

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

Filing Date: **1994-04-20** | Period of Report: **1994-04-18**  
SEC Accession No. **0000950153-94-000066**

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### FILER

#### **GREYHOUND FINANCIAL CORP**

CIK: **43960** | IRS No.: **941278569** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-07543** | Film No.: **94523394**  
SIC: **6153** Short-term business credit institutions

Business Address  
*DIAL TOWER STE 1159  
PHOENIX AZ 85077-1159  
6022076900*

## 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): April 18, 1994

GREYHOUND FINANCIAL CORPORATION  
(Exact name of registrant as specified in its charter)

DELAWARE	1-7543	94-1278569
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

DIAL CORPORATE CENTER, PHOENIX, ARIZONA	85077
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:	602/207-6900
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Item 5. Other Events.

Greyhound Financial Corporation, the principal operating company of GFC Financial Corporation, announced on April 18, 1994 revenues, net income and selected financial data and ratios for the first quarter of 1994 (unaudited).

A copy of the press release issued by GFC Financial Corporation is attached as Exhibit 28 to this report.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

&lt;TABLE&gt;

<S> Exhibit	<C> Title
----- 28	----- Press Release of Greyhound Financial Corporation dated April 18, 1994

&lt;/TABLE&gt;

## 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.

GREYHOUND FINANCIAL CORPORATION

(Registrant)

Dated: April 19, 1994 By /s/ Bruno A. Marszowski

\_\_\_\_\_  
Bruno A. Marszowski, Vice President - Controller  
Principal Financial Officer/Authorized Officer

EXHIBIT 28

Nancy Archer  
602/ 207-2821

4/18/94

THESE ARE THE EARNINGS FOR GREYHOUND FINANCIAL CORPORATION

THE PRINCIPAL SUBSIDIARY OF GFC FINANCIAL CORPORATION

WHOSE EARNINGS WERE RELEASED ON APRIL 14, 1994

GREYHOUND FINANCIAL CORPORATION

ANNOUNCES FIRST QUARTER 1994 RESULTS

PHOENIX, Arizona, April 18, 1994 -- Greyhound Financial Corporation ("GFC" or the "Company") today reported net income for the quarter ended March 31, 1994.

Net income for the first quarter of 1994 was \$11.6 million compared to \$8.6 million for the comparable period in 1993 (a 36% improvement). The 1994 results included income from Ambassador Factors, the factoring and asset based lending company acquired from Fleet Financial Group, Inc. on February 14, 1994.

Sam Eichenfield, President and Chief Executive Officer of GFC, said, "The acquisition of the Asset Based Finance group in the first quarter of 1993 and the acquisition of Ambassador Factors in the first quarter of 1994 complement the Company's core operations and have contributed to the growth in funds employed and the resulting improved performance. The pending acquisition of TriCon Capital Corporation ("TriCon"), which was announced on March 4, 1994, will further diversify GFC's asset base and expand our focus on value-added products and services." TriCon is a \$1.8 billion niche-oriented provider of commercial and equipment financing products.

Eichenfield added that portfolio quality remains consistent with nonearning assets at 3.8% of funds employed after adding Ambassador, which typically has a higher nonearning asset level (4.2% of its funds employed at

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Interest earned from financing transactions increased to \$72.0 million in the first quarter of 1994 from \$58.3 million for the first quarter of 1993, an increase of 24%. This rise in interest earned was driven by a 27% increase in funds employed during the twelve months ended March 31, 1994 resulting from \$1.1 billion of new business being added by the core finance operations during that period and the acquisition of Ambassador Factors.

The improvement in earnings for the 1994 quarter primarily was due to the increase in interest margins earned which advanced to \$38.1 million for the first quarter of 1994 from \$27.7 million for the same period in 1993. The higher interest margins, which equate to a 5.6% annualized return on average earning assets compared to 5.0% for the first quarter of 1993, were attributable to the growth of the portfolio, a lower effective cost of debt in 1994 and higher fee income principally generated by Ambassador Factors. The strong improvement in interest margins was more than enough to offset the \$2 million reduction in gains on sale of assets, higher provisions for possible credit losses and the higher selling, administrative and other operating ("operating") expenses.

The higher operating expenses primarily consisted of higher personnel costs attributable in part to the acquisitions of the Asset Based Finance group in February 1993 and Ambassador Factors in February 1994.

Income taxes were higher due to higher tax rates in effect during the first quarter of 1994 and to higher income before taxes.

Finally, Eichenfield noted that on March 28, 1994 the Company filed a new shelf Registration Statement with the Securities and Exchange Commission for the sale of up to \$1.0 billion of Senior Debt Securities.

Greyhound Financial Corporation is a major domestic commercial finance company that extends secured financing in selected markets: corporate finance, transportation, communications, commercial real estate and resort finance. Greyhound Financial also provides asset based lending, consumer rediscounting and factoring.

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GREYHOUND FINANCIAL CORPORATION  
AND CONSOLIDATED SUBSIDIARIES  
SUMMARY OF CONSOLIDATED INCOME  
(UNAUDITED)  
(Dollars in Thousands)

<TABLE>  
<CAPTION>

	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
Interest earned from financing transactions	\$ 72,004	\$ 58,262
Interest expense	33,862	30,568
Interest margins earned	38,142	27,694
Provision for possible credit losses	3,250	2,701
Gains on sale of assets	3	2,061
Selling, administrative and other operating expenses	16,241	13,638

Income before income taxes	18,654	13,416
Income taxes	7,058	4,871
Net Income	\$ 11,596	\$ 8,545

</TABLE>

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GREYHOUND FINANCIAL CORPORATION  
SELECTED CONSOLIDATED FINANCIAL DATA AND RATIOS (UNAUDITED)  
(Dollars in Thousands)

<TABLE>  
<CAPTION>

	Three Months Ended or at March 31,		Year Ended or at December 31,
	1994 (1)	1993	1993
<S>	<C>	<C>	<C>
FINANCIAL DATA:			
Average funds employed (AFE)	\$ 3,059,227	\$ 2,535,689	\$ 2,666,208
Ending funds employed (EFE)	3,271,882	2,585,534	2,846,571
Average earning assets (2)	2,723,183	2,228,493	2,350,019
Nonaccruing assets	122,707	100,568	102,607
Reserve for possible credit losses	73,057	70,272	64,280
Total debt	2,513,631	2,016,846	2,082,350
Stockholder's equity	392,823	330,245	345,291
New business	254,701	173,935	1,007,794
Write-offs	5,106	2,937	12,575

RATIOS:

Write-offs (annualized) as a % of AFE	0.7%	0.5%	0.5%
Nonaccruing assets as a % of EFE	3.8%	3.9%	3.6%
Reserve for possible credit losses as a % of:			
Ending funds employed	2.2%	2.7%	2.3%
Nonaccruing assets	59.5%	69.9%	62.6%
Interest margins earned (annualized) as a % of average earning assets (2)	5.6%	5.0%	5.2%
Selling, administrative and other operating expenses as a % of interest margins earned	42.6%	49.2%	47.5%
Total debt to equity	6.4	6.1	6.0

</TABLE>

- (1) Includes financial data from Ambassador for the first quarter ended and at March 31, 1994.
- (2) Average earning assets are net of average deferred taxes on leveraged leases and average nonaccruing assets for the periods presented.

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