

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON DC 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 6, 2003

CONSUMER PORTFOLIO SERVICES, INC.  
-----

(Exact Name of Registrant as Specified in Charter)

CALIFORNIA ----- (State or Other Jurisdiction of Incorporation)	001-14116 ----- (Commission File Number)	33-0459135 ----- (IRS Employer Identification No.)
--	---	---

16355 Laguna Canyon Road, Irvine, CA 92618  
-----

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (949) 753-6800

Not Applicable  
-----

(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
99.1	Earnings Release dated August 6, 2003

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information in this Current Report is being furnished 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 the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On August 6, 2003, the registrant issued an earnings release announcing its financial results for the quarter ended June 30, 2003. A copy of the earnings release is attached as Exhibit 99.1.

Exhibit 99.1 to the report may contain a "non-GAAP financial measure" as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended. The possible non-GAAP financial measure is "managed receivables." This possible non-GAAP financial measure is discussed below, including the most directly comparable financial measure calculated and presented in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), a reconciliation of managed receivables to the most directly comparable GAAP financial measure, and the reasons why the Company believes the presentation of managed receivables provides useful information to management and to investors. Managed receivables should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

On page 1 of the earnings release included in Exhibit 99.1, the Company stated that managed receivables were \$754.0 million at June 30, 2003. The most directly comparable financial measure calculated and presented in accordance with GAAP to the managed receivables measure is finance receivables on the consolidated balance sheet. The managed receivables measure also includes (i) the finance receivables held by unconsolidated subsidiaries off balance sheet pursuant to statement on financial accounting standards No. 140 and (ii) repossessed vehicles included in other assets in the Company's balance sheet.

The following table reconciles the Company's finance receivables, prepared on the basis of GAAP, to managed receivables as of June 30, 2003:

	June 30, 2003 (in millions)
Finance receivables per balance sheet	\$ 214.8
Finance receivables held by unconsolidated subsidiaries	537.3
Repossessed vehicles included in other assets per balance sheet	1.9
	-----
	\$ 754.0
	=====

The managed receivables measure is useful to management and investors because it provides a basis for estimating (i) the Company's servicing fee revenue and (ii) the Company's servicing personnel requirements. The managed receivables measure is primarily used by investors and analysts, for those purposes.

#### 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, thereunto duly authorized.

CONSUMER PORTFOLIO SERVICES, INC.

Dated: August 6, 2003

By: /s/ Charles E. Bradley, Jr.  
-----

Charles E. Bradley, Jr.  
President and chief  
executive officer

Signing on behalf of the registrant  
and as principal executive officer

#### EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	Earnings Release dated August 6, 2003

CONTINUED GROWTH IN NET INCOME

IRVINE, Calif.--(BUSINESS WIRE)--Aug. 6, 2003--Consumer Portfolio Services, Inc. (Nasdaq: CPSS - News) today announced earnings for its second quarter ended June 30, 2003.

For the three months ended June 30, 2003 total revenues decreased approximately \$3.5 million, or 13%, to \$23.7 million, compared to \$27.2 million for the three months ended June 30, 2002. Pretax income for the second quarter of 2003 was \$3.1 million, compared to \$1.3 million for the comparable 2002 period. Net income for the quarter ended June 30, 2003 was \$2.6 million, or \$0.12 per diluted share, compared to \$739,000, or \$0.04 per diluted share, for the quarter ended June 30, 2002. Diluted shares outstanding were 22.3 million and 21.1 million for the quarters ended June 30, 2003 and 2002, respectively.

Revenues for the six months ended June 30, 2003 totaled \$46.3 million, an increase of \$5.9 million, or 15%, compared to \$40.4 million in the 2002 period. For the six months ended June 30, 2003 net income was \$8.9 million, or \$0.41 per diluted share. For the six months ended June 30, 2002, the Company recorded a loss before extraordinary item of \$(242,000), or \$(0.01) per diluted share. Diluted shares outstanding were 22.2 million and 22.0 million for the six-month periods ended June 30, 2003 and 2002, respectively.

CPS also announced that it has appointed a new chief financial officer, Robert E. Riedl. Mr. Riedl has over fifteen years of finance experience, most recently as a principal at a private equity firm. He has been a senior vice president of CPS since January.

"The second quarter was another successful period for CPS. Our ongoing strategy to moderate our growth rate and maintain solid financial discipline resulted in continued solid performance," said Charles E. Bradley, President and Chief Executive Officer. "In addition, the integration of TFC into our operations is progressing well and is having a positive impact on our results."

Consumer Portfolio Services' managed receivables totaled \$754.0 million at June 30, 2003. During the second quarter of 2003, the Company purchased \$94.7 million of contracts and completed the \$110.0 million CPS Auto Receivables Trust 2003-B securitization. The managed receivables include \$537.3 million held by non-consolidated subsidiaries, which do not appear directly on the Company's balance sheet, as well as \$214.8 million (\$174.4 million net of allowance for credit losses) of receivables that are held directly by the Company and its consolidated subsidiaries. Substantially all of those directly-held receivables were acquired in the Company's acquisitions of MFN Financial Corp. and TFC Enterprises, Inc.

On a separate note, the Company also announced today that in order to increase transparency of the Company's financial reports, Consumer Portfolio Services will structure its future securitization transactions as secured financings,

with the loan receivables and associated debt staying on the balance sheet, and without recognition of a gain on sale. Accordingly, net earnings will be recognized over the life of the receivables as interest income and fee income, less related funding costs and a provision for losses. Such loan loss provisions will be recorded in part upon acquisition of the receivables. The accounting treatment of such transactions will be equivalent to that currently used with respect to receivables acquired in the acquisitions. The effect will be to accelerate recognition of expenses and defer recognition of revenue. As a result, reported earnings initially will be less than they would be had the Company continued to structure its securitizations to record a gain on sale and therefore, reported net earnings may be negative or nominally positive for approximately the next year. The Company expects to implement the change in the quarter ending September 30, 2003.

#### Conference Call

Consumer Portfolio Services announced that it will hold a conference call Thursday, August 7, 2003, at 1:30 p.m. EDST to discuss its quarterly results. Those wishing to participate by telephone may dial in at 973-582-2706 approximately 10 minutes prior to the scheduled time.

A replay will be available between August 7, 2003 and August 13, 2003, beginning one hour after conclusion of the call, by dialing 877-519-4471. The reservation number is 4100266. 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](http://www.consumerportfolio.com) and at [www.streetevents.com](http://www.streetevents.com).

#### About Consumer Portfolio Services, Inc.

Consumer Portfolio Services, Inc. is a consumer finance company that specializes in purchasing, selling and servicing retail automobile installment sale contracts originated by automobile dealers located throughout the United States. The Company is currently active in 38 states. Through its purchase of contracts, the Company provides indirect financing to car dealer customers with limited credit histories, low incomes or past credit problems, who generally would not be expected to qualify for financing provided by banks or by automobile manufacturers' captive finance companies.

Forward-looking statements in this news release include the company's recorded revenue, expense, gain on sale 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 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.

The statements concerning the intended structure of future securitizations and the effects of such structures on financial items are forward-looking statements. If the Company were to defer its decision to change the structure of future transactions, that could cause such forward-looking statements not to be accurate.

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. In addition to the effects of the planned structural change discussed above, there is no reason to expect that any future period will include the effects of an acquisition as completed in the most recent quarter. Other factors, including those identified above in relation to gain on sale and provision for credit losses, may also affect future performance.

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

	Three months ended June 30,		Six months ended June 30,	
	2003 ----	2002 ----	2003 ----	2002 ----
<b>Revenues:</b>				
Net gain on sale of contracts	\$ 4,109	\$ 5,095	\$ 8,664	\$ 6,867
Interest income	11,442	14,746	20,770	22,490
Servicing fees	4,463	3,376	9,065	6,766
Other income	3,701	3,999	7,763	4,229
	-----	-----	-----	-----
	23,715	27,216	46,262	40,352
<b>Expenses:</b>				
Employee costs	9,442	10,972	17,889	19,434
General and administrative	4,049	5,121	8,081	9,525
Interest	5,086	7,217	10,617	11,648
Other expenses	2,006	2,627	4,189	5,241
	-----	-----	-----	-----
	20,583	25,937	40,776	45,848
<b>Income (loss) before income tax expense (benefit) and extraordinary item</b>				
	3,132	1,279	5,486	(5,496)
Income tax expense (benefit)	490	540	(3,434)	(5,254)
	-----	-----	-----	-----

Income (loss) before extraordinary item	2,642	739	8,920	(242)
Extraordinary item, unallocated negative goodwill	--	--	--	17,412
Net income	<u>\$ 2,642</u>	<u>\$ 739</u>	<u>\$ 8,920</u>	<u>\$ 17,170</u>

Earnings (loss) per share before extraordinary item:				
Basic	\$ 0.13	\$ 0.04	\$ 0.44	\$ (0.01)
Diluted	0.12	0.04	0.41	(0.01)

Earnings per share after extraordinary item:				
Basic	\$ 0.13	\$ 0.04	\$ 0.44	\$ 0.88
Diluted	0.12	0.04	0.41	0.79

Number of shares used in computing earnings (loss) per share:				
Basic	20,209	19,418	20,239	19,405
Diluted	22,310	21,064	22,160	21,989

Condensed Consolidated Balance Sheets  
(In thousands)  
(Unaudited)

	June 30, 2003	December 31, 2002
Cash and restricted cash	\$ 67,427	\$ 51,859
Finance receivables, net	174,449	84,592
Residual interest in securitizations	130,843	127,170
Other assets	17,919	21,827
	<u>\$390,638</u>	<u>\$285,448</u>
Accounts payable and other liabilities	\$ 43,657	\$ 27,672
Securitization trust debt	150,022	71,630
Senior secured debt	52,496	50,072
Subordinated debt	53,466	53,500
	<u>299,641</u>	<u>202,874</u>
Shareholders' equity	90,997	82,574
	<u>\$390,638</u>	<u>\$285,448</u>

- - - - -

CONTACT:

Consumer Portfolio Services  
Investors:  
Charles E. Bradley, 949-753-6800  
or  
Sloane & Company  
John Fernquest, 212-446-1889  
Media:  
Whit Clay, 212-446-1864