

|                                     |             |   |             |   |             |   |
|-------------------------------------|-------------|---|-------------|---|-------------|---|
| Total Managed Receivables           | \$2,511,588 |   | \$2,493,244 |   | \$2,274,329 |   |
| Delinquency Rate (60+ days)         | 10.6        | % | 9.3         | % | 8.7         | % |
| Number of Accounts                  | 3,781       |   | 3,588       |   | 3,009       |   |
| Shareholders' Equity                | \$799,387   |   | \$767,211   |   | \$734,201   |   |
| Equity to Managed Receivables Ratio | 31.8        | % | 30.8        | % | 32.3        | % |

(1) Shares outstanding balances exclude 5,677,950 shares that are outstanding at both March 31, 2006 and December 31, 2005 but that are returnable to CompuCredit under the terms of a share lending arrangement.

(2) Excludes receivables at or near charge off at the time of purchase.

**CompuCredit Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
*(Dollars in thousands)*

|   | <u>March 31,</u><br><u>2006</u> | <u>December 31,</u><br><u>2005</u> |
|---|---------------------------------|------------------------------------|
|   | <u>(Unaudited)</u>              |                                    |
| <b>Assets</b>   |                                 |                                    |
| Cash and cash equivalents (including restricted cash of \$15,103 at March 31, 2006 and \$12,427 at December 31, 2005) | \$159,352                       | \$240,655                          |
| Securitized earning assets  | 801,216                         | 786,983                            |
| Non-securitized earning assets, net   | 501,785                         | 468,311                            |
| Deferred costs, net   | 29,261                          | 31,012                             |
| Software, furniture, fixtures and equipment, net  | 58,139                          | 48,383                             |
| Investments in equity-method investees  | 75,837                          | 69,343                             |
| Intangibles, net  | 12,834                          | 13,749                             |
| Goodwill  | 120,254                         | 130,800                            |
| Prepaid expenses and other assets   | 31,129                          | 31,954                             |
| <b>Total assets</b>   | <b><u>\$1,789,807</u></b>       | <b><u>\$1,821,190</u></b>          |
| <b>Liabilities</b>  |                                 |                                    |
| Accounts payable and accrued expenses   | \$86,473                        | \$96,483                           |
| Notes payable   | 175,542                         | 165,186                            |

|  |                    |                    |
|--|--------------------|--------------------|
| Convertible senior notes   | 550,000            | 550,000            |
| Deferred revenue   | 65,731             | 67,585             |
| Current and deferred income tax liabilities  | 70,171             | 129,283            |
| Total liabilities  | 947,917            | 1,008,537          |
| Minority interests   | 42,503             | 45,442             |
| <b>Shareholders' equity</b>  |                    |                    |
| Common stock, no par value, 150,000,000 shares authorized: 59,179,878 shares issued and 54,747,909 shares outstanding at March 31, 2006 (including 5,677,950 loaned shares to be returned); and 59,080,610 shares issued and 54,628,020 shares outstanding at December 31, 2005 (including 5,677,950 loaned shares to be returned) | —                  | —                  |
| Additional paid-in capital   | 322,756            | 318,178            |
| Treasury stock, at cost, 4,431,969 and 4,452,590 shares March 31, 2006 and December 31, 2005, respectively   | (125,010 )         | (125,068 )         |
| Deferred compensation  | (8,544 )           | (5,426 )           |
| Warrants   | 25,610             | 25,610             |
| Retained earnings  | 584,575            | 553,917            |
| Total shareholders' equity   | 799,387            | 767,211            |
| Total liabilities and shareholders' equity   | <u>\$1,789,807</u> | <u>\$1,821,190</u> |

**CompuCredit Corporation and Subsidiaries**  
**Consolidated Statements of Operations**  
**(Unaudited)**  
*(Dollars in thousands, except per share data)*

|  | For Three Months Ended |                      |                   |
|--|------------------------|----------------------|-------------------|
|  | March 31,<br>2006      | December 31,<br>2005 | March 31,<br>2005 |
| <b>Interest income:</b>  |                        |                      |                   |
| Consumer loans, including past due fees  | \$52,975               | \$41,739             | \$11,258          |
| Other  | 4,575                  | 4,195                | 1,995             |
| Total interest income  | 57,550                 | 45,934               | 13,253            |
| Interest expense   | (11,450)               | (8,831)              | (2,422)           |
| Net interest income before fees and other income on non-securitized earning assets and provision for loan losses | 46,100                 | 37,103               | 10,831            |
| Fees and other income on non-securitized earning assets  | 119,770                | 100,150              | 99,342            |
| Provision for loan losses  | (77,829)               | (53,812)             | (14,104)          |
| Net interest income, fees and other income on non-securitized earning assets                                     | 88,041                 | 83,441               | 96,069            |
| <b>Other operating income:</b>   |                        |                      |                   |
| Fees and other income from securitized earning assets  | 50,469                 | 11,295               | 37,492            |
| Servicing income   | 27,810                 | 35,309               | 36,459            |
| Ancillary and interchange revenues   | 8,194                  | 9,627                | 5,533             |
| Equity in income of equity-method investees  | 25,665                 | 9,738                | 18,819            |

|   |                 |                |                 |
|---|-----------------|----------------|-----------------|
| Total other operating income                      | 112,138         | 65,969         | 98,303          |
| <b>Other operating expense:</b>                   |                 |                |                 |
| Salaries and benefits                             | 11,645          | 9,652          | 7,107           |
| Card and loan servicing                           | 63,657          | 60,976         | 59,335          |
| Marketing and solicitation                        | 26,079          | 30,326         | 18,050          |
| Depreciation                                      | 7,634           | 5,188          | 4,213           |
| Goodwill Impairment                               | 10,546          | –              | –               |
| Other   | 29,311          | 39,942         | 19,058          |
| Total other operating expense                     | 148,872         | 146,084        | 107,763         |
| Income before minority interests and income taxes | 51,307          | 3,326          | 86,609          |
| Minority interests                                | (3,405 )        | 1,360          | (9,161 )        |
| Income before income taxes                        | 47,902          | 4,686          | 77,448          |
| Income taxes                                      | (17,244 )       | (1,711 )       | (28,268 )       |
| Net income  | <u>\$30,658</u> | <u>\$2,975</u> | <u>\$49,180</u> |
| Net income per common share–basic                 | <u>\$0.63</u>   | <u>\$0.06</u>  | <u>\$0.96</u>   |
| Net income per common share–diluted               | <u>\$0.61</u>   | <u>\$0.06</u>  | <u>\$0.94</u>   |

**CompuCredit Corporation and Subsidiaries**

**Business Segment Data**

**(Unaudited)**

*(Dollars in thousands)*

| Three Months Ended March 31, 2006   | Credit Cards       | Investments in<br>Previously<br>Charged-Off<br>Receivables | Retail Micro-<br>Loans | Auto Finance      | Other              | Total              |
|---|--------------------|--|------------------------|-------------------|--------------------|--------------------|
| <b>Net interest income, fees and other income on non-securitized earning assets</b> | <u>\$57,306</u>    | <u>\$ 9,478</u>  | <u>\$ 12,897</u>       | <u>\$ 7,852</u>   | <u>\$ 508</u>      | <u>\$88,041</u>    |
| <b>Total other operating income</b>   | <u>\$108,153</u>   | <u>\$ 61</u>   | <u>\$ 3,735</u>        | <u>\$ 164</u>     | <u>\$ 25</u>       | <u>\$112,138</u>   |
| <b>Income (loss) before income taxes</b>  | <u>\$69,729</u>    | <u>\$ 5,224</u>  | <u>\$ (17,039 )</u>    | <u>\$ 847</u>     | <u>\$ (10,859)</u> | <u>\$47,902</u>    |
| <b>Loans and fees receivable, gross</b>   | <u>\$423,534</u>   | <u>\$ –</u>  | <u>\$ 51,312</u>       | <u>\$ 142,191</u> | <u>\$ 12,246</u>   | <u>\$629,283</u>   |
| <b>Loans and fees receivable, net</b>   | <u>\$253,316</u>   | <u>\$ –</u>  | <u>\$ 42,193</u>       | <u>\$ 115,422</u> | <u>\$ 6,923</u>    | <u>\$417,854</u>   |
| <b>Total assets</b>   | <u>\$1,391,292</u> | <u>\$ 31,021</u>   | <u>\$ 183,372</u>      | <u>\$ 155,232</u> | <u>\$ 28,890</u>   | <u>\$1,789,807</u> |
| Three Months Ended March 31, 2005   | Credit Cards       | Investments in<br>Previously<br>Charged-Off<br>Receivables | Retail Micro-<br>Loans | Auto Finance      | Other              | Total              |
| <b>Net interest income, fees and other income on non-securitized earning assets</b> | <u>\$64,010</u>    | <u>\$ 17,508</u>   | <u>\$ 14,315</u>       | <u>\$–</u>        | <u>\$ 236</u>      | <u>\$96,069</u>    |
| <b>Total other operating income</b>   | <u>\$91,427</u>    | <u>\$ 1,441</u>  | <u>\$ 5,435</u>        | <u>\$–</u>        | <u>\$–</u>         | <u>\$98,303</u>    |
| <b>Income (loss) before income taxes</b>  | <u>\$75,263</u>    | <u>\$ 7,071</u>  | <u>\$ 890</u>          | <u>\$–</u>        | <u>\$ (5,776 )</u> | <u>\$77,448</u>    |
| <b>Loans and fees receivable, gross</b>   | <u>\$130,913</u>   | <u>\$ –</u>  | <u>\$ 27,806</u>       | <u>\$–</u>        | <u>\$ 1,648</u>    | <u>\$160,367</u>   |
| <b>Loans and fees receivable, net</b>   | <u>\$84,646</u>    | <u>\$ –</u>  | <u>\$ 22,781</u>       | <u>\$–</u>        | <u>\$ 1,071</u>    | <u>\$108,498</u>   |

**Total assets**

|                  |                  |                   |            |                 |                    |
|------------------|------------------|-------------------|------------|-----------------|--------------------|
| <u>\$819,354</u> | <u>\$ 19,187</u> | <u>\$ 158,414</u> | <u>\$-</u> | <u>\$11,618</u> | <u>\$1,008,573</u> |
|------------------|------------------|-------------------|------------|-----------------|--------------------|



**CompuCredit Corporation and Subsidiaries**  
**Managed Earnings and Reconciliation of Reported GAAP Net Income to Managed Earnings**  
**(Unaudited)**  
*(In thousands, except per share data)*

|  | <u>For The Three Months Ended</u> |                                |                                 |
|--|-----------------------------------|--------------------------------|---------------------------------|
|  | <u>March 31,</u><br><u>2006</u>   | <u>Dec. 31,</u><br><u>2005</u> | <u>March 31,</u><br><u>2005</u> |
| GAAP net income as reported                    | \$30,658                          | \$2,975                        | \$49,180                        |
| Securitization adjustment, net of tax          | 3,715                             | 582                            | (16,358)                        |
| Provision to charge off adjustment, net of tax | 20,444                            | 14,545                         | 5,650                           |
| Managed net income                             | <u>\$54,817</u>                   | <u>\$18,102</u>                | <u>\$38,472</u>                 |
| Managed net income per common share            | <u>\$1.09</u>                     | <u>\$0.36</u>                  | <u>\$0.73</u>                   |

|   | <u>For The Three Months Ended March 31, 2006</u> |                    |                | <u>For The Three Months Ended March 31, 2005</u> |                    |                |
|---|--|--------------------|----------------|--|--------------------|----------------|
|   | <u>GAAP</u>                                      | <u>Adjustments</u> | <u>Managed</u> | <u>GAAP</u>                                      | <u>Adjustments</u> | <u>Managed</u> |
| Net interest margin on loans receivable | \$52,975   | \$103,384          | \$156,359      | \$11,258   | \$110,067          | \$121,325      |
| Net interest income (expense)           | (6,875 )   | 3,880              | (2,995 )       | (427 )   | 615                | 188            |
| Provision / charge offs                 | (77,829 )  | 33,050             | (44,779 )      | (14,104 )  | (26,387 )          | (40,491 )      |
| Other operating income                  | 231,908  | (111,617 )         | 120,291        | 197,645  | (116,301 )         | 81,344         |
| Marketing expense                       | (26,079 )  | -                  | (26,079 )      | (18,050 )  | -                  | (18,050 )      |
| Ancillary product expense               | (1,093 )   | -                  | (1,093 )       | (166 )   | -                  | (166 )         |
| Operating expenses                      | (121,700 )                                       | 5,646              | (116,054 )     | (89,547 )  | 5,982              | (83,565 )      |
| Minority interests                      | (3,405 )   | 3,405              | -              | (9,161 )   | 9,161              | -              |

|                                     |                  |                    |                    |                  |                    |                    |
|-------------------------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------|
| Pre-tax net income                  | 47,902           | 37,748             | 85,650             | 77,448           | (16,863 )          | 60,585             |
| Income taxes                        | (17,244 )        | (13,589 )          | (30,833 )          | (28,268 )        | 6,155              | (22,113 )          |
| Net income                          | <u>\$30,658</u>  | <u>\$24,159</u>    | <u>\$54,817</u>    | <u>\$49,180</u>  | <u>\$(10,708 )</u> | <u>\$38,472</u>    |
| Weighted average shares outstanding | <u>50,304</u>    | <u>50,304</u>      | <u>50,304</u>      | <u>52,597</u>    | <u>52,597</u>      | <u>52,597</u>      |
| Net income per common share         | <u>\$0.61</u>    | <u>\$0.48</u>      | <u>\$1.09</u>      | <u>\$0.94</u>    | <u>\$(0.21 )</u>   | <u>\$0.73</u>      |
| Gross loans and fees receivable     | <u>\$629,283</u> | <u>\$1,882,305</u> | <u>\$2,511,588</u> | <u>\$160,367</u> | <u>\$2,113,962</u> | <u>\$2,274,329</u> |

**For The Three Months Ended December 31, 2005**

|   | <u>GAAP</u>     | <u>Adjustments</u> | <u>Managed</u>   |
|---|-----------------|--------------------|------------------|
| Net interest margin on loans receivable | \$41,739        | \$94,506           | \$136,245        |
| Net interest income (expense)           | (4,636 )        | 2,831              | (1,805 )         |
| Provision / charge offs                 | (53,812 )       | (13,965 )          | (67,777 )        |
| Other operating income                  | 166,119         | (60,154 )          | 105,965          |
| Marketing expense                       | (30,326 )       | -                  | (30,326 )        |
| Ancillary product expense               | (654 )          | -                  | (654 )           |
| Operating expenses                      | (115,104 )      | 1,963              | (113,141 )       |
| Minority interests                      | <u>1,360</u>    | <u>(1,360 )</u>    | <u>-</u>         |
| Pre-tax net income                      | 4,686           | 23,821             | 28,507           |
| Income taxes                            | <u>(1,711 )</u> | <u>(8,694 )</u>    | <u>(10,405 )</u> |

|                                     |                  |                    |                    |
|-------------------------------------|------------------|--------------------|--------------------|
| Net income                          | <u>\$2,975</u>   | <u>\$15,127</u>    | <u>\$18,102</u>    |
| Weighted average shares outstanding | <u>50,387</u>    | <u>50,387</u>      | <u>50,387</u>      |
| Net income per common share         | <u>\$0.06</u>    | <u>\$0.30</u>      | <u>\$0.36</u>      |
| Gross loans and fees receivable     | <u>\$530,573</u> | <u>\$1,962,671</u> | <u>\$2,493,244</u> |