



CPS Reports 2009 Third Quarter Operating Results

IRVINE, CA, Nov 16, 2009 (MARKETWIRE via COMTEX) -- Consumer Portfolio Services, Inc. (NASDAQ: CPSS) ("CPS" or the "Company") today announced operating results for its third quarter ended September 30, 2009.

Total revenues for the third quarter of 2009 were \$52.8 million, a decrease of approximately \$38.9 million, or 42.4%, compared to \$91.7 million for the third quarter of 2008. Total operating expenses for the third quarter of 2009 were \$57.1 million, a decrease of \$47.3 million, or 45.3%, as compared to \$104.4 million for the 2008 period.

Pretax loss for the third quarter of 2009 was \$(4.3) million compared to pretax loss of \$(12.6) million in the third quarter of 2008. Net loss for the third quarter of 2009 was \$(4.3) million, or \$(0.23) per diluted share, compared to net loss of \$(6.3) million, or \$(0.32) per diluted share, for the year-ago quarter. The 2008 period included a pretax loss on sale of receivables of \$14.0 million.

For the nine months ended September 30, 2009, total revenues were \$177.2 million, a decrease of approximately \$116.6 million, or 39.7%, compared to \$293.8 million for the nine months ended September 30, 2008. Total expenses for the nine months ended September 30, 2009 were \$188.0 million, a decrease of \$112.0 million, or 37.3%, as compared to \$300.0 million for the nine months ended September 30, 2008.

Pretax loss for the nine months ended September 30, 2009 was \$(10.8) million, compared to pretax loss of \$(6.2) million for the nine months ended September 30, 2008. Net loss for the nine months ended September 30, 2009 was \$(10.8) million, or \$(0.57) per diluted share, compared to net loss of \$(2.7) million, or \$(0.14) per diluted share, for the nine months ended September 30, 2008. The 2008 period included a pretax loss on sale of receivables of \$14.0 million.

During the third quarter of 2009, CPS purchased \$506,000 of contracts from dealers as compared to \$937,000 during the second quarter of 2009 and \$33.6 million during the third quarter of 2008. The Company's managed receivables totaled \$1,197.3 million as of September 30, 2009, a decrease of \$632.2 million, or 34.6%, from \$1,829.5 million as of September 30, 2008, as follows (\$ in millions):

	September 30, 2009	September 30, 2008
Owned by Consolidated Subsidiaries*	\$ 1,049.3	\$ 1,633.8
Owned by Non-Consolidated Subsidiaries	148.0	195.6
As Third Party Servicer for SeaWest Financial	0.0	0.1
Total	\$ 1,197.3	\$ 1,829.5

* Before \$73.3 million and \$127.5 million of allowance for credit losses, deferred acquisition fees and repossessed vehicles for 2009 and 2008, respectively.

Annualized net charge-offs during the first three quarters of 2009 quarter were 10.44% of the average owned portfolio as compared to 7.20% during the same period in 2008. Delinquencies greater than 30 days (including repossession inventory) were 8.83% of the total owned portfolio as of September 30, 2009, as compared to 7.68% as of September 30, 2008. The increase in net charge-off and delinquency percentages vs. the year-ago period can be partly attributed to the aging of the portfolio and the significant decrease in the size of the managed portfolio as nominal new contract purchases have not replaced portfolio run-off.

"We believe the third quarter marked an important turning point for the Company in navigating the treacherous waters of the Great Recession," said Charles E. Bradley, Jr. "The improvement in the capital markets that began in March has finally reached us. As previously reported, we opened a new credit facility in late September that has allowed us to begin our efforts to purchase meaningful amounts of contracts again. We also feel that attracting additional funding capacity should be achievable. In addition, subsequent to quarter end we took over the servicing on a \$146 million portfolio which improves the operating leverage of our servicing platform. All of these events should put us on the path to growth in 2010."

Conference Call

CPS announced that it will hold a conference call on Tuesday, November 17, 2009, at 1:30 p.m. ET to discuss its quarterly operating results. Those wishing to participate by telephone may dial-in at 973-582-2717 approximately 10 minutes prior to the scheduled time.

A replay will be available between November 17, 2009 and November 24, 2009, beginning one hour after conclusion of the call, by dialing 800-642-1687 or 706-645-9291 for international participants, with conference identification number 42140253. A broadcast of the conference call will also be available live and for 30 days after the call via the Company's web site at www.consumerportfolio.com and at www.streetevents.com.

About Consumer Portfolio Services, Inc.

Consumer Portfolio Services, Inc. is a specialty finance company engaged in purchasing and servicing new and used retail automobile contracts originated primarily by franchised automobile dealerships and to a lesser extent by select independent dealers of used automobiles in the United States. We serve as an alternative source of financing for dealers, facilitating sales to sub-prime customers, who have limited credit history, low income or past credit problems and who otherwise might not be able to obtain financing from traditional sources.

Forward-looking statements in this news release include the Company's recorded revenue, expense and provision for credit losses, because these items are dependent on the Company's estimates of future losses. The accuracy of such estimates may be adversely affected by various factors, which include (in addition to risks relating to the economy generally) the following: possible increased delinquencies; repossessions and losses on retail installment contracts; incorrect prepayment speed and/or discount rate assumptions; possible unavailability of qualified personnel, which could adversely affect the Company's ability to service its portfolio; possible increases in the rate of consumer bankruptcy filings or the effects of recent changes in bankruptcy law, which could adversely affect the Company's rights to collect payments from its portfolio; other changes in government regulations affecting consumer credit; possible declines in the market price for used vehicles, which could adversely affect the Company's realization upon repossessed vehicles; and economic conditions in geographic areas in which the Company's business is concentrated. All of such factors also may affect the Company's future financial results, as to which there can be no assurance.

Any implication that the results of the most recently completed quarter are indicative of future results is disclaimed, and the reader should draw no such inference. Factors such as those identified above in relation to provision for credit losses may affect future performance.

Consumer Portfolio Services, Inc. and Subsidiaries Condensed Consolidated Statements of Operations (In thousands, except per share data)

	(Unaudited)			
	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Revenues:				
Interest income	\$ 49,320	\$ 87,706	\$ 165,459	\$ 281,924
Servicing fees	839	235	2,811	944
Other income	2,662	3,775	8,922	10,930
	52,821	91,716	177,192	293,798
Expenses:				
Employee costs	8,224	12,455	26,466	38,824
General and administrative	5,569	7,497	18,021	22,417
Interest	26,175	40,963	87,278	120,952
Provision for credit losses	15,258	25,961	49,836	91,764
Loss on sale of receivables	-	13,963	-	13,963
Other expenses	1,902	3,515	6,360	12,033
	57,128	104,354	187,961	299,953
Income before income taxes	(4,307)	(12,638)	(10,769)	(6,155)
Income taxes	-	(6,312)	-	(3,432)

Net income	\$ (4,307)	\$ (6,326)	\$ (10,769)	\$ (2,723)
	=====	=====	=====	=====
Earnings per share:				
Basic	\$ (0.23)	\$ (0.32)	\$ (0.57)	\$ (0.14)
Diluted	(0.23)	(0.32)	(0.57)	(0.14)
Number of shares used in computing earnings per share:				
Basic	18,583	19,693	18,776	19,275
Diluted	18,583	19,693	18,776	19,275

Condensed Consolidated Balance Sheets

(In thousands)

(Unaudited)

	September 30, 2009	December 31, 2008
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Cash	\$ 20,396	\$ 22,084
Restricted cash	132,236	153,479
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Total Cash	152,632	175,563
Finance receivables	1,009,079	1,417,343
Allowance for finance credit losses	(33,066)	(78,036)
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Finance receivables, net	976,013	1,339,307
Residual interest in securitizations	4,144	3,582
Deferred tax assets, net	52,727	52,727
Other assets	39,249	67,628
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	\$ 1,224,765	\$ 1,638,807
	=====	=====
Accounts payable and other liabilities	\$ 24,396	\$ 21,702
Warehouse line of credit	5,171	9,919
Residual interest financing	59,850	67,300
Securitization trust debt	1,012,787	1,404,211
Senior secured debt, related party	20,842	20,105
Subordinated debt	21,232	25,721
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	1,144,278	1,548,958
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Shareholders' equity	80,487	89,849
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	\$ 1,224,765	\$ 1,638,807
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Operating and Performance Data (\$ in thousands)	At and for the Three months ended September 30,		At and for the Nine months ended September 30,	
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	2009	2008	2009	2008
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Contract purchases	506	33,636	2,539	289,560
Total managed portfolio	1,197,341	1,829,468	1,197,341	1,829,468
Average managed portfolio	1,240,287	1,880,787	1,391,013	2,005,682
Net interest margin (1)	23,145	46,743	78,181	160,972
Risk adjusted margin (2)	7,887	20,782	28,345	69,208
Core operating expenses (3)	15,695	23,467	50,847	73,274
Annualized % of average managed portfolio	5.06%	4.99%	4.87%	4.87%
Allowance for finance credit losses as % of fin. receivables	3.28%	4.25%		
Aggregate allowance as % of fin. receivables (4)	5.57%	6.03%		

Delinquencies

31+ Days	5.80%	5.20%		
Repossession Inventory	3.02%	2.48%		
Total Delinquencies and Repossession Inventory	8.83%	7.68%		
Annualized net charge-offs as % of average owned portfolio	8.82%	7.89%	10.44%	7.20%
(1) Interest income less interest expense.				
(2) Net interest margin less provision for credit losses.				
(3) Total expenses less interest and provision for credit losses.				
(4) Includes allowance for finance credit losses and allowance for repossession inventory.				

Investor Relations Contact

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SOURCE: Consumer Portfolio Services, Inc.