

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

OLYMPIC FINANCIAL LTD

CIK: **879674** | IRS No.: **411664848** | State of Incorporation: **MN** | Fiscal Year End: **1231**
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SIC: **6153** Short-term business credit institutions

Mailing Address	Business Address
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 26, 1996

OLYMPIC FINANCIAL LTD.
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation)

0-20526
Commission File Number)

41-1664848
(I.R.S. Employer Identification No.).

78 Washington Avenue South
Minneapolis, Minnesota 55439-2435
(Address of principal executive offices)

Registrant's telephone number, including
area code: (612) 942-9880

Not Applicable
(Former name or former address, if changed since last
report.)

Item 5 Other Events

The Registrant has announced that its Board of Directors has received an indication of interest to buy the Registrant and that the Registrant has engaged Donaldson Lufkin & Jenrette to assist the Board in examining the strategic alternatives available to the Registrant.

The Registrant has announced that Warren Kantor has been appointed Chairman of the Registrant's Executive Committee and that the Board has accepted the resignation of Jeffrey C. Mack as President and Chief Executive Officer of the Registrant.

Further details of these developments are contained in the press release of the Registrant dated August 26, 1996 and attached hereto as Exhibit 99.1 and the script prepared by the Registrant in connection with analysts' conference call, attached hereto as Exhibit 99.2.

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Item 6 Resignation of Registrant's Directors

The Board of Directors has accepted the resignation of Jeffrey C. Mack as Chairman and as a member of the Board of Directors.

Further details of these developments are contained in the press release of the Registrant dated August 26, 1996 and attached hereto as Exhibit 99.1 and the script prepared by the Registrant in connection with analysts' conference call, attached hereto as Exhibit 99.2.

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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 hereunto duly authorized.

Dated: August 26, 1996

By: /s/ John A. Witham

John A. Witham
Executive Vice President
and Chief Financial Officer

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EXHIBIT INDEX

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99.1	Press Release of Olympic Financial Ltd. dated August 26, 1996	6
99.2	Script Prepared by the Registrant in Connection with Analysts' Conference Call	8

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:
John Witham, Chief Financial Officer
(612) 942-9880OLYMPIC FINANCIAL LTD. BOARD ANNOUNCES
RECEIPT OF POTENTIAL OFFER TO BUY COMPANY:
KANTOR APPOINTED CHAIRMAN OF EXECUTIVE COMMITTEE

MINNEAPOLIS, MINNESOTA---August 26, 1996--- The Board of Directors of Olympic Financial Ltd. (NYSE: OLM) today announced that it has received an indication of interest to buy the Company. In connection with this development, the Company has engaged Donaldson, Lufkin and Jenrette to assist the Board in examining the strategic alternatives available to the Company.

In an associated development the Board has accepted the resignation of Jeffrey C. Mack as Chairman, President, and Chief Executive Officer and as a member of the Board of Directors. The Company also announced the appointment of Warren Kantor (Olympic Board member) as Chairman of the Executive Committee. Olympic Financial Vice Chairman Scott Anderson, who has been overseeing the day-to-day operations of the business, will continue to do so.

Mr. Kantor is an independent businessman with more than 25 years of applicable experience in the consumer finance industry, most recently as Vice Chairman of Advanta Corp. where he continues to serve on the Board of Directors. He has worked closely with the management of Olympic as both a Board member and as a Consultant since joining the Board in 1944. Mr. Kantor commented, "I am pleased to step in as Chairman of Olympic's Executive Committee of the Board, a position which affords me the opportunity of working even more closely with the Company's superb management team. Collectively, they have operated the business in a highly effective manner and I have no doubt that they will continue to do so. I intend to dedicate my time to the Company to ensure that shareholder value is maximized."

Scott H. Anderson, Vice Chairman, Credit Administration and Operations, stated, "The management team is fully behind the actions of the Board which we believe are in the best interests of the shareholders, customers and employees."

Mr. Kantor added that he expects year end 1996 results to be in line with Wall Street estimates, strongly exceeding last year's reported \$1.08 fully diluted earnings per share. Through the six months ended June 30, 1996, Olympic earned \$0.76 and \$0.85 per share on a fully diluted and primary basis, respectively.

Olympic Financial Ltd. is a Minneapolis-based consumer finance company which purchases, sells and services prime retail

installment contracts for new and used automobiles originated by more than 6,400 dealers nationwide. Olympic is the largest independent provider of automobile financing. The Company, which was founded in 1940, has Regional Buying Centers in Arizona, Northern and Southern California, Colorado, Florida, Georgia, Massachusetts, Minnesota, Missouri, New York, North Carolina, Ohio, Tennessee, North, South and West Texas and Washington. The Company acquires loans through 17 Regional Buying Centers and has expanded its dealer network to include dealers in 38 states.

CONFERENCE CALL TO ANALYSTS
AUGUST 26, 1996 3:15 P.M. CST
WARREN KANTOR SCRIPT

Good Afternoon and thank you for calling in on such short notice. I am Warren Kantor and I am the Chairman of the Executive Committee of the Board of Directors of Olympic Financial. Joining me today is Scott Anderson, Olympic's Vice Chairman, and John Witham, Executive Vice President and Chief Financial Officer.

By now you should have seen the announcement that went out earlier today regarding the potential offer to buy Olympic and the changes in the executive office. Let me first address the potential offer.

We have received an indication from a substantially larger company that they have an interest in exploring the possibility of acquiring Olympic Financial. In response to this indication, we hired Donaldson, Lufkin and Jenrette to help us assess our strategic alternatives as to the future of Olympic. The Board believes there is merit in considering a potential sale of the Company. It is our duty to explore the alternatives available to the Company to maximize shareholder value.

As further developments take place, we will keep you abreast of them. We expect a firm offer will be presented to the Board in the next several weeks and fully believe that other firms may take an active interest in looking at the Company and its future potential.

In connection with a potential sale of the business, Jeff Mack determined that it was in his best interests to resign his position as Chairman, CEO and President and he also is no longer on the Board of Directors. Philosophical differences regarding the future direction of Olympic caused the change in authority.

Vice Chairman Scott Anderson and Chief Financial Officer Witham along with other members of the senior management team have affirmed our decision and support our actions. We will work collectively as a team to do what is in the best interests of our shareholders.

As Chairman of the Executive Committee, it is my responsibility to reiterate the soundness and strength of the Company and address issues of concern to our investors. A number of questions were raised on the July 23 Second Quarter Conference call that I believe deserve clarification.

For the six months ended June 30, 1996, Olympic reported income of \$26 million, up from \$10 million in 1995. Loans serviced jumped 100% to \$3.0 billion from \$1.5 billion a year earlier,

with originations of \$1.3 billion for the six month period. Delinquencies were 1.96% as of June 30, 1996 and write-offs stood at 0.84% for the six months.

A number of participants on the call and following the discussion further questioned the loans made to new customers who purchased the cars Olympic repossessed.

At June 30, we had \$66 million in loans which financed repossessed automobiles. At the end of July, we had \$69 million. These loans had delinquencies twice the level of our Classic II loans. That program was instituted in 1994 and ceased early in 1996 as we refined it and introduced our new classic strategy.

Class II delinquencies are approximately 6.0%. The delinquencies on the loans to buyers of repossessed cars are 13% and losses 3.0%. Since these loans are written at yields to Olympic of 16%+, even after a 3.0% loss and cost of delinquency expense, they still make money for the company.

My reason for discussing these strategies is to put to rest the analysts focus about this minor part of our business. With \$66 million of these loans on hand and loss rates of 2 1/2%, or \$2.0 million a year or \$3.8 million for the remaining life of the portfolio, it is clearly immaterial to our reserves of \$67 million as stated in the June 30 financial statements. I know many analysts described a "general reserve" over and above current assumption of losses which are based on a static pool analysis of approximately \$25 million, as part of the \$67 million.

The Company initiated a tightening of underwriting standards for these loans made to buyers of our repossessed cars in April 1996. We are comfortable that losses and delinquencies will mitigate over time going forward. They represent just 2.0% of our total portfolio. I hope this discuss clarifies the issues related to delinquencies and charge-offs for you. Our total book of business is exceptionally strong on 98% of our loans.

As we stated in the press release, we are comfortable with analysts estimates for the third quarter ending September 30 and for the year 1996. Olympic is a strong and vibrant company with an excellent future.

I would be glad to answer questions you have at this time.