

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

UNITED PAN AM FINANCIAL CORP

CIK: **1049231** | IRS No.: **943211687** | State of Incorporation: **CA** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-24051** | Film No.: **05789981**
SIC: **6162** Mortgage bankers & loan correspondents

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**UNITED STATES
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): May 2, 2005

United PanAm Financial Corp.

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

94-3211687
(I.R.S. employer
identification number)

Commission file number: 000-24051

3990 Westerly Place, Suite 200
Newport Beach, California 92660
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (949) 224-1917

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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.

The information in this Current Report on Form 8-K, including the exhibit, is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition" and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that Section. Furthermore, the information in this Current Report on Form 8-K, including the exhibit, shall not be deemed to be incorporated by reference into the filings of United PanAm Financial Corp. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

On May 2, 2005, United PanAm Financial Corp. issued a press release announcing its first quarter 2005 earnings. A copy of the press release is furnished as Exhibit 99.1 to this report.

Item 9.01 Exhibits.

(c) Exhibits

<u>EXHIBIT</u>	
<u>NUMBER</u>	<u>DESCRIPTION</u>
99.1	Press release announcing first quarter 2005 earnings dated May 2, 2005.

SIGNATURES

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

United PanAm Financial Corp.
(Registrant)

Dated: May 2, 2005

By: /s/ Garland Koch _____

Name: Garland Koch

Title: Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	Press release announcing first quarter 2005 earnings dated May 2, 2005.



News Release

Contact: Garland W. Koch
Chief Financial Officer
United PanAm Financial Corp.
949.224.1244
e-mail: gkoch@upfc.com

FOR IMMEDIATE RELEASE

**UNITED PANAM FINANCIAL CORP ANNOUNCES
FIRST QUARTER 2005 RESULTS**

Newport Beach, California - May 2, 2005 - United PanAm Financial Corp. (Nasdaq:UPFC) today announced results for its first quarter ended March 31, 2005.

For the quarter ended March 31, 2005 the Company reported income of \$6.6 million from continuing operations, compared to income of \$4.2 million for the same period a year ago for a 58% increase over 2004. The results for the first quarter of 2005 included a significant amount for audit and accounting fees related to the re-audit of the Company's consolidated financial statements for the years ended December 31, 2002 and 2003 and a significant amount of gain on sale of securities. On a diluted share basis, the Company reported income of \$0.36 per diluted share from continuing operations for the first quarter of 2005 compared to \$0.24 per diluted share for the same period during 2004, for a 50% increase.

Net interest income for the first quarter of 2005 rose 28% to \$31.1 million from \$24.4 million in the first quarter of 2004.

The Company purchased \$121 million of net auto loans during the first quarter of 2005, representing a 26% increase over the first quarter of 2004. Auto loans outstanding totaled \$570.5 million at March 31, 2005; a 30% increase over March 31, 2004. The growth in auto loans is the result of the planned expansion of the branch network and portfolio growth at the branch level. During the first quarter of 2005, the Company opened 5 new auto loan branches bringing our total to 92 branches in 29 states. The Company intends to continue its philosophy of controlled expansion of the auto finance branch network, with the expectation of opening up to 15 additional new branches before year-end.

Delinquency over 30 days amounted to 0.39% of outstanding auto loans at March 31, 2005 compared with 0.48% at March 31, 2004. Delinquency and total repossessions over 30 days amounted to 0.73% of outstanding auto loans at March 31, 2005, compared with 0.84% at March 31, 2004.

The annualized quarterly net charge off rate was 4.71% for the first quarter of 2005, compared with 5.53% for the comparable 2004 period.

“The first quarter of 2005 was a record quarter for the Company with auto receivables continuing the controlled growth of 30% in outstandings, while portfolio quality continued to improve, as indicated by the lower delinquency and losses,” said Guillermo Bron, Chairman of the Board of Directors. “Also, during the first quarter of 2005, we completed the exit of the federal thrift charter of Pan American Bank, FSB, a wholly owned subsidiary of the Company, with the final dissolution of the charter effective February 11, 2005.”

United PanAm Financial Corp., a specialty finance company, originates and acquires for investment retail automobile installment sales contracts through its principal operating unit United Auto Credit Corporation with 92 branch offices in 29 states.

Any statements set forth above that are not historical facts are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act (“SLRA”) of 1995, including statements concerning the company’s strategies, plans, objectives and intentions. Such statements are subject to a variety of estimates, risks and uncertainties, known and unknown, which may cause the company’s actual results to differ materially from those anticipated in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, such factors as our recent shift of the funding source of our business; our dependence on securitizations; our need for substantial liquidity to run our business; loans we made to credit-impaired borrowers; reliance on operational systems and controls and key employees; competitive pressures which we face; rapid growth of our businesses; fluctuations in market rates of interest; general economic conditions; the effects of accounting changes and other risks, certain of which are detailed from time to time in the company’s filings with the United States Securities and Exchange Commission.

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Editors Note: Three pages of selected financial data follows.

United PanAm Financial Corp. and Subsidiaries
Consolidated Statements of Financial Condition
(Unaudited)

<i>(Dollars in thousands)</i>	March 31, 2005	December 31, 2004
Assets		
Cash and due from banks	\$4,555	\$4,237
Short term investments	13,899	-
Cash and cash equivalents	18,454	4,237
Restricted cash	45,872	36,729
Securities available for sale, at fair value	444,251	788,090
Loans	574,933	528,765
Less unearned finance charges	(4,419)	(4,595)
Less unearned discount	(27,889)	(24,827)
Less allowance for loan losses	(24,980)	(25,593)
Loans, net	517,645	473,750
Premises and equipment, net	3,544	3,519
Accrued interest receivable	6,851	6,901
Other assets	24,967	29,601

Assets of discontinued operations	92	72,080
Total assets	\$1,061,676	\$1,414,907
Liabilities and Shareholders' Equity		
Warehouse line of credit	\$189,016	\$101,776
Securities notes payable	292,961	352,564
Repurchase agreements	431,780	745,295
Accrued expenses and other liabilities	6,801	8,793
Junior subordinated debentures/trust preferred securities	10,310	10,310
Liabilities of discontinued operations—deposits held for sale	—	71,916
Total liabilities	930,868	1,290,654
Common stock (no par value):		
Authorized, 30,000,000 shares		
Issued and outstanding, 16,560,681 at March 31, 2005 and 16,525,832 at December 31, 2004	70,686	70,332
Retained earnings	59,807	53,517
Unrealized gain on securities available for sale, net	315	404
Total shareholders' equity	130,808	124,253

Total liabilities and shareholders' equity

\$1,061,676 \$1,414,907

United PanAm Financial Corp. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
	2005	2004 (As Restated)
<i>(In thousands, except per share data)</i>		
Interest Income		
Loans	\$34,666	\$ 26,349
Short term investments	4,407	4,204
Total interest income	39,073	30,553
Interest Expense		
Securitized borrowings	2,898	-
Warehouse credit lines	1,374	-
Repurchase agreements	3,547	2,859
Deposits	-	3,217
Junior subordinated debentures	143	120
Total interest expense	7,962	6,196
Net interest income	31,111	24,357
Provision for loan losses	5,713	5,859

Net interest income after provision for loan losses	25,398	18,498
Non-interest Income		
Services charges and fees	–	140
Loan related charges and fees	116	312
Gain on sale of securities	1,648	–
Other income	44	439
Total non-interest income	1,808	891
Non-interest Expense		
Compensation and benefits	9,529	7,592
Occupancy	945	1,237
Other	5,536	3,517
Total non-interest expense	16,010	12,346
Income from continuing operations before income taxes	11,196	7,043
Income taxes	4,574	2,840
Income from continuing operations	6,622	4,203

Income (loss) from discontinued operations, net of tax	(332)	428
Net Income	\$6,290	\$ 4,631
Earnings per share-basic:		
Continuing operations	\$0.40	\$ 0.26
Discontinued operations	(0.02)	0.03
Net income	\$0.38	\$ 0.29
Weighted average shares outstanding	16,538	15,868
Earnings per share-diluted:		
Continuing operations	\$0.36	\$ 0.24
Discontinued operations	(0.02)	0.02
Net Income	\$0.34	\$ 0.26
Weighted average shares outstanding	18,385	17,796

United PanAm Financial Corp. and Subsidiaries
Selected Financial Data
(Unaudited)

	At or For the	
	Three Months Ended	
	March 31,	March 31,
	2005	2004
<i>(Dollars and shares in thousands)</i>		
Automobile Finance Data		
Contracts purchased	\$120,630	\$95,810
Contracts outstanding	\$570,514	\$438,364
Allowance for credit losses to contracts less unearned discount	4.68 %	5.98 %
Unearned discount to outstanding contracts	4.88 %	4.13 %
Annualized net charge-offs to average contracts ⁽¹⁾	4.71 %	5.53 %
Delinquencies (% of net contracts)		
31-60 days	0.24 %	0.32 %
61-90 days	0.09 %	0.09 %
90+ days	0.06 %	0.07 %
Other Data		
Return on average assets ⁽¹⁾	2.21 %	1.13 %
Return on average shareholder equity ⁽¹⁾	19.74 %	19.04 %
Consolidated capital to assets ratio	12.32 %	6.14 %

Weighted average shares outstanding	16,538	15,868
Additional shares included for fully diluted calculations	1,847	1,928
Number of shares used in fully diluted calculations	18,385	17,796

(1) Quarterly information is annualized for comparability with full year information