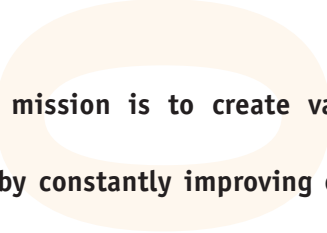


MORE THAN MEETS THE EYE



AMERICREDIT CORP.  
ANNUAL REPORT 2000





AmeriCredit's mission is to create value for our stakeholders by constantly improving our services, investing in innovative solutions and information-based strategies, and promoting a culture of teamwork, excellence and integrity. ▪ Our Mission Statement reflects who we are, what we do and why. It contains four words so meaningful to us that, when brought together, their impact is magnified to the fourth power, or *i*<sup>4</sup>: integrity, innovation, information and investment. ▪ In the next few pages, we will share our strategies and successes in creating value for our stakeholders, accomplished by all AmeriCredit team members living, working and performing to the standards of *i*<sup>4</sup>.



*Corporate Profile 2*

*To Our Shareholders 3*

*Financial Highlights 6*

*Detailing the *i*<sup>4</sup> Vision 8*

*Financial Review 16*



# C O R P O R A T E   P R O F I L E

AmeriCredit is a leading consumer finance company specializing in purchasing and servicing automobile loans. Through our branch network and strategic alliances with dealership groups and banks, we purchase loans made by franchised and select independent auto dealers to consumers who are typically unable to obtain financing from traditional sources.

- Our history of improving asset quality and strong financial performance in a rapidly growing and highly fragmented market can be attributed to our use of technology and sophisticated risk management techniques. The deployment of proprietary scorecards and pricing models allows our branch managers and credit underwriters to statistically assess loan quality at origination while balancing risk and return. Behavior-scoring models then enable us to measure credit quality throughout the life of the loans, allowing us to allocate servicing resources in an efficient manner. Behavior-scoring models also assist us in defining additional auto lending opportunities with both new and existing customers.

We are pleased to report on AmeriCredit's accomplishments for fiscal 2000 and strategies for extending our industry-leading position in middle market auto finance. Our goal last year was to significantly grow market share and increase our return on managed assets. We successfully achieved both targets. Now our focus is on realizing continued solid receivables growth along with even higher returns in fiscal 2001. Our ongoing investments in innovative technology, information-based risk solutions, best-in-class customer service and the skill and integrity of our employees give us confidence that we can again meet our objectives.

### Fiscal 2000 Results

AmeriCredit reported record net income of \$114.5 million for fiscal 2000, including a charge for the closing of our mortgage business in the second quarter. Excluding this charge, earnings for fiscal 2000 were \$123.5 million, compared to net income of \$74.8 million for the previous fiscal year, a 65% increase. On a per-share basis, excluding the charge, fiscal 2000 earnings grew 43% to \$1.59 from \$1.11 last year. The fourth quarter of fiscal 2000 marked our 25th consecutive quarter of increased operating income.

As an alternative measure of our financial performance, we supplementally report pro forma "portfolio-based" earnings data. This data presents our operating results as if AmeriCredit were a portfolio lender, essentially excluding the effects of gain on sale accounting. Pro forma "portfolio-based" earnings were \$126.8 million, or \$1.63 per share, for fiscal 2000, compared to

\$53.8 million, or \$0.80 per share, for the prior fiscal year. Of particular note is that our pro forma "portfolio-based" earnings exceeded our earnings utilizing gain on sale accounting for fiscal 2000, highlighting the economic strengths of our business model.

One of our key objectives for fiscal 2000 was to drive our return on managed assets up to the 2.5% level. Our returns reached an annualized 2.7% for the fourth quarter of fiscal 2000, the highest in our history.

For the full fiscal year, return on managed assets was 2.4%, up from 1.7% in fiscal 1999. Looking ahead, we have set our sights higher and now believe that our new goal of a return of 3% is achievable.

This improvement in profitability is attributable to our efforts to manage net interest margin while gaining operating efficiencies and

lowering credit losses. In response to increases in short-term interest rates, we implemented selective price increases in the second half of fiscal 2000. As a result, net interest margin on new loan volume for the fourth quarter of this year exceeded the margin on loan production for the comparable period last year. We continue to monitor the interest rate environment and are prepared to further increase our pricing if necessary to preserve margins.

### Asset Growth

AmeriCredit's managed auto receivables grew 62% during the year to \$6.6 billion at June 30, 2000. Automobile loan purchases amounted to \$4.4 billion for fiscal 2000, compared to \$2.9 billion last year, an



*Michael R. Barrington, Daniel E. Berce and Clifton H. Morris, Jr.*

increase of 54%. We experienced strong volume in each of our distribution channels. Mature branch offices generated 25% more loan production during fiscal 2000 than in fiscal 1999. Our fast, consistent credit decisions, prompt funding and local market service continue to enhance our relationships with auto dealers nationwide and enable us to build market share.

Because of the progress of our existing branches, AmeriCredit maintained a strong loan growth rate despite opening fewer offices than in the past. We opened 20 offices during fiscal 2000, bringing the total to 196 locations in the United States and Canada. We had active relationships with 14,076 auto dealers in fiscal 2000, up from 12,590 dealers last year.

AmeriCredit's Strategic Alliance Group now has 15 partners consisting of 11 large auto dealer groups and four banks, including Chase Auto Finance. Alliance loan volume is generated primarily through our branch network, adding to our market share gains.

Our relationship with Chase Auto Finance continues to prosper. In this program, AmeriCredit and Chase jointly market lending products to auto dealers with Chase providing prime auto financing and AmeriCredit providing middle market financing. This alliance allows Chase and AmeriCredit to offer auto dealers one-stop shopping to meet consumers' wide range of auto financing needs. At June 30, 2000, approximately 2,800 dealers were enrolled in the program. The Chase alliance contributed \$103 million of incremental loan volume during the fourth quarter of fiscal 2000, up from \$6 million during the same period last year.

In fiscal 2000, we launched two new initiatives designed to preapprove consumers for an AmeriCredit loan prior to their vehicle purchase. In our Valued Customer Program, AmeriCredit preapproves qualifying existing AmeriCredit customers for their next auto loan when they trade in their vehicle or otherwise pay off their active AmeriCredit account. This initiative has been very successful in retaining customers and we are achieving application closure rates almost three times the level experienced in our core business. We are also

testing a direct mail marketing program whereby specified consumers are preapproved for financing at select auto dealers serviced by AmeriCredit.

Finally, we introduced our Internet strategy late in the fiscal year. While only limited middle market lending is conducted over the Internet today, that aspect of our business is expected to grow. In order to extend our industry-leading position to the online lending environment, AmeriCredit has developed technology to process electronic loan applications at Internet speed. Our strategy includes partnering with select online auto dealers and lenders to solicit online credit applications. In addition, we will soon provide auto dealers and consumers online self-service capabilities related to their AmeriCredit accounts.

## **Operating Efficiency**

A key contributor to our increasing return on managed assets has been the improvement in our operating cost ratio. AmeriCredit's ratio of operating expenses to average managed auto receivables dropped to 4.1% for fiscal 2000 from 5.0% the previous year. We expect to see further improvements in fiscal 2001 as we continue to benefit from economies of scale and technology initiatives.

## **Risk Management**

AmeriCredit's information-based strategies for managing and pricing for credit risk again proved effective in fiscal 2000. We generated significant loan growth while experiencing favorable trends in credit quality.

Net charge-offs declined to 4.0% of average managed auto receivables for fiscal 2000 from 4.7% last year. Our annualized charge-off rate of 3.8% for the fourth quarter of fiscal 2000 marked AmeriCredit's 17th consecutive quarter of stable or declining charge-off levels. Accounts more than 30 days past due, including repossessions, were 9.6% as of June 30, 2000, compared to 9.5% at the end of last year.

AmeriCredit's proprietary database of consumer credit characteristics combined with eight years of loan performance statistics provides a platform for industry-

leading underwriting, risk-based pricing and servicing technology. While our third-generation family of credit scorecards, installed in February 1999, remains a primary driver of our positive credit quality trends, our ongoing data-mining initiatives have identified opportunities for further enhancements. As a result, we are developing other segmented scorecards to add to our current set of models and will soon begin work on a fourth generation of credit-scoring tools.

Our proprietary database is also used to constantly update our behavioral assessment models. Historically, we have deployed these tools in the collections process to target the optimum point for customer contact, but are now finding wider applications. For instance, the behavioral assessment models are used to preapprove qualified consumers in our Valued Customer Program.

### Financing Activities

In fiscal 2000, AmeriCredit strengthened its balance sheet and financial flexibility considerably through the capital markets. In August 1999, we raised \$112 million in a follow-on equity offering of 9.2 million shares. Shareholders' equity stood at \$688.6 million at fiscal year end. We also increased our warehouse credit lines by \$1.2 billion to \$2.2 billion at June 30, 2000, diversifying our funding sources by adding two new credit facilities.

We again accessed the public asset-backed securities market on a quarterly basis, raising \$4.4 billion in four transactions during the year. AmeriCredit is a well-known issuer in the market and has sold a total of \$11.3 billion of securities since 1994. We were the seventh largest issuer of asset-backed securities inclusive of all asset classes for the 12-month period ended June 30, 2000.

Our outstanding asset-backed transactions continue to perform well within expectations. Cash distributions to AmeriCredit from our securitization trusts increased to \$125.1 million for fiscal 2000 from \$44.5 million last year, aiding our overall cash flow. In fact, for the second half of fiscal 2000, AmeriCredit's cash flow from operations exceeded our required credit enhancement investments in new securitizations.

### Our Mission

One year ago, a group of AmeriCredit employees met to help us put into words the unique set of beliefs and operating principles that define the character of the AmeriCredit team. They succeeded in capturing the essence of our culture in four words – Integrity, Innovation, Information and Investment. We refer to the concept as *i<sup>4</sup>* or “i to the fourth power.” This *i<sup>4</sup>* operating philosophy is, we believe, the basis for our company's success. Further, we are convinced that by building on this foundation, AmeriCredit can deliver superior value to our stakeholders well into the future. It is appropriate, therefore, that *i<sup>4</sup>* provides the theme for this annual report.

We sincerely thank each of our key stakeholders – our employees, customers, shareholders and communities – for their continued support.

Sincerely,



Clifton H. Morris, Jr.  
*Executive Chairman of the Board*



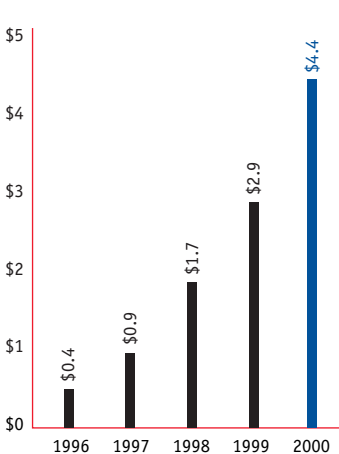
Michael R. Barrington  
*Vice Chairman, Chief Executive Officer  
and President*



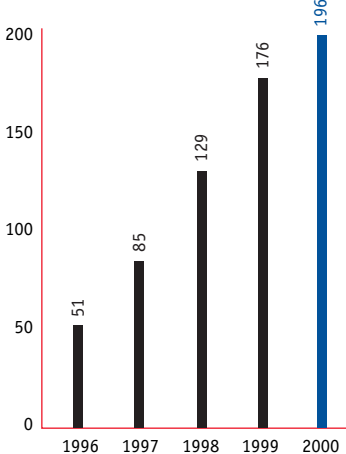
Daniel E. Berce  
*Vice Chairman and Chief Financial Officer*

September 8, 2000

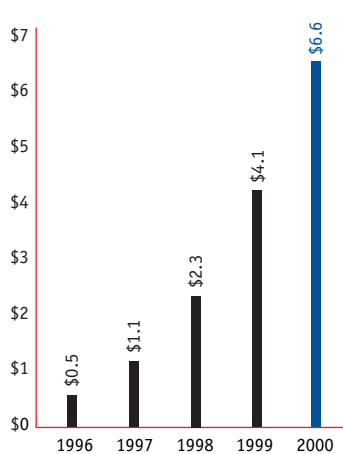
# FINANCIAL TABLES



**Auto Loan Originations**  
(\$ in billions)

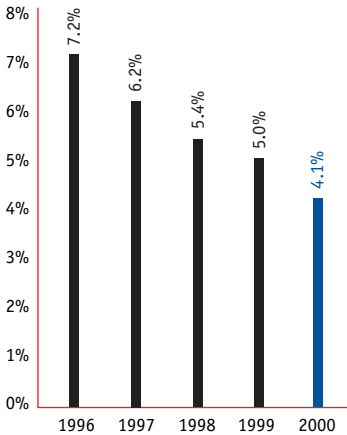


**Branch Count**

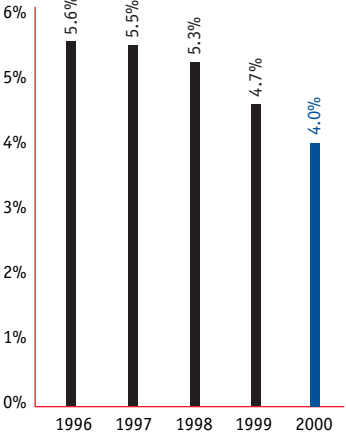


**Managed Auto Receivables**  
(\$ in billions)

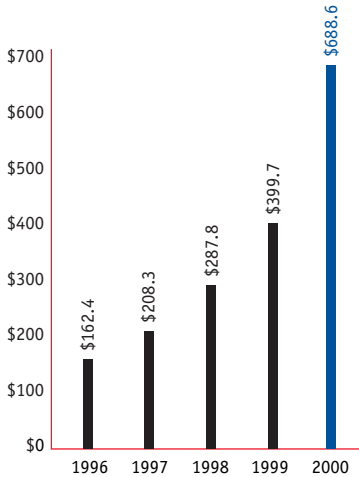
6



**Auto Operating Expense Ratio**  
(% of average managed auto receivables)



**Charge-Offs**  
(% of average managed auto receivables)



**Shareholders' Equity**  
(\$ in millions)

## SUMMARY FINANCIAL AND OPERATING INFORMATION

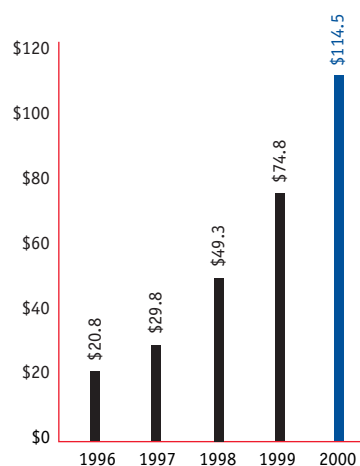
Years Ended June 30,  
(dollars in thousands, except per share data)

	2000(a)	1999	1998	1997	1996
<b>Operating Data</b>					
Auto loan originations	\$ 4,427,945	\$ 2,879,796	\$ 1,737,813	\$ 906,794	\$ 432,442
Finance charge income	124,150	75,288	55,837	44,910	51,706
Gain on sale of receivables	209,070	169,892	103,194	52,323	21,405
Servicing fee income	170,251	85,966	47,910	23,492	3,892
Total revenue	509,680	335,456	209,336	123,356	79,635
Net income	114,501	74,840	49,301	29,849	20,765
Diluted earnings per share	1.48	1.11	0.76	0.48	0.34
Weighted average shares and assumed incremental shares	77,613,652	67,191,235	65,203,460	61,574,548	60,406,596

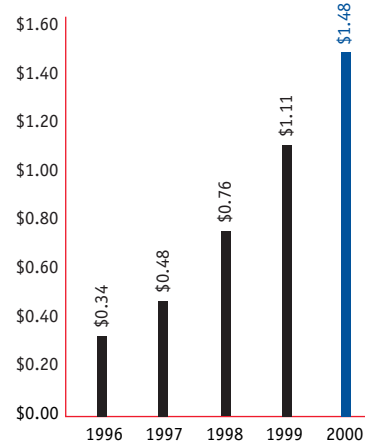
June 30,  
(dollars in thousands)

	2000	1999	1998	1997	1996
<b>Balance Sheet Data</b>					
Receivables held for sale, net	\$ 871,511	\$ 456,009	\$ 342,853	\$ 266,657	\$ 250,484
Credit enhancement assets	824,618	494,862	286,309	161,395	41,736
Total assets	1,862,269	1,063,487	713,671	475,493	329,333
Senior notes	375,000	375,000	175,000	125,000	
Total liabilities	1,173,690	663,757	425,823	267,232	166,934
Shareholders' equity	688,579	399,730	287,848	208,261	162,399
Managed auto receivables	6,649,981	4,105,468	2,302,516	1,138,255	523,981

(a) The Company closed its mortgage operations in fiscal 2000 and recorded a related charge of \$9.0 million or \$0.11 per share, net of income tax benefits.



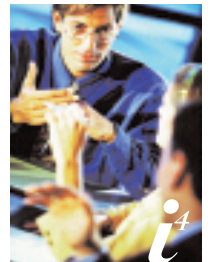
**Net Income**  
(\$ in millions)



**Earnings Per Share**

## GIVING OUR STAKEHOLDERS A NAME TO LOOK UP TO

We value customer relationships and continuously strive to understand and meet customer needs with unique solutions. Our local branch managers assist auto dealers by offering credit decisions in less than one hour on average, coupled with loan funding as quickly as that very day. Auto dealers have rewarded us with a greater share of their business – our mature branches experienced a 25% volume increase this year. • To provide an even higher level of service, AmeriCredit and Chase Auto Finance have teamed up to offer dealers “one-stop shopping.” Under this co-branded program, Chase and AmeriCredit representatives call on auto dealers together, offering products across the credit spectrum. • We have relationships with over 500,000 consumers today and, in many cases, we are their largest credit source. We are seeking ways to enhance the quality of every point of consumer contact. For instance, we are establishing an inbound call center dedicated to customer service.



### ***Integrity***

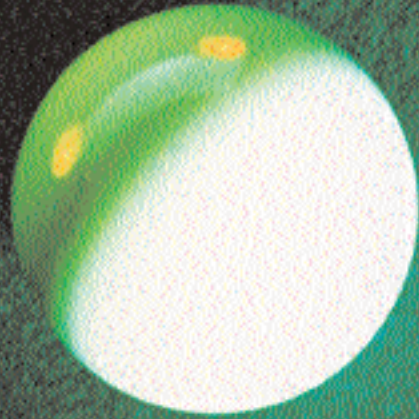
*Character and respect shall govern our actions.*

*We will treat others the way we expect to be treated and lead by example. We will value our stakeholders' opinions and actively listen to ensure we understand their views and deliver what we promise with loyalty to execution.*



4





4



Our expertise with technology is key to our leadership position. The use of state-of-the-art systems throughout the Company has resulted in better service for our customers, more efficient operations and a higher level of profitability. ▪ We embrace change and are not afraid to implement new technologies. Innovation is encouraged, and we strive to continually improve not only the way we interface with our customers, but also how we share and analyze data internally. ▪ Our customers' use of the Internet is increasing every day, yielding a wealth of new opportunities. Our e-business strategy will harness these opportunities with our unique approach to auto lending. We plan to partner with online lenders and auto dealers to provide online auto financing to consumers with the convenience and speed that e-shoppers have come to expect. Our dealer and consumer customers will have online self-service capability via the Internet, allowing them to reach AmeriCredit any time of the day or night.



**Innovation**

*We will never become complacent. We will embrace change and participate in exploring opportunities to improve. We will proactively create our future by challenging the status quo and daring to innovate. We will commit to realizing efficiency gains and the benefits of continual improvement.*

POOLING OUR TALENTS  
AND RESOURCES

We have originated over \$10 billion in auto loans since our inception eight years ago. Our data warehouse includes over 200 characteristics related to each loan – facts from loan applications, loan structure information and credit bureau data. This information, when interfaced with loan performance history, creates the industry’s most extensive proprietary database. Our database allows us to create and refine statistical credit-scoring models for more effective loan underwriting and portfolio management. ▪ Behavioral models take our data analysis a step further. By monitoring our customers’ loan payment performance and comparing it to how they treat their other creditors, we can effectively allocate collection resources to the appropriate accounts, resulting in a more efficient customer service effort. ▪ Our information-based approach is now being used to identify growth opportunities such as targeting existing customers for their next auto loan and seeking out new customers before they even reach the auto dealer.



**Information**

*We will share information and promote open communication. We will encourage everyone to participate in a non-intimidating environment.*

*We will develop and deploy our strategies and measure performance using all available technology.*





4

Today there are over 3,000 AmeriCredit employees located across the United States and Canada. Their commitment to achieving our Company's mission is the true reason for our success. Our goal of being an employer of choice was set to help us attract, motivate and retain outstanding employees, and it is paying off. We value the culture at AmeriCredit and are proactively seeking to make it even better.

- We have expanded our commitment to share information with our team members across the continent by launching AmeriNet – AmeriCredit's Intranet. This sophisticated network communicates the same information to all our team members on a timely, consistent basis.
- The commitment to our employees does not stop there. Partnering with the communities where we work and live means giving back to the community. Coupled with corporate support, AmeriCredit employees participate in a wide variety of worthy causes, creatively raising money and volunteering their time.



**Investment**

*We will attract, motivate and retain outstanding employees by investing in their welfare and development. We will build mutually beneficial relationships to provide best-in-class customer service. We will champion transfer of knowledge and encourage people to become resources for each other.*

*We will participate as a partner in the community.*

## General

The Company generates earnings and cash flow primarily from the purchase, securitization and servicing of auto receivables. The Company purchases auto finance contracts from franchised and select independent automobile dealerships. To fund the acquisition of receivables prior to securitization, the Company utilizes borrowings under its warehouse credit facilities. The Company generates finance charge income on its receivables pending securitization (“receivables held for sale”) and pays interest expense on borrowings under its warehouse credit facilities.

The Company sells receivables to securitization trusts (“Trusts”) that, in turn, sell asset-backed securities to investors. By securitizing its receivables, the Company is able to lock in the gross interest rate spread between the yield on such receivables and the interest rate payable on the asset-backed securities. The Company recognizes a gain on the sale of receivables to the Trusts, which represents the difference between the sale proceeds to the Company, net of transaction costs, and the Company’s net carrying value of the receivables, plus the present value of the estimated future excess cash flows to be received by the Company over the life of the securitization. Excess cash flows result from the difference between the interest received from the obligors on the receivables and the interest paid to investors in the asset-backed securities, net of credit losses and expenses.

Excess cash flows from the Trusts are initially utilized to fund credit enhancement requirements to secure financial guaranty insurance policies issued by an insurance company to protect investors in the asset-backed securities from losses. Once predetermined credit enhancement requirements are reached and maintained, excess cash flows are distributed to the Company. In addition to excess cash flows, the Company earns monthly base servicing fee income of 2.25% per annum on the outstanding principal balance of receivables securitized (“serviced receivables”).

In November 1996, the Company acquired AmeriCredit Mortgage Services (“AMS”), which originated and sold mortgage loans. Receivables originated in this business are referred to as mortgage receivables. Such receivables were generally packaged and sold for cash on a servicing released whole-loan basis. Deterioration in the wholesale loan markets caused premiums received by AMS for the sale of mortgage loans to decrease. As a result, during October 1999, Company management assessed various options with respect to the operations of AMS and decided to cease the operations of AMS. The AMS wholesale mortgage loan production and processing offices were closed, and the assets of AMS are being liquidated.

The Company incurred a pre-tax charge of \$10.5 million in fiscal 2000 related to the closing of its mortgage operations. The charge consists of a \$6.6 million write-off of goodwill, \$2.0 million of reserves against mortgage receivables held for sale and \$1.9 million of severance, facility closing and other costs. Since the goodwill write-off is not deductible for income tax reporting purposes, the charge amounted to approximately \$9.0 million after related income tax benefits.

## Results of Operations

*Year Ended June 30, 2000 as compared to  
Year Ended June 30, 1999*

### Revenue

The Company’s average managed receivables outstanding consisted of the following (in thousands):

<i>Years Ended June 30,</i>	<b>2000</b>	<i>1999</i>
Auto:		
Held for sale	<b>\$ 543,518</b>	\$ 320,962
Serviced	<b>4,791,062</b>	2,808,501
	<b>5,334,580</b>	3,129,463
Mortgage	<b>22,011</b>	26,785
	<b>\$5,356,591</b>	<b>\$3,156,248</b>

Average managed receivables outstanding increased by 70% as a result of higher loan purchase volume. The Company purchased \$4,427.9 million of auto

loans during fiscal 2000, compared to purchases of \$2,879.8 million during fiscal 1999. This growth resulted from increased loan production at branches open during both periods as well as expansion of the Company's branch network. Loan purchases at branch offices opened prior to June 30, 1998, were 25% higher in fiscal 2000 versus fiscal 1999. The Company operated 196 auto lending branch offices as of June 30, 2000, compared to 176 as of June 30, 1999.

Finance charge income consisted of the following (in thousands):

<i>Years Ended June 30,</i>	<b>2000</b>	1999
Auto	<b>\$123,093</b>	\$72,749
Mortgage	<b>1,057</b>	2,539
	<b><u>\$124,150</u></b>	<u>\$75,288</u>

The increase in finance charge income was primarily due to an increase of 69% in average auto receivables held for sale in fiscal 2000 versus fiscal 1999. The Company's effective yield on its auto receivables held for sale was 22.7% for both fiscal 2000 and 1999. The effective yield is higher than the contractual rates of the Company's auto finance contracts primarily as a result of finance charge income earned between the date the auto finance contract is originated by the automobile dealership and the date the auto finance contract is funded by the Company.

The gain on sale of receivables consisted of the following (in thousands):

<i>Years Ended June 30,</i>	<b>2000</b>	1999
Auto	<b>\$207,559</b>	\$162,353
Mortgage	<b>1,511</b>	7,539
	<b><u>\$209,070</u></b>	<u>\$169,892</u>

The increase in gain on sale of auto receivables resulted from the sale of \$4,000.0 million of receivables in fiscal 2000 as compared to \$2,770.0 million of receivables sold in fiscal 1999. The gain as a percentage of the sales proceeds decreased to 5.2% for fiscal 2000 from 5.9% for fiscal 1999 primarily as a result of an increase in U.S. Treasury and other short-term interest rates.

Significant assumptions used in determining the gain on sale of auto receivables were as follows (the weighted average discount rate was used in fiscal 2000 due to the increase in rates during the year):

<i>Years Ended June 30,</i>	<b>2000</b>	1999
Cumulative credit losses (including deferred gains)	<b>10.9%</b>	11.2%
Discount rate used to estimate present value:		
Interest-only receivables from Trusts	<b>12.3%</b>	12.0%
Investments in Trust receivables	<b>8.1%</b>	7.8%
Restricted cash	<b>8.1%</b>	7.8%

The discount rates used to estimate the present value of credit enhancement assets are based on the relative risks of each asset type. Interest-only receivables represent estimated future excess cash flows in the Trusts, which involves a greater degree of risk than investments in Trust receivables and restricted cash. Investments in Trust receivables and restricted cash represent assets currently held by the Trustee and are senior to the interest-only receivables for credit enhancement purposes.

As a result of generally higher market interest rates and wider credit spreads, the Company increased the discount rate used in determining the gain on sale of auto receivables effective for auto receivables sold subsequent to June 1, 2000. The discount rate used to estimate the present value of interest-only receivables from Trusts increased to 14.0% from 12.0% and the discount rate used to estimate the present value of investments in Trust receivables and restricted cash increased to 9.8% from 7.8%. The increased discount rate results only in a difference in the timing of revenue recognition from securitizations and has no effect on the Company's estimate of expected excess cash flows from such transactions. While the total amount of revenue recognized over the term of a securitization transaction is the same, a higher discount rate results in (i) lower initial gains on the sale of receivables and (ii) higher subsequent servicing fee income from accretion of the additional discount.

Servicing fee income increased to \$170.3 million, or 3.6% of average serviced auto receivables, for fiscal

2000, compared to \$86.0 million, or 3.1% of average serviced auto receivables, for fiscal 1999. Servicing fee income represents accretion of the present value discount on estimated future excess cash flows from the Trusts, base servicing fees and other fees earned by the Company as servicer of the auto receivables sold to the Trusts. Servicing fee income for fiscal 1999 also included a charge of \$20.1 million to increase credit loss reserves related to certain of the Company's fiscal 1997 and 1996 securitization transactions since the Company's reassessment of estimated cumulative credit losses for these transactions exceeded the original estimates. There were no such charges in fiscal 2000. The growth in servicing fee income exclusive of the aforementioned charge is attributable to the increase in average serviced auto receivables outstanding for fiscal 2000 compared to fiscal 1999.

### **Costs and Expenses**

Operating expenses as a percentage of average managed receivables outstanding decreased to 4.2% (4.1% excluding operating expenses of \$2.1 million related to AMS) for fiscal 2000, compared to 5.3% (5.0% excluding operating expenses of \$9.3 million related to AMS) for fiscal 1999. The ratio improved as a result of economies of scale realized from a growing receivables portfolio and automation of loan origination, processing and servicing functions. The dollar amount of operating expenses increased by \$57.9 million, or 35%, primarily due to the addition of branch offices and loan processing and servicing staff.

The provision for loan losses increased to \$16.4 million for fiscal 2000 from \$9.6 million for fiscal 1999 due to higher average amounts of receivables held for sale. As a percentage of average receivables held for sale, the provision for loan losses was 3.0% for fiscal 2000 and 1999.

Interest expense increased to \$69.3 million for fiscal 2000 from \$38.8 million for fiscal 1999 due to higher debt levels and effective interest rates. Average debt outstanding was \$697.3 million and \$443.3 million for fiscal 2000 and 1999, respectively. The Company's

effective rate of interest paid on its debt increased to 9.9% from 8.8% as a result of higher short-term market interest rates and increased average amounts of senior notes outstanding, which have a higher cost than the Company's other forms of balance sheet debt.

The Company's effective income tax rate was 39.8% for fiscal 2000 and 38.5% for 1999. The increase in the effective tax rate is due to the non-deductible write-off of goodwill related to the closing of the mortgage operations.

*Year Ended June 30, 1999 as compared to  
Year Ended June 30, 1998*

### **Revenue**

The Company's average managed receivables outstanding consisted of the following (in thousands):

<i>Years Ended June 30,</i>	<i>1999</i>	<i>1998</i>
Auto:		
Held for sale	\$ 320,962	\$ 250,304
Serviced	<u>2,808,501</u>	<u>1,399,112</u>
	3,129,463	1,649,416
Mortgage	<u>26,785</u>	<u>18,728</u>
	<u>\$3,156,248</u>	<u>\$1,668,144</u>

Average managed receivables outstanding increased by 89% as a result of higher loan purchase volume. The Company purchased \$2,879.8 million of auto loans during fiscal 1999, compared to purchases of \$1,737.8 million during fiscal 1998. This growth resulted from increased loan production at branches open during both periods as well as expansion of the Company's branch network. Loan purchases at branch offices opened prior to June 30, 1997, were 17% higher in fiscal 1999 versus fiscal 1998. The Company operated 176 auto lending branch offices as of June 30, 1999, compared to 129 as of June 30, 1998.

Finance charge income consisted of the following (in thousands):

<i>Years Ended June 30,</i>	<i>1999</i>	<i>1998</i>
Auto	\$72,749	\$54,125
Mortgage	<u>2,539</u>	<u>1,712</u>
	<u>\$75,288</u>	<u>\$55,837</u>

The increase in finance charge income was primarily due to an increase of 28% in average auto receivables held for sale in fiscal 1999 versus fiscal 1998. In addition, the Company's effective yield on its auto receivables held for sale increased to 22.7% for fiscal 1999 from 21.6% for fiscal 1998. The effective yield is higher than the contractual rates of the Company's auto finance contracts primarily as a result of finance charge income earned between the date the auto finance contract is originated by the automobile dealership and the date the auto finance contract is funded by the Company. The effective yield rose for fiscal 1999 due to increased auto loan purchases and correspondingly higher levels of finance charges earned between the origination date and funding date.

The gain on sale of receivables consisted of the following (in thousands):

<i>Years Ended June 30,</i>	<i>1999</i>	<i>1998</i>
Auto	\$162,353	\$ 98,842
Mortgage	<u>7,539</u>	<u>4,352</u>
	<u>\$169,892</u>	<u>\$103,194</u>

The increase in gain on sale of auto receivables resulted from the sale of \$2,770.0 million of receivables in fiscal 1999 as compared to \$1,637.5 million of receivables sold in fiscal 1998. The gains amounted to 5.9% and 6.0% of the sales proceeds for fiscal 1999 and 1998, respectively.

Significant assumptions used in determining the gain on sale of auto receivables were as follows:

<i>Years Ended June 30,</i>	<i>1999</i>	<i>1998</i>
Cumulative credit losses (including deferred gains)	11.2%	11.3%
Discount rate used to estimate present value:		
Interest-only receivables from Trusts	12.0%	12.0%
Investments in Trust receivables	7.8%	7.8%
Restricted cash	7.8%	7.8%

The discount rates used to estimate the present value of credit enhancement assets are based on the relative

risks of each asset type. Interest-only receivables represent estimated future excess cash flows in the Trusts, which involves a greater degree of risk than investments in Trust receivables and restricted cash. Investments in Trust receivables and restricted cash represent assets currently held by the Trustee and are senior to interest-only receivables for credit enhancement purposes.

Servicing fee income increased to \$86.0 million, or 3.1% of average serviced auto receivables, for fiscal 1999, compared to \$47.9 million, or 3.4% of average serviced auto receivables, for fiscal 1998. Servicing fee income represents accretion of the present value discount on estimated future excess cash flows from the Trusts, base servicing fees and other fees earned by the Company as servicer of the auto receivables sold to the Trusts. Servicing fee income for fiscal 1999 and 1998 also includes charges of \$20.1 million and \$8.9 million, respectively, to increase credit loss reserves related to certain of the Company's fiscal 1997 and 1996 securitization transactions since the Company's reassessment of estimated cumulative credit losses for these transactions exceeded the original estimates. The Company raised the assumptions for cumulative credit losses for securitization transactions completed in fiscal 1998 and thereafter compared to assumptions used for transactions completed in prior fiscal years. The growth in servicing fee income exclusive of the aforementioned charges is attributable to the increase in average serviced auto receivables outstanding for fiscal 1999 compared to fiscal 1998.

### ***Costs and Expenses***

Operating expenses as a percentage of average managed receivables outstanding decreased to 5.3% (5.0% excluding operating expenses of \$9.3 million related to AMS) for fiscal 1999, compared to 5.7% (5.4% excluding operating expenses of \$5.1 million related to AMS) for fiscal 1998. The ratio improved as a result of economies of scale realized from a growing receivables portfolio and automation of loan origination, processing and servicing functions. The dollar amount of operating expenses increased by \$70.9 million, or 75%, primarily due to

the addition of branch offices and loan processing and servicing staff.

The provision for loan losses increased to \$9.6 million for fiscal 1999 from \$7.6 million for fiscal 1998 due to higher average amounts of receivables held for sale. As a percentage of average receivables held for sale, the provision for loan losses was 3.0% for fiscal 1999 and 1998.

Interest expense increased to \$38.8 million for fiscal 1999 from \$27.1 million for fiscal 1998 due to higher debt levels. Average debt outstanding was \$443.3 million and \$297.6 million for fiscal 1999 and 1998, respectively. The Company's effective rate of interest paid on its debt decreased to 8.8% from 9.1% as a result of greater use of commercial paper facilities, which have a lower cost than the Company's other forms of balance sheet debt.

The Company's effective income tax rate was 38.5% for fiscal 1999 and 1998.

### Pro Forma "Portfolio-Based" Earnings Data

In addition to reporting results of operations in accordance with generally accepted accounting principles ("GAAP"), the Company has elected to present pro forma results of operations which treat securitization transactions as financings rather than sales of receivables. The Company refers to this presentation as pro forma "portfolio-based" earnings data.

In its consolidated financial statements prepared in accordance with GAAP, the Company records a gain on the sale of receivables in securitization transactions primarily representing the present value of estimated future excess cash flows related to the receivables sold. Future excess cash flows consist of finance charges and fees to be collected on the receivables less interest payable on the asset-backed securities, credit losses and expenses of the Trusts. The Company also earns servicing fees for managing the receivables sold.

The pro forma "portfolio-based" earnings data presents the Company's operating results under the assumption that securitization transactions are financings and no

gain on sale or servicing fee income is recognized. Instead, finance charges and fees are recognized over the life of the securitized receivables as accrued and interest and other costs related to the asset-backed securities are also recognized as accrued. Credit losses are recorded as incurred.

While the pro forma "portfolio-based" earnings data does not purport to present the Company's operating results in accordance with GAAP, the Company believes such presentation provides another measure for assessing the Company's performance.

The pro forma "portfolio-based" earnings data were as follows, excluding the effect of the mortgage charge for fiscal 2000 (in thousands):

<i>Years Ended June 30,</i>	<b>2000</b>	1999	1998
Finance charge, fee and other income	<b>\$1,048,382</b>	\$ 621,048	\$ 340,951
Funding costs	<b>(404,724)</b>	(220,958)	(120,546)
Net margin	<b>643,658</b>	400,090	220,405
Operating expenses	<b>(223,219)</b>	(165,345)	(94,484)
Credit losses	<b>(214,276)</b>	(147,344)	(88,002)
Pre-tax "portfolio-based" income	<b>206,163</b>	87,401	37,919
Income taxes	<b>(79,374)</b>	(33,649)	(14,599)
Net "portfolio-based" income	<b>\$ 126,789</b>	\$ 53,752	\$ 23,320
Diluted "portfolio-based" earnings per share	<b>\$ 1.63</b>	\$ 0.80	\$ 0.36

The pro forma return on managed assets for the Company's auto business was as follows:

<i>Years Ended June 30,</i>	<b>2000</b>	1999	1998
Finance charge, fee and other income	<b>19.6%</b>	19.5%	20.3%
Funding costs	<b>(7.6)</b>	(7.0)	(7.2)
Net margin	<b>12.0</b>	12.5	13.1
Credit losses	<b>(4.0)</b>	(4.7)	(5.3)
Risk adjusted margin	<b>8.0</b>	7.8	7.8
Operating expenses	<b>(4.1)</b>	(5.0)	(5.4)
Pre-tax return on managed assets	<b>3.9</b>	2.8	2.4
Income taxes	<b>(1.5)</b>	(1.1)	(1.0)
Return on managed assets	<b>2.4%</b>	1.7%	1.4%

## Credit Quality

The Company provides financing in relatively high-risk markets, and, therefore, charge-offs are anticipated. The Company records a periodic provision for loan losses as a charge to operations and a related allowance for loan losses in the consolidated balance sheets as a reserve against estimated probable losses which may occur in the receivables held for sale portfolio prior to the sale of such receivables in securitization transactions. The Company typically purchases individual finance contracts and collects a non-refundable acquisition fee on a non-recourse basis. Such acquisition fees are also recorded in the consolidated balance sheets as an allowance for loan losses. When the Company sells auto receivables to the Trusts, the calculation of the gain on

sale of receivables is reduced by an estimate of cumulative credit losses expected over the life of the auto receivables sold.

The Company reviews static pool origination and charge-off relationships, charge-off experience factors, collection data, delinquency reports, estimates of the value of the underlying collateral, economic conditions and trends and other information in order to make the necessary judgments as to the appropriateness of the assumptions for cumulative credit losses, provisions for loan losses and allowance for loan losses. Although the Company uses many resources to assess the adequacy of loss reserves, there is no precise method for estimating the ultimate losses in the receivables portfolio.

The following table presents certain data related to the receivables portfolio (dollars in thousands):

June 30, 2000	Held For Sale			Auto Serviced	Managed Auto Portfolio
	Auto	Mortgage	Total		
Principal amount of receivables	\$ 891,672	\$ 4,213	\$ 895,885	\$ 5,758,309	\$ 6,649,981
Allowance for loan losses	(24,374)		(24,374)	\$ (563,102) (a)	\$ (587,476)
Receivables, net	\$ 867,298	\$ 4,213	\$ 871,511		
Number of outstanding contracts	65,686	48		502,413	568,099
Average principal amount of outstanding contract (in dollars)	\$ 13,575	\$ 87,771		\$ 11,461	\$ 11,706
Allowance for loan losses as a percentage of receivables	2.7%			9.8%	8.8%

June 30, 1999	Held For Sale			Auto Serviced	Managed Auto Portfolio
	Auto	Mortgage	Total		
Principal amount of receivables	\$ 444,128	\$ 23,722	\$ 467,850	\$ 3,661,340	\$ 4,105,468
Allowance for loan losses	(11,841)		(11,841)	\$ (354,338) (a)	\$ (366,179)
Receivables, net	\$ 432,287	\$ 23,722	\$ 456,009		
Number of outstanding contracts	33,815	310		332,447	366,262
Average principal amount of outstanding contract (in dollars)	\$ 13,134	\$ 76,523		\$ 11,013	\$ 11,209
Allowance for loan losses as a percentage of receivables	2.7%			9.7%	8.9%

(a) The allowance for loan losses related to serviced auto receivables is factored into the valuation of interest-only receivables from Trusts in the Company's consolidated balance sheets.

The following is a summary of managed auto receivables which are (i) more than 30 days delinquent, but not yet in repossession, and (ii) in repossession (dollars in thousands):

June 30,	2000		1999	
	Amount	Percent	Amount	Percent
Delinquent contracts:				
31-60 days	\$445,797	6.7%	\$277,592	6.8%
Greater than 60 days	<u>150,624</u>	<u>2.3</u>	<u>73,512</u>	<u>1.8</u>
	<b>596,421</b>	<b>9.0</b>	351,104	8.6
In repossession	<u>42,764</u>	<u>0.6</u>	<u>37,773</u>	<u>0.9</u>
	<b>\$639,185</b>	<b>9.6%</b>	<b>\$388,877</b>	<b>9.5%</b>

In accordance with its policies and guidelines, the Company at times offers payment deferrals to consumers, whereby the consumer is allowed to move a delinquent payment to the end of the loan by paying a fee (approximately the interest portion of the payment deferred). Contracts receiving a payment deferral as an average quarterly percentage of average managed auto receivables outstanding were 4.4%, 4.6% and 4.5% for fiscal 2000, 1999 and 1998, respectively. The Company believes that payment deferrals granted according to its policies and guidelines are an effective portfolio management technique and result in higher ultimate cash collections from the portfolio.

The following table presents charge-off data with respect to the Company's managed auto receivables portfolio (in thousands):

Years Ended June 30,	2000	1999	1998
Net charge-offs:			
Held for sale	\$ 9,623	\$ 8,046	\$ 9,140
Serviced	<u>204,653</u>	<u>139,298</u>	<u>78,862</u>
	<b>\$214,276</b>	<b>\$147,344</b>	<b>\$ 88,002</b>
Net charge-offs as a percentage of average managed auto receivables outstanding			
	<u>4.0%</u>	<u>4.7%</u>	<u>5.3%</u>
Net recoveries as a percentage of gross repossession charge-offs			
	<u>53.4%</u>	<u>52.2%</u>	<u>50.6%</u>

Delinquency and charge-off ratios typically fluctuate over time as a portfolio matures. Accordingly, the delinquency and charge-off data above is not necessarily indicative of delinquency and charge-off experience that could be expected for a portfolio with a different level of seasoning.

## Liquidity and Capital Resources

The Company's cash flows are summarized as follows (in thousands):

Years Ended June 30,	2000	1999	1998
Operating activities	\$ 70,874	\$ 44,790	\$ 18,188
Investing activities	(550,481)	(208,868)	(125,243)
Financing activities	<u>501,334</u>	<u>152,180</u>	<u>134,115</u>
Net increase (decrease) in cash and cash equivalents	<b>\$ 21,727</b>	<b>\$ (11,898)</b>	<b>\$ 27,060</b>

The Company's primary sources of cash have been cash flows from operating activities, including cash flow distributions from the Trusts, borrowings under its warehouse credit facilities, sales of auto receivables to Trusts in securitization transactions, and the issuance of debt and equity. The Company's primary uses of cash have been purchases of receivables and funding credit enhancement requirements for securitization transactions.

The Company required cash of \$4,425.8 million, \$2,869.8 million and \$1,694.0 million for the purchase of auto finance contracts during fiscal 2000, 1999 and 1998, respectively. These purchases were funded initially utilizing warehouse credit facilities and subsequently through the sale of auto receivables in securitization transactions.

The Company has five separate warehouse credit facilities with combined funding capacity of approximately \$2.2 billion, which are used to fund domestic auto receivables pending securitization.

In June 2000, the Company entered into a new funding agreement with an administrative agent on behalf of an institutionally managed commercial paper conduit and a bank under which up to \$500 million of structured warehouse financing is available. The facility matures in

June 2001. There were no outstanding balances under this facility as of June 30, 2000.

Also, in June 2000, the Company entered into another new funding agreement with an administrative agent on behalf of an institutionally managed commercial paper conduit and a bank under which up to \$300 million of structured warehouse financing is available. The facility matures in June 2001. There were no outstanding balances under this facility as of June 30, 2000.

In March 2000, the Company expanded its funding agreement with an administrative agent on behalf of an institutionally managed commercial paper conduit and a group of banks increasing the amount of structured warehouse financing available under the agreement to \$725 million from \$675 million. The facility matures in September 2000. A total of \$330.7 million was outstanding under this facility as of June 30, 2000.

In May 2000, the Company expanded its funding agreement with an administrative agent on behalf of an institutionally managed commercial paper conduit and a bank increasing the amount of structured warehouse financing available under the agreement to \$275 million from \$250 million. The facility matures in September 2000. A total of \$152.4 million was outstanding under this facility as of June 30, 2000.

In March 2000, the Company renewed its funding agreement with an administrative agent on behalf of an institutionally managed commercial paper conduit and a bank under which up to \$375 million of structured warehouse financing is available. The facility matures in March 2001. There were no outstanding balances under this facility as of June 30, 2000.

In addition, in March 2000, the Company's Canadian subsidiary's convertible revolving term credit agreement with a bank was renewed, and the amount of borrowings available thereunder was increased to \$30.0 million Cdn., from \$20.0 million Cdn., subject to a defined borrowing base. The Company utilizes this facility to fund Canadian auto lending activities. The facility matures in March 2001. A total of \$4.7 million was outstanding under the Canadian facility at June 30, 2000.

As is customary in the Company's industry, the above warehouse credit facilities need to be renewed on an annual basis. The Company has historically been successful in renewing and expanding these facilities on an annual basis. If the Company was unable to renew these facilities on acceptable terms, there could be a material adverse effect on the Company's financial position, results of operations and liquidity.

The Company has completed twenty-one auto receivables securitization transactions through June 30, 2000. The proceeds from the transactions were primarily used to repay borrowings outstanding under the Company's warehouse credit facilities.

A summary of these transactions is as follows:

<i>Transaction</i>	<i>Date</i>	<i>Original Amount (in millions)</i>	<i>Balance at June 30, 2000 (in millions)</i>
1994-A	December 1994	\$ 51.0	Paid in full
1995-A	June 1995	99.2	Paid in full
1995-B	December 1995	65.0	Paid in full
1996-A	March 1996	89.4	Paid in full
1996-B	May 1996	115.9	Paid in full
1996-C	August 1996	175.0	Paid in full
1996-D	November 1996	200.0	Paid in full
1997-A	March 1997	225.0	\$ 29.0
1997-B	May 1997	250.0	40.0
1997-C	August 1997	325.0	68.8
1997-D	November 1997	400.0	103.4
1998-A	February 1998	425.0	128.4
1998-B	May 1998	525.0	185.9
1998-C	August 1998	575.0	242.5
1998-D	November 1998	625.0	297.8
1999-A	February 1999	700.0	380.7
1999-B	May 1999	1,000.0	638.1
1999-C	August 1999	1,000.0	760.8
1999-D	October 1999	900.0	736.1
2000-A	February 2000	1,300.0	1,180.9
2000-B	May 2000	1,200.0	1,183.8
		<u>\$10,245.5</u>	<u>\$ 5,976.2</u>

In connection with securitization transactions, the Company is required to fund certain credit enhancement levels set by the insurer of the asset-backed securities issued by the Trusts. The Company typically makes an initial deposit to a restricted cash account and subsequently uses excess cash flows generated by the Trusts to

either increase the restricted cash account or repay the outstanding asset-backed securities on an accelerated basis, thus creating additional credit enhancement through overcollateralization in the Trusts. When the credit enhancement levels reach specified percentages of the Trust's pool of receivables, excess cash flows are distributed to the Company.

Although the aggregate amount of excess cash flow does not change, the timing of the Company's receipt of excess cash flow distributions is dependent on the type of structure used. Since November 1997, the Company has employed a structure that utilizes reinsurance and other alternative credit enhancements to reduce the initial deposit to the restricted cash account. Under this structure, the Company expects to begin to receive excess cash flow distributions approximately 14 to 16 months after receivables are securitized.

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The reinsurance used to reduce the Company's initial cash deposit in the structure described above has typically been arranged by the insurer of the asset-backed securities. During June 2000, the Company received a commitment from the insurer for an additional \$400 million of reinsurance, which brings total reinsurance available to reduce initial cash deposits in future securitization transactions to \$435 million as of June 30, 2000. These commitments expire in December 2002. In addition, the Company has a credit enhancement facility with a financial institution under which the Company may borrow up to \$225 million to fund a portion of the initial cash deposit in future securitization transactions, similar to the amount covered by the reinsurance described above. Borrowings under the credit enhancement facility, which matures in October 2001, are collateralized by the Company's credit enhancement assets. A total of \$66.6 million was outstanding under this facility as of June 30, 2000.

Initial deposits to restricted cash accounts were \$186.6 million (\$120.0 million net of borrowings under the credit enhancement facility), \$82.8 million and \$56.7 million for fiscal 2000, 1999 and 1998, respec-

tively. Excess cash flows distributed to the Company were \$125.1 million, \$44.5 million and \$43.8 million for fiscal 2000, 1999 and 1998, respectively. In addition, the Company received \$23.0 million representing a return of deposits from restricted cash accounts during fiscal 1999.

Certain agreements with the insurer provide that if delinquency, default and net loss ratios in a Trust's pool of receivables exceed certain targets, the specified credit enhancement levels would be increased. As of June 30, 2000, none of the Company's securitizations had delinquency, default or net loss ratios in excess of the targeted levels.

The Company operated 196 auto lending branch offices as of June 30, 2000, and plans to open an additional 20 to 25 branch offices in fiscal 2001 and expand loan purchase capacity at existing auto lending branch offices where appropriate. While the Company has been able to establish and grow its auto finance business thus far, there can be no assurance that future expansion will be successful due to competitive, regulatory, market, economic or other factors.

As of June 30, 2000, the Company had \$42.9 million in cash and cash equivalents. The Company also had available borrowing capacity of \$262.3 million under its warehouse credit facilities pursuant to the borrowing base requirements of such agreements. The Company believes that its existing capital resources along with expected cash flows from operating activities will be sufficient to fund the Company's liquidity needs, exclusive of the purchase of auto finance contracts, for fiscal 2001.

However, the Company anticipates that it will require additional external capital in the form of securitization transactions, renewal and expansion of its existing warehouse credit facilities and implementation of new warehouse credit facilities in order to fund auto loan purchases in fiscal 2001. There can be no assurance that funding will be available to the Company through these sources or, if available, that it will be on terms acceptable to the Company.

## Interest Rate Risk

The Company's earnings are affected by changes in interest rates as a result of its dependence upon the issuance of interest-bearing securities and the incurrence of debt to fund its lending activities. Several factors can influence the Company's ability to manage interest rate risk. First, auto finance contracts are purchased at fixed interest rates, while the amounts borrowed under warehouse credit facilities bear interest at variable rates that are subject to frequent adjustment to reflect prevailing market interest rates. Second, the interest rate demanded by investors in securitizations is a function of prevailing market rates for comparable transactions and the general interest rate environment. Because the auto finance contracts purchased by the Company have fixed interest rates, the Company bears the risk of smaller gross interest rate spreads in the event interest rates increase during the period between the date receivables are purchased and the completion and pricing of securitization transactions.

The Company utilizes several strategies to minimize the risk of interest rate fluctuations, including the use of derivative financial instruments, the regular sale of auto receivables to the Trusts and pre-funding of securitization transactions. Pre-funding securitizations is the practice of issuing more asset-backed securities than the amount of receivables initially sold to the Trust. The proceeds from the pre-funded portion are held in an escrow account until additional receivables are sold to the Trust in amounts up to the balance of the pre-funded escrow account. In pre-funded securitizations, borrowing costs are locked in with respect to the loans subsequently delivered to the Trust. However, the Company incurs an expense in pre-funded securitizations equal to the difference between the money market yields earned on the proceeds held in escrow prior to the subsequent delivery of receivables and the interest rate paid on the asset-backed securities outstanding.

Derivative financial instruments are utilized to manage the gross interest rate spread on the Company's securitization transactions. The Company sells fixed rate auto

receivables to Trusts that, in turn, sell either fixed rate or floating rate securities to investors. The fixed rates on securities issued by the Trusts are indexed to either rates on U.S. Treasury Notes with similar average maturities, market Interest Rate Swap spreads for transactions of similar duration or various London Interbank Offered Rates ("LIBOR"). The Company has periodically used Forward U.S. Treasury rate lock agreements to lock in the indexed rate for specific anticipated securitization transactions. The floating rates on securities issued by the Trusts are indexed to LIBOR. The Company uses Interest Rate Swap agreements to convert the floating rate exposures on these securities to a fixed rate. The Company utilizes these derivative financial instruments to modify its net interest sensitivity to levels deemed appropriate based on the Company's risk tolerance. Management monitors the Company's hedging activities to ensure that the value of hedges, their correlation to the contracts being hedged and the amounts being hedged continue to provide effective protection against interest rate risk. All transactions are entered into for purposes other than trading.

The Company made cash payments of \$5.8 million and \$7.0 million during fiscal 1999 and 1998, respectively, to settle Forward U.S. Treasury rate lock agreements. These amounts were included in the gain on sale of receivables in securitization transactions and are recovered over time through a higher gross interest rate spread on the related securitization transaction. There were no outstanding Forward U.S. Treasury rate lock agreements as of June 30, 2000.

The following table provides information about the Company's derivative financial instruments by expected maturity date as of June 30, 2000 (dollars in thousands). Notional amounts, which are used to calculate the contractual payments to be exchanged under the contracts, represent average amounts that will be outstanding for each of the years included in the table. Notional amounts do not represent amounts exchanged by parties and, thus, are not a measure of the Company's exposure to loss through its use of these agreements.

<i>Years Ended June 30,</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>Fair Value</i>
<b>Interest Rate Swaps:</b>							
Notional amounts	\$1,313,104	\$1,064,778	\$ 580,684	\$ 218,727	\$ 41,100	\$ 108	\$ 6,202(a)
Average pay rate	6.90%	7.11%	7.30%	7.53%	6.94%	6.94%	
Average receive rate	7.04%	7.03%	7.03%	7.04%	7.71%	7.73%	

(a) The fair value of the swaps is taken into consideration in the valuation of the interest-only receivables from Trusts.

There can be no assurance that the Company's strategies will be effective in minimizing interest rate risk or that increases in interest rates will not have an adverse effect on the Company's profitability.

### **Current Accounting Pronouncements**

In June 2000, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities – an amendment of FASB Statement No. 133" ("SFAS 138"). This Statement addresses a limited number of issues causing implementation difficulties for numerous entities required to apply Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). SFAS 133 and SFAS 138 establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. The statements require that all derivatives be recognized as either assets or liabilities in the consolidated balance sheet and that those instruments be measured at fair value. If certain conditions are met, a derivative may be specifically designated as a hedging instrument. The accounting for changes in the fair value of a derivative (that is, gains and losses) depends on the intended use of the derivative and the resulting designation. The Company does not believe that the adoption of these statements will have a materi-

al effect on the Company's financial position or results of operations. These statements will be effective for the Company's fiscal year ending June 30, 2001.

### **Forward-Looking Statements**

The preceding Management's Discussion and Analysis of Financial Condition and Results of Operations section contains several "forward-looking statements." Forward-looking statements are those which use words such as "believe," "expect," "anticipate," "intend," "plan," "may," "will," "should," "estimate," "continue" or other comparable expressions. These words indicate future events and trends. Forward-looking statements are the Company's current views with respect to future events and financial performance. These forward-looking statements are subject to many risks and uncertainties which could cause actual results to differ significantly from historical results or from those anticipated by the Company. The most significant risks are detailed from time to time in the Company's filings and reports with the Securities and Exchange Commission including the Company's Annual Report on Form 10-K for the year ended June 30, 2000. It is advisable not to place undue reliance on the Company's forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## AmeriCredit Corp. Consolidated Balance Sheets

(dollars in thousands)

June 30,	2000	1999
<b>Assets</b>		
Cash and cash equivalents	\$ 42,916	\$ 21,189
Receivables held for sale, net	871,511	456,009
Interest-only receivables from Trusts	229,059	191,865
Investments in Trust receivables	341,707	195,598
Restricted cash	253,852	107,399
Property and equipment, net	44,535	41,145
Other assets	<u>78,689</u>	<u>50,282</u>
Total assets	<u>\$1,862,269</u>	<u>\$1,063,487</u>
<b>Liabilities and Shareholders' Equity</b>		
Liabilities:		
Warehouse credit facilities	\$ 487,700	\$ 114,659
Credit enhancement facility	66,606	
Senior notes	375,000	375,000
Other notes payable	19,691	17,874
Funding payable	61,664	39,301
Accrued taxes and expenses	70,627	42,928
Deferred income taxes	<u>92,402</u>	<u>73,995</u>
Total liabilities	<u>1,173,690</u>	<u>663,757</u>
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Preferred stock, \$.01 par value per share, 20,000,000 shares authorized; none issued		
Common stock, \$.01 par value per share, 120,000,000 shares authorized; 83,726,534 and 71,498,474 shares issued	837	715
Additional paid-in capital	401,979	252,194
Accumulated other comprehensive income	44,803	21,410
Retained earnings	<u>262,111</u>	<u>147,610</u>
	709,730	421,929
Treasury stock, at cost (7,008,859 and 7,357,030 shares)	<u>(21,151)</u>	<u>(22,199)</u>
Total shareholders' equity	<u>688,579</u>	<u>399,730</u>
Total liabilities and shareholders' equity	<u>\$1,862,269</u>	<u>\$1,063,487</u>

The accompanying notes are an integral part of these consolidated financial statements.

## AmeriCredit Corp. Consolidated Statements of Income and Comprehensive Income

(dollars in thousands, except per share data)

Years ended June 30,	2000	1999	1998
<b>Revenue</b>			
Finance charge income	\$ 124,150	\$ 75,288	\$ 55,837
Gain on sale of receivables	209,070	169,892	103,194
Servicing fee income	170,251	85,966	47,910
Other income	6,209	4,310	2,395
	<u>509,680</u>	<u>335,456</u>	<u>209,336</u>
<b>Costs and expenses</b>			
Operating expenses	223,219	165,345	94,484
Provision for loan losses	16,359	9,629	7,555
Interest expense	69,310	38,792	27,135
Charge for closing mortgage operations	10,500		
	<u>319,388</u>	<u>213,766</u>	<u>129,174</u>
Income before income taxes	190,292	121,690	80,162
Income tax provision	75,791	46,850	30,861
Net income	<u>114,501</u>	<u>74,840</u>	<u>49,301</u>
Other comprehensive income			
Unrealized gain on credit enhancement assets	37,995	23,052	4,724
Less related income tax provision	14,602	8,876	1,845
Comprehensive income	<u>\$ 137,894</u>	<u>\$ 89,016</u>	<u>\$ 52,180</u>
Earnings per share			
Basic	<u>\$ 1.57</u>	<u>\$ 1.19</u>	<u>\$ 0.82</u>
Diluted	<u>\$ 1.48</u>	<u>\$ 1.11</u>	<u>\$ 0.76</u>
Weighted average shares outstanding	<u>73,038,005</u>	<u>63,005,746</u>	<u>60,188,788</u>
Weighted average shares and assumed incremental shares	<u>77,613,652</u>	<u>67,191,235</u>	<u>65,203,460</u>

The accompanying notes are an integral part of these consolidated financial statements.

## AmeriCredit Corp. Consolidated Statements of Shareholders' Equity

(dollars in thousands)

	Common Stock		Additional	Accumulated	Retained	Treasury Stock	
	Shares	Amount	Paid-In Capital	Other Comprehensive Income	Earnings	Shares	Amount
<b>Balance at June 30, 1997</b>	66,510,346	\$ 667	\$ 203,531	\$ 4,355	\$ 23,469	7,918,142	\$ (23,761)
Common stock issued on exercise of options	2,762,602	26	15,994				
Income tax benefit from exercise of options			9,575				
Unrealized gain on credit enhancement assets, net of income taxes of \$1,845				2,879			
Common stock issued for employee benefit plans			1,169			(250,824)	643
Net income					49,301		
<b>Balance at June 30, 1998</b>	69,272,948	693	230,269	7,234	72,770	7,667,318	(23,118)
Common stock issued on exercise of options	2,225,526	22	9,919				
Income tax benefit from exercise of options			9,918				
Unrealized gain on credit enhancement assets, net of income taxes of \$8,876				14,176			
Common stock issued for employee benefit plans			2,088			(310,288)	919
Net income					74,840		
<b>Balance at June 30, 1999</b>	71,498,474	715	252,194	21,410	147,610	7,357,030	(22,199)
Common stock issued on exercise of options	3,028,060	30	23,825				
Common stock issued in public offering	9,200,000	92	111,455				
Income tax benefit from exercise of options			11,583				
Unrealized gain on credit enhancement assets, net of income taxes of \$14,602				23,393			
Common stock issued for employee benefit plans			2,922			(348,171)	1,048
Net income					114,501		
<b>Balance at June 30, 2000</b>	<b>83,726,534</b>	<b>\$ 837</b>	<b>\$401,979</b>	<b>\$ 44,803</b>	<b>\$262,111</b>	<b>7,008,859</b>	<b>\$ (21,151)</b>

The accompanying notes are an integral part of these consolidated financial statements.

## AmeriCredit Corp. Consolidated Statements of Cash Flows

(dollars in thousands)

Years Ended June 30,	2000	1999	1998
<b>Cash flows from operating activities</b>			
Net income	\$ 114,501	\$ 74,840	\$ 49,301
Adjustments to reconcile net income to net cash provided by operating activities:			
Non-cash charge for closing mortgage operations	6,566		
Depreciation and amortization	19,357	12,645	4,498
Provision for loan losses	16,359	9,629	7,555
Deferred income taxes	15,388	43,364	30,974
Non-cash servicing fee income	(44,083)	(12,525)	(10,867)
Non-cash gain on sale of auto receivables	(186,176)	(157,757)	(96,405)
Distributions from Trusts	125,104	44,531	43,807
Changes in assets and liabilities:			
Other assets	(23,841)	(6,177)	(3,324)
Accrued taxes and expenses	27,699	36,240	(7,351)
Net cash provided by operating activities	<u>70,874</u>	<u>44,790</u>	<u>18,188</u>
<b>Cash flows from investing activities</b>			
Purchases of auto receivables	(4,425,836)	(2,869,776)	(1,693,957)
Originations of mortgage receivables	(109,688)	(297,535)	(137,169)
Principal collections and recoveries on receivables	43,756	21,524	37,347
Net proceeds from sale of auto receivables	3,955,404	2,727,763	1,609,970
Net proceeds from sale of mortgage receivables	126,866	294,096	119,683
Initial deposits to restricted cash	(186,606)	(82,750)	(56,725)
Return of deposits from restricted cash		23,000	
Net change in credit enhancement facility	66,606		
Purchases of property and equipment	(9,751)	(14,728)	(9,456)
Change in other assets	(11,232)	(10,462)	5,064
Net cash used by investing activities	<u>(550,481)</u>	<u>(208,868)</u>	<u>(125,243)</u>
<b>Cash flows from financing activities</b>			
Net change in warehouse credit facilities	373,041	(50,949)	93,563
Net proceeds from issuance of senior notes		194,097	47,762
Payments on other notes payable	(11,079)	(3,916)	(25,042)
Proceeds from issuance of common stock	139,372	12,948	17,832
Net cash provided by financing activities	<u>501,334</u>	<u>152,180</u>	<u>134,115</u>
Net increase (decrease) in cash and cash equivalents	21,727	(11,898)	27,060
Cash and cash equivalents at beginning of year	21,189	33,087	6,027
Cash and cash equivalents at end of year	<u>\$ 42,916</u>	<u>\$ 21,189</u>	<u>\$ 33,087</u>

The accompanying notes are an integral part of these consolidated financial statements.

## **AmeriCredit Corp. Notes to Consolidated Financial Statements**

### **1. Summary of Significant Accounting Policies**

#### *History and Operations*

AmeriCredit Corp. (“the Company”) was formed on August 1, 1986, and, since September 1992, has been in the business of purchasing and servicing automobile sales finance contracts. The Company operated 196 auto lending branch offices in 41 states and Canada as of June 30, 2000. The Company acquired a subsidiary in November 1996 which originated and sold mortgage loans. During October 1999, the Company ceased the operations of this subsidiary and is in the process of liquidating its assets.

#### *Basis of Presentation*

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current year presentation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the amount of revenue and costs and expenses during the reporting periods. Actual results could differ from those estimates. These estimates include, among other things, assumptions for cumulative credit losses, timing of cash flows, discount rates and, to a lesser extent, anticipated prepayments on receivables sold in securitization transactions and the determination of the allowance for loan losses on receivables held for sale.

#### *Cash Equivalents*

Investments in highly liquid securities with original maturities of 90 days or less are included in cash and cash equivalents.

#### *Receivables Held for Sale*

Receivables held for sale are carried at the lower of cost or fair value. Finance charge income related to receivables held for sale is recognized using the interest method. Accrual of finance charge income is suspended on accounts which are more than 60 days delinquent. Fees and commissions received and direct costs of originating loans are deferred and amortized over the term of the related receivables using the interest method.

Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at a level considered adequate to cover estimated probable losses which may occur in the receivables held for sale portfolio prior to the sale of such receivables in securitization transactions. Automobile sales finance contracts are typically purchased by the Company for a non-refundable acquisition fee on a non-recourse basis, and such acquisition fees are also added to the allowance for loan losses. The Company reviews historical origination and charge-off relationships, charge-off experience factors, collection data, delinquency reports, estimates of the value of the underlying collateral, economic conditions and trends and other information in order to make the necessary judgments as to the appropriateness of the provision for loan losses and the allowance for loan losses. Receivables are charged-off to the allowance for loan losses when the Company repossesses and disposes of the collateral or the account is otherwise deemed uncollectible.

#### *Credit Enhancement Assets*

The Company periodically sells auto receivables to certain special purpose financing trusts (the “Trusts”), and the Trusts in turn issue asset-backed securities to investors. The Company retains an interest in the receivables sold in the form of a residual or interest-only strip and may also retain other subordinated interests in the receivables sold to the Trusts. The residual or interest-only strip represents the present value of future excess cash flows resulting from the difference between the finance charge income received from the obligors on the receivables and the interest paid to the investors in the asset-backed securities, net of credit losses, servicing fees and other expenses.

Upon the transfer of receivables to the Trusts, the Company removes the net book value of the receivables sold from its consolidated balance sheet and allocates such carrying value between the assets transferred and the interests retained, based upon their relative fair values at the settlement date. The difference between the sales proceeds, net of transaction costs, and the allocated basis of the assets transferred is recognized as a gain on sale of receivables.

The allocated basis of the interests retained is classified as either interest-only receivables from Trusts, investments in Trust receivables or restricted cash in the Company's consolidated balance sheet depending upon the form of interest retained by the Company. These interests are collectively referred to as credit enhancement assets.

Since the interests retained by the Company can be contractually prepaid or otherwise settled in such a way that the holder would not recover all of its recorded investment, these credit enhancement assets are classified as available for sale and are measured at fair value. Unrealized holding gains or temporary holding losses are reported net of income tax effects as accumulated other comprehensive income which is a separate component of shareholders' equity until realized. If a decline in fair value is deemed other than temporary, the assets are written down through a charge to operations.

The fair value of credit enhancement assets is estimated by calculating the present value of the excess cash flows from the Trusts using discount rates commensurate with the risks involved. Such calculations include estimates of cumulative credit losses and prepayment rates for the remaining term of the receivables transferred to the Trusts since these factors impact the amount and timing of future excess cash flows. If cumulative credit losses and prepayment rates exceed the Company's original estimates, the assets are written down through a charge to operations. Favorable credit loss and prepayment experience compared to the Company's original estimates would result in additional earnings when realized.

A financial guaranty insurance company (the "Insurer") has provided a financial guaranty insurance policy for the benefit of the investors in each series of asset-backed securities issued by the Trusts. In connection with the issuance of the policies, the Company is required to establish a separate cash account with a trustee for the benefit of the Insurer for each series of securities and related receivables pools. Monthly cash collections from the pools of receivables in excess of required principal and interest payments on the asset-backed securities and servicing fees and other expenses are either added to the restricted cash accounts or used to repay the outstanding asset-backed securities on an accelerated basis, thus creating additional credit enhancement through overcollateralization in the Trusts. This overcollateralization is recognized as investments in Trust receivables in the Company's consolidated balance sheet. When the credit enhancement levels reach specified percentages of the pools of receivables, excess cash flows are distributed to the Company. In the event that monthly cash collections from any pool of receivables are insufficient to make required principal and interest payments to the investors and pay servicing fees and other expenses, any shortfall would be drawn from the restricted cash accounts.

Certain agreements with the Insurer provide that if delinquency, default and net loss ratios in the pools of receivables supporting the asset-backed securities exceed certain targets, the specified levels of credit enhancement would be increased and, in certain cases, the Company would be removed as servicer of the receivables.

#### *Property and Equipment*

Property and equipment are carried at cost less accumulated depreciation. Depreciation is generally provided on a straight-line basis over the estimated useful lives of the assets. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts at the time of disposition and any resulting gain or loss is included in operations. Maintenance, repairs and minor

replacements are charged to operations as incurred; major replacements and betterments are capitalized.

#### *Off Balance Sheet Financial Instruments*

The Company periodically enters into arrangements to manage the gross interest rate spread on its securitization transactions. These arrangements include the use of Interest Rate Swap Agreements. The Interest Rate Swap Agreements are used to convert the interest rates on floating rate securities issued by the Trusts to fixed rates. The notional amounts of these agreements approximate the outstanding balance of certain floating rate securities. The estimated differential payments required under these agreements are recognized as a component of the gain on sale of receivables at the time that receivables are transferred to the Trusts. The current credit exposure under these agreements is limited to the fair value of the agreements with a positive fair value at the reporting date. The Company minimizes its counterparty risk by entering into agreements only with highly rated counterparties.

#### *Income Taxes*

Deferred income taxes are provided in accordance with the asset and liability method of accounting for income taxes to recognize the tax effects of temporary differences between financial statement and income tax accounting.

#### *Recent Accounting Developments*

In June 2000, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 138, “Accounting for Certain Derivative Instruments and Certain Hedging Activities – an amendment of FASB Statement No. 133” (“SFAS 138”). This Statement addresses a limited number of issues causing implementation difficulties for numerous entities required to apply Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities” (“SFAS 133”). SFAS 133 and SFAS 138 establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other con-

tracts, and for hedging activities. The statements require that all derivatives be recognized as either assets or liabilities in the consolidated balance sheet and that those instruments be measured at fair value. If certain conditions are met, a derivative may be specifically designated as a hedging instrument. The accounting for changes in the fair value of a derivative (that is, gains and losses) depends on the intended use of the derivative and the resulting designation. The Company does not believe that the adoption of these statements will have a material effect on the Company’s financial position or results of operations. These statements will be effective for the Company’s fiscal year ending June 30, 2001.

## **2. Receivables Held for Sale**

Receivables held for sale consist of the following (in thousands):

<i>June 30,</i>	<i>2000</i>	<i>1999</i>
Autos receivables	<b>\$891,672</b>	\$444,128
Less allowance for loan losses	<b>(24,374)</b>	(11,841)
Autos receivables, net	<b>867,298</b>	432,287
Mortgage receivables	<b>4,213</b>	23,722
	<b><u>\$871,511</u></b>	<u>\$456,009</u>

Auto receivables are collateralized by vehicle titles and the Company has the right to repossess the vehicle in the event the consumer defaults on the payment terms of the contract. Mortgage receivables are collateralized by liens on real property and the Company has the right to foreclose in the event the consumer defaults on the payment terms of the contract.

The accrual of finance charge income has been suspended on approximately \$14,814,000 and \$7,657,000 of delinquent auto receivables as of June 30, 2000 and 1999, respectively.

The Company has established an allowance for loan losses with respect to auto receivables held for sale to provide for probable credit losses on such receivables prior to their sale in a securitization transaction.

A summary of the allowance for loan losses is as follows (in thousands):

<i>Years Ended June 30,</i>	<b>2000</b>	1999	1998
Balance at beginning of year	<b>\$ 11,841</b>	\$ 12,756	\$ 12,946
Provision for loan losses	<b>16,359</b>	9,629	7,555
Acquisition fees	<b>97,659</b>	64,230	49,859
Allowance related to receivables sold to Trusts	<b>(91,862)</b>	(66,728)	(48,464)
Net charge-offs	<b>(9,623)</b>	(8,046)	(9,140)
Balance at end of year	<b>\$ 24,374</b>	<b>\$ 11,841</b>	<b>\$ 12,756</b>

### 3. Credit Enhancement Assets

As of June 30, 2000 and 1999, the Company was servicing \$5,758.3 million and \$3,661.3 million, respectively, of auto receivables which have been sold to the Trusts. The Company has retained an interest in these receivables in the form of credit enhancement assets.

Credit enhancement assets consist of the following (in thousands):

<i>June 30,</i>	<b>2000</b>	1999
Interest-only receivables from Trusts	<b>\$229,059</b>	\$191,865
Investments in Trust receivables	<b>341,707</b>	195,598
Restricted cash	<b>253,852</b>	107,399
	<b>\$824,618</b>	<b>\$494,862</b>

A summary of activity in the credit enhancement assets is as follows (in thousands):

<i>Years Ended June 30,</i>	<b>2000</b>	1999	1998
Balance at beginning of year	<b>\$494,862</b>	\$286,309	\$161,395
Non-cash gain on sale of auto receivables	<b>186,176</b>	157,757	96,405
Accretion of present value discount	<b>44,083</b>	32,625	19,717
Initial deposits to restricted cash	<b>186,606</b>	82,750	56,725
Change in unrealized gain	<b>37,995</b>	23,052	4,724
Distributions from Trusts	<b>(125,104)</b>	(44,531)	(43,807)
Return of deposits from restricted cash		(23,000)	
Permanent impairment write-down		(20,100)	(8,850)
Balance at end of year	<b>\$824,618</b>	<b>\$494,862</b>	<b>\$286,309</b>

A summary of the allowance for loan losses included as a component of the interest-only receivables is as follows (in thousands):

<i>Years Ended June 30,</i>	<b>2000</b>	1999	1998
Balance at beginning of year	<b>\$354,338</b>	\$179,359	\$ 74,925
Assumptions for cumulative credit losses	<b>413,417</b>	294,177	174,446
Permanent impairment write-down		20,100	8,850
Net charge-offs	<b>(204,653)</b>	(139,298)	(78,862)
Balance at end of year	<b>\$563,102</b>	<b>\$354,338</b>	<b>\$179,359</b>

### 4. Warehouse Credit Facilities

Warehouse credit facilities consist of the following (in thousands):

<i>June 30,</i>	<b>2000</b>	1999
Commercial paper facilities	<b>\$483,039</b>	\$ 94,369
Credit agreement	<b>4,661</b>	1,306
Mortgage facility		18,984
	<b>\$487,700</b>	<b>\$114,659</b>

The Company has five separate funding agreements with administrative agents on behalf of institutionally managed commercial paper conduits and bank groups with aggregate structured warehouse financing availability of approximately \$2.2 billion. The first and second facilities provide for available structured warehouse financing of \$725 million and \$275 million, respectively, through September 2000. The third facility provides for available structured warehouse financing of \$375 million through March 2001. The fourth and fifth facilities provide for available structured warehouse financing of \$500 million and \$300 million, respectively, through June 2001.

Under these funding agreements, the Company transfers auto receivables to special purpose finance subsidiaries of the Company, and these subsidiaries in turn issue notes, collateralized by such auto receivables, to the agents. The agents provide funding under the notes to the subsidiaries pursuant to an advance for-

mula and the subsidiaries forward the funds to the Company in consideration for the transfer of auto receivables. While these subsidiaries are included in the Company's consolidated financial statements, these subsidiaries are separate legal entities and the auto receivables and other assets held by the subsidiaries are legally owned by these subsidiaries and are not available to creditors of AmeriCredit Corp. or its other subsidiaries. Advances under the funding agreements bear interest at commercial paper, London Interbank Offered Rates ("LIBOR") or prime rates plus specified fees depending upon the source of funds provided by the agents. The funding agreements contain various covenants requiring certain minimum financial ratios and results. The funding agreements also require certain funds to be held in restricted cash accounts to provide additional collateral for borrowings under the facilities. As of June 30, 2000, these restricted cash accounts totaled \$16,262,000 and are included in other assets in the consolidated balance sheets.

The Company's Canadian subsidiary has a convertible revolving term credit agreement with a bank, under which the subsidiary may borrow up to \$30 million Cdn., subject to a defined borrowing base. Borrowings under the credit agreement are collateralized by certain Canadian auto receivables and bear interest at the Canadian prime rate. The credit agreement, which expires in March 2001, contains various restrictive covenants requiring certain minimum financial ratios and results.

### **5. Credit Enhancement Facility**

The Company has a credit enhancement facility with a financial institution under which the Company may borrow up to \$225 million to fund a portion of the initial restricted cash deposit required in its securitization transactions. Borrowings under the credit enhancement facility are available on a revolving basis through October 2001 and are collateralized by the Company's credit enhancement assets. The facility contains

covenants requiring certain asset performance ratios. The Company has alternatively utilized reinsurance arrangements to reduce the initial restricted cash deposit. These reinsurance arrangements do not represent funded debt, and therefore are not recorded as such on the Company's consolidated balance sheets.

### **6. Senior Notes**

The Company has outstanding \$175 million of senior notes that are due in February 2004. Interest on the notes is payable semiannually at a rate of 9.25% per annum. The notes, which are uncollateralized, may be redeemed at the option of the Company after February 2001 at a premium declining to par in February 2003.

Additionally, the Company has outstanding \$200 million of senior notes that are due in April 2006. Interest on the notes is payable semiannually at a rate of 9.875% per annum. The notes, which are uncollateralized, may be redeemed at the option of the Company after April 2003 at a premium declining to par in April 2005.

The Indentures pursuant to which the senior notes were issued contain restrictions including limitations on the Company's ability to incur additional indebtedness other than certain collateralized indebtedness, pay cash dividends and repurchase common stock. Debt issuance costs are being amortized over the term of the notes, and unamortized costs of \$8,595,000 and \$10,208,000 as of June 30, 2000 and 1999, respectively, are included in other assets in the consolidated balance sheets.

### **7. Commitments and Contingencies**

#### *Leases*

Branch lending offices are generally leased for terms of up to five years with certain rights to extend for additional periods. The Company also leases space for its administrative offices and loan servicing activities under leases with terms up to twelve years with renewal options. Lease expense was \$13,631,000, \$8,105,000 and \$4,206,000 for the years ended June 30, 2000, 1999 and 1998, respectively.

Lease commitments for years ending June 30 are as follows (in thousands):

2001	\$12,330
2002	11,049
2003	9,411
2004	7,000
2005	5,504
Thereafter	<u>21,856</u>
	<u>\$67,150</u>

### *Concentrations of Credit Risk*

Financial instruments which potentially subject the Company to concentrations of credit risk are primarily cash equivalents, restricted cash, derivative financial instruments and managed auto receivables, which include auto receivables held for sale and auto receivables serviced by the Company on behalf of the Trusts. The Company's cash equivalents and restricted cash represent investments in highly rated securities placed through various major financial institutions. The counterparties to the Company's derivative financial instruments are various major financial institutions. Managed auto receivables represent contracts with consumers residing throughout the United States and, to a limited extent, in Canada, with borrowers located in California and Texas accounting for 13% and 11%, respectively, of the managed auto receivables portfolio as of June 30, 2000. No other state accounted for more than 10% of managed auto receivables.

### *Legal Proceedings*

As a consumer finance company, the Company is subject to various consumer claims and litigation seeking damages and statutory penalties based upon, among other things, usury, disclosure inaccuracies, wrongful repossession, fraud and discriminatory treatment of credit applicants, which could take the form of a plaintiffs' class action complaint. The Company, as the assignee of finance contracts originated by dealers, may also be

named as a co-defendant in lawsuits filed by consumers principally against dealers. The damages and penalties claimed by consumers in these types of matters can be substantial. The relief requested by the plaintiffs varies but includes requests for compensatory, statutory and punitive damages.

Two proceedings in which the Company is a defendant have been brought in the form of class action complaints. One proceeding, pending in the State of Georgia, claims that the Company miscalculated rebates on certain precomputed retail installment contracts in Georgia. The other proceeding, pending in U.S. District Court in the State of California, claims that certain loan pricing structures used by the Company and other banks and finance companies violate various California laws. In the opinion of management, both of these lawsuits are without merit and the Company intends to defend vigorously.

On April 8, 1999, a putative class action complaint was filed against the Company and certain of the Company's officers and directors alleging violations of Section 10(b) of the Securities Exchange Act of 1934 arising from the Company's use of the cash-in method of measuring and accounting for credit enhancement assets in the Company's financial statements through the first quarter of fiscal year 1999. The U.S. District Court granted the Company's motion to dismiss the litigation with prejudice on April 21, 2000. The plaintiffs have appealed the dismissal to the U.S. Court of Appeals for the Fifth Circuit, where the matter is presently pending. In the opinion of management, this litigation is without merit, as evidenced by the District Court's dismissal, and the Company intends to vigorously contest the plaintiff's appeal of such dismissal.

In the opinion of management, the resolution of the proceedings described in this section will not have a material adverse effect on the Company's consolidated financial position, liquidity or results of operations.

## 8. Stock Options

### General

The Company has certain stock-based compensation plans for employees, non-employee directors and key executive officers.

A total of 15,300,000 shares have been authorized for grants of options under the employee plans, of which 890,000 shares remain available for future grants as of June 30, 2000. The exercise price of each option must equal the market price of the Company's stock on the date of grant, and the maximum term of each option is ten years. The vesting period is typically four years. A committee of the Company's Board of Directors determines option grants, vesting periods and the term of each option.

A total of 2,360,000 shares have been authorized for grants of options under the non-employee director plans, of which 820,000 shares remain available for future grants as of June 30, 2000. The exercise price of each option must equal the market price of the Company's stock on the date of grant and the maximum term of each option is ten years. Option grants, vesting periods and the term of each option are established by the terms of the plans.

A total of 6,300,000 shares have been authorized for grants of options under the key executive officer plans, none of which remain available for future grants as of

June 30, 2000. Option grants, vesting periods and the exercise price and term of each option are established by the terms of the plans.

The Company has elected not to adopt the fair value-based method of accounting for stock-based awards and, accordingly, no compensation expense has been recognized for options granted under the plans described above. Had compensation expense for the Company's plans been determined using the fair value-based method, pro forma net income would have been \$101,665,000, \$65,544,000 and \$45,598,000, pro forma basic earnings per share would have been \$1.39, \$1.04 and \$0.76 and pro forma diluted earnings per share would have been \$1.31, \$0.98 and \$0.70 for the years ended June 30, 2000, 1999 and 1998, respectively.

The following tables present information related to the Company's stock-based compensation plans. The fair value of each option grant was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

<i>Years Ended June 30,</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Expected dividends	0	0	0
Expected volatility	45%	40%	32%
Risk-free interest rate	6.10%	5.51%	5.68%
Expected life	5 years	5 years	5 years

### Employee Plans

A summary of stock option activity under the Company's employee plans is as follows (shares in thousands):

Years Ended June 30,	2000		1999		1998	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	10,856	\$ 9.92	10,070	\$ 7.51	8,752	\$ 4.68
Granted	3,009	16.67	2,841	15.42	3,640	13.14
Exercised	(2,665)	7.70	(1,829)	4.13	(2,034)	5.29
Canceled	(618)	14.31	(226)	12.41	(288)	8.31
Outstanding at end of year	<u>10,582</u>	<u>\$12.22</u>	<u>10,856</u>	<u>\$ 9.92</u>	<u>10,070</u>	<u>\$ 7.51</u>
Options exercisable at end of year	<u>6,229</u>	<u>\$10.05</u>	<u>6,969</u>	<u>\$ 8.18</u>	<u>6,030</u>	<u>\$ 5.11</u>
Weighted average fair value of options granted during year		<u>\$ 7.93</u>		<u>\$ 6.72</u>		<u>\$ 5.06</u>

A summary of options outstanding under employee plans as of June 30, 2000, is as follows (shares in thousands):

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Years of Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
\$1.25 to 2.32	740	0.91	\$ 1.76	740	\$ 1.76
\$2.75 to 4.57	1,192	4.32	3.65	1,192	3.65
\$5.50 to 7.88	724	6.38	7.15	584	7.13
\$8.19 to 9.19	237	6.52	8.36	152	8.34
\$10.13 to 13.07	2,261	7.79	11.75	1,572	11.87
\$13.38 to 16.38	2,679	8.75	15.48	1,035	15.66
\$17.00 to 17.44	1,600	8.54	17.26	721	17.27
\$18.13 to 19.00	<u>1,149</u>	<u>9.82</u>	<u>18.13</u>	<u>233</u>	<u>18.13</u>
	<u>10,582</u>			<u>6,229</u>	

### Non-Employee Director Plans

A summary of stock option activity under the Company's non-employee director plans is as follows (shares in thousands):

Years Ended June 30,	2000		1999		1998	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	1,385	\$ 3.37	1,526	\$ 2.87	1,708	\$ 2.21
Granted	80	17.81	80	14.88	80	14.63
Exercised	(85)	1.40	(201)	3.00	(262)	2.17
Canceled			(20)	14.63		
Outstanding at end of year	<u>1,380</u>	<u>\$ 4.33</u>	<u>1,385</u>	<u>\$ 3.37</u>	<u>1,526</u>	<u>\$ 2.87</u>
Options exercisable at end of year	<u>1,380</u>	<u>\$ 4.33</u>	<u>1,385</u>	<u>\$ 3.37</u>	<u>1,526</u>	<u>\$ 2.87</u>
Weighted average fair value of options granted during year		<u>\$ 8.55</u>		<u>\$ 6.49</u>		<u>\$ 5.66</u>

A summary of options outstanding under non-employee director plans as of June 30, 2000, is as follows (shares in thousands):

Range of Exercise Prices	Options Outstanding and Exercisable		
	Number Outstanding	Weighted Average Years of Remaining Contractual Life	Weighted Average Exercise Price
\$1.40 to 3.75	1,060	1.11	\$ 1.62
\$6.44 to 9.38	100	5.81	7.64
\$14.63 to 14.88	140	7.92	14.77
\$14.89 to 17.81	80	9.34	17.81
	<u>1,380</u>		

### Key Executive Officer Plans

A summary of stock option activity under the Company's key executive officer plans is as follows (shares in thousands):

Years Ended June 30,	2000		1999		1998	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	6,300	\$10.92	1,700	\$ 8.00	1,700	\$ 8.00
Granted			4,600	12.00		
Exercised	(100)	12.00				
Outstanding at end of year	6,200	\$10.90	6,300	\$10.92	1,700	\$ 8.00
Options exercisable at end of year	2,750	\$ 9.53	1,700	\$ 8.00	1,700	\$ 8.00
Weighted average fair value of options granted during year				\$ 5.25		

A summary of options outstanding under key executive officer plans as of June 30, 2000, is as follows (shares in thousands):

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Years of Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
\$8.00	1,700	2.81	\$ 8.00	1,700	\$ 8.00
\$12.00	4,500	2.58	12.00	1,050	12.00
	6,200			2,750	

### 9. Employee Benefit Plans

The Company has a defined contribution retirement plan covering substantially all employees. The Company's contributions to the plan were \$2,237,000, \$1,026,000 and \$358,000 for the years ended June 30, 2000, 1999 and 1998, respectively.

The Company also has an employee stock purchase plan that allows participating employees to purchase, through payroll deductions, shares of the Company's common stock at 85% of the market value at specified dates. A total of 2,000,000 shares have been reserved for issuance under the plan. Shares purchased under the plan were 250,495, 251,038 and 260,892 for the years ended June 30, 2000, 1999 and 1998, respectively.

### 10. Income Taxes

The income tax provision consists of the following (in thousands):

Years Ended June 30,	2000	1999	1998
Current	\$60,403	\$ 3,486	\$ (113)
Deferred	15,388	43,364	30,974
	\$75,791	\$46,850	\$30,861

The Company's effective income tax rate on income before income taxes differs from the U.S. statutory tax rate as follows:

Years Ended June 30,	2000	1999	1998
U.S. statutory tax rate	35.0%	35.0%	35.0%
Other	4.8	3.5	3.5
	39.8%	38.5%	38.5%

The deferred income tax provision consists of the following (in thousands):

<i>Years Ended June 30,</i>	<b>2000</b>	1999	1998
Income tax benefit from			
exercise of options	<b>\$11,583</b>	\$ 9,918	\$ 9,575
Gain on sale			
of receivables	<b>3,192</b>	23,784	32,606
Allowance for loan losses	<b>(2,965)</b>	1,553	993
Net operating loss			
carryforward		10,093	(9,051)
Other	<b>3,578</b>	(1,984)	(3,149)
	<b>\$15,388</b>	\$43,364	\$30,974

The tax effects of temporary differences that give rise to deferred tax liabilities and assets are as follows (in thousands):

<i>June 30,</i>	<b>2000</b>	1999
Deferred tax liabilities:		
Gain on sale of receivables	<b>\$(68,348)</b>	\$(65,156)
Unrealized gain on credit		
enhancement assets	<b>(28,049)</b>	(13,447)
Other	<b>(3,388)</b>	(2,650)
	<b>(99,785)</b>	(81,253)
Deferred tax assets:		
Net operating loss		
carryforward	<b>2,426</b>	2,426
Alternative minimum		
tax credits		561
Other	<b>4,957</b>	4,271
	<b>7,383</b>	7,258
Net deferred tax liability	<b>\$(92,402)</b>	\$(73,995)

As of June 30, 2000, the Company has a net operating loss carryforward of approximately \$57,144,000 for state income tax reporting purposes which expires between June 30, 2003 and June 30, 2019.

### 11. Earnings Per Share

A reconciliation of weighted average shares used to compute basic and diluted earnings per share is as follows:

<i>Years Ended June 30,</i>	<b>2000</b>	1999	1998
Weighted average			
shares outstanding	<b>73,038,005</b>	63,005,746	60,188,788
Incremental shares			
resulting from			
assumed exercise			
of stock options	<b>4,575,647</b>	4,185,489	5,014,672
Weighted average			
shares and assumed			
incremental shares	<b>77,613,652</b>	67,191,235	65,203,460

Basic earnings per share have been computed by dividing net income by weighted average shares outstanding.

Diluted earnings per share have been computed by dividing net income by the weighted average shares and assumed incremental shares. Assumed incremental shares were computed using the treasury stock method. The average common stock market prices for the period were used to determine the number of incremental shares.

### 12. Charge for Closing Mortgage Operations

As a result of declining premiums received for the sale of mortgage loans in the secondary markets, the Company ceased wholesale originations of mortgage loans and closed its mortgage loan production and processing offices during the year ended June 30, 2000.

The Company recognized a pre-tax charge of \$10,500,000 related to the closing of the mortgage operations. The charge consisted of approximately a \$6,600,000 write-off of goodwill, \$2,000,000 of reserves against mortgage receivables held for sale and \$1,900,000 of severance, facility closing and other costs. Reserves and accrued costs remaining at June 30, 2000, were approximately \$2,000,000.

### 13. Supplemental Information

Cash payments (receipts) for interest costs and income taxes consist of the following (in thousands):

Years Ended June 30,	2000	1999	1998
Interest costs			
(none capitalized)	\$69,630	\$39,930	\$26,369
Income taxes	62,714	(13,947)	14,804

During the years ended June 30, 2000, 1999 and 1998, the Company entered into capital lease agreements for property and equipment of \$12,896,000, \$15,380,000 and \$4,246,000, respectively.

### 14. Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments"

("SFAS 107"), requires disclosure of fair value information about financial instruments, whether recognized or not in the Company's consolidated balance sheets. Fair values are based on estimates using present value or other valuation techniques in cases where quoted market prices are not available. Those techniques are significantly affected by the assumptions used, including the discount rate and the estimated timing and amount of future cash flows. Therefore, the estimates of fair value may differ substantially from amounts that ultimately may be realized or paid at settlement or maturity of the financial instruments. SFAS 107 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

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Estimated fair values, carrying values and various methods and assumptions used in valuing the Company's financial instruments are set forth below (in thousands):

June 30,		2000		1999	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:					
	Cash and cash equivalents	(a) \$ 42,916	\$ 42,916	\$ 21,189	\$ 21,189
	Receivables held for sale, net	(b) 871,511	915,352	456,009	482,706
	Interest-only receivables from Trusts	(c) 229,059	229,059	191,865	191,865
	Investments in Trust receivables	(c) 341,707	341,707	195,598	195,598
	Restricted cash	(c) 253,852	253,852	107,399	107,399
Financial liabilities:					
	Warehouse credit facilities	(d) 487,700	487,700	114,659	114,659
	Credit enhancement facility	(d) 66,606	66,606		
	Senior notes	(e) 375,000	375,273	375,000	381,750
	Other notes payable	(f) 19,691	19,691	17,874	17,874

(a) The carrying value of cash and cash equivalents is considered to be a reasonable estimate of fair value since these investments bear interest at market rates and have maturities of less than 90 days.

(b) Since the Company periodically sells its receivables, fair value is estimated by discounting future net cash flows expected to be realized from the sale of the receivables using discount rate, prepayment and credit loss assumptions similar to the Company's historical experience.

(c) The fair value of interest-only receivables from Trusts, investments in Trust receivables and restricted cash is estimated by discounting the associated future net cash flows using discount rate, prepayment and credit loss assumptions similar to the Company's historical experience. The fair value of interest rate swaps, which is \$6,202 and \$5,729 as of June 30, 2000 and 1999, respectively, is included in the valuation of the interest-only receivables from Trusts.

(d) The warehouse credit facilities and credit enhancement facility have variable rates of interest and maturities of less than two years. Therefore, carrying value is considered to be a reasonable estimate of fair value.

(e) The fair value of the senior notes is based on the quoted market price.

(f) The fair value of other notes payable is estimated based on rates currently available for debt with similar terms and remaining maturities.

## REPORT OF INDEPENDENT ACCOUNTANTS

### **Board of Directors and Shareholders AmeriCredit Corp.**

We have audited the accompanying consolidated balance sheets of AmeriCredit Corp. as of June 30, 2000 and 1999, and the related consolidated statements of income and comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended June 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AmeriCredit Corp. as of June 30, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2000, in conformity with generally accepted accounting principles in the United States.

PricewaterhouseCoopers LLP  
Fort Worth, Texas  
August 3, 2000

**Common Stock Data**

The Company's common stock trades on the New York Stock Exchange under the symbol ACF. There were 76,717,675 shares of common stock outstanding as of June 30, 2000. The following table sets forth the range of the high, low and closing sale prices for the Company's common stock as reported on the Composite Tape of the New York Stock Exchange Listed Issues.

	<i>High</i>	<i>Low</i>	<i>Close</i>
<b>Fiscal year ended June 30, 2000</b>			
First Quarter	<b>\$16.31</b>	<b>\$12.00</b>	<b>\$14.94</b>
Second Quarter	<b>18.94</b>	<b>12.88</b>	<b>18.50</b>
Third Quarter	<b>18.63</b>	<b>10.62</b>	<b>16.31</b>
Fourth Quarter	<b>22.06</b>	<b>13.31</b>	<b>17.02</b>
<b>Fiscal year ended June 30, 1999</b>			
First Quarter	\$ 18.66	\$ 10.38	\$ 12.19
Second Quarter	16.06	6.63	13.81
Third Quarter	15.25	9.81	13.13
Fourth Quarter	17.50	12.94	16.00

As of June 30, 2000, there were approximately 280 shareholders of record of the Company's common stock.

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**Quarterly Data (Unaudited)**

(dollars in thousands, except per share data)

	<i>First Quarter</i>	<i>Second Quarter(a)</i>	<i>Third Quarter</i>	<i>Fourth Quarter</i>
<b>Fiscal year ended June 30, 2000</b>				
Finance charge income	<b>\$ 27,536</b>	<b>\$ 27,458</b>	<b>\$ 30,512</b>	<b>\$ 38,644</b>
Gain on sale of receivables	<b>48,928</b>	<b>49,314</b>	<b>52,923</b>	<b>57,905</b>
Servicing fee income	<b>34,787</b>	<b>41,096</b>	<b>44,645</b>	<b>49,723</b>
Income before income taxes	<b>41,178</b>	<b>35,994</b>	<b>52,701</b>	<b>60,419</b>
Net income	<b>25,324</b>	<b>19,609</b>	<b>32,410</b>	<b>37,158</b>
Diluted earnings per share	<b>0.35</b>	<b>0.25</b>	<b>0.41</b>	<b>0.46</b>
Weighted average shares and assumed incremental shares	<b>71,678,349</b>	<b>78,958,413</b>	<b>79,027,907</b>	<b>80,840,165</b>
<b>Fiscal year ended June 30, 1999</b>				
Finance charge income	\$ 16,917	\$ 16,260	\$ 18,361	\$ 23,750
Gain on sale of receivables	35,120	38,900	42,531	53,341
Servicing fee income	16,865	21,146	23,691	24,264
Income before income taxes	25,174	28,254	31,715	36,547
Net income	15,482	17,376	19,505	22,477
Diluted earnings per share	0.23	0.26	0.29	0.33
Weighted average shares and assumed incremental shares	66,968,691	66,750,045	66,514,367	68,695,877

(a) The Company closed its mortgage operations in the second quarter of fiscal 2000 and recorded a related charge of \$9.0 million or \$0.11 per share, net of income tax benefits.

## SHAREHOLDER INFORMATION

### Directors

Clifton H. Morris, Jr.  
*Executive Chairman of the Board, AmeriCredit Corp.*

Michael R. Barrington  
*Vice Chairman, Chief Executive Officer and President, AmeriCredit Corp.*

Daniel E. Berce  
*Vice Chairman and Chief Financial Officer, AmeriCredit Corp.*

A.R. Dike  
*President and Chief Executive Officer, The Dike Company, Inc.*

Edward H. Esstman  
*Executive Vice President Dealer Services, AmeriCredit Corp.*

James H. Greer  
*Chairman of the Board, Shelton W. Greer Co., Inc.*

Douglas K. Higgins  
*Owner, Higgins & Associates*

Kenneth H. Jones, Jr.  
*Private Investor*

### Executive Management Team

Clifton H. Morris, Jr.  
*Executive Chairman of the Board*

Michael R. Barrington  
*Vice Chairman, Chief Executive Officer and President*

Daniel E. Berce  
*Vice Chairman and Chief Financial Officer*

Edward H. Esstman  
*Executive Vice President Dealer Services*

Denny P. Hanysak  
*Executive Vice President Consumer Services*

Michael T. Miller  
*Executive Vice President e-Services*

Preston A. Miller  
*Executive Vice President Treasurer*

Steven P. Bowman  
*Executive Vice President Chief Credit Officer*

Chris A. Choate  
*Executive Vice President General Counsel and Secretary*

Joseph E. McClure  
*Executive Vice President Chief Information Officer*

Cinde C. Perales  
*Executive Vice President Chief of Staff*

Karl J. Reeb  
*Executive Vice President Chief Administration Officer*

### Corporate Headquarters

801 Cherry Street  
Suite 3900  
Fort Worth, Texas 76102  
817-302-7000

### Annual Meeting

The annual meeting of the Company will be held on November 7, 2000, at 10 a.m. at the Fort Worth Club, 306 West Seventh Street, Fort Worth, Texas. All shareholders are cordially invited to attend.

### Investor Relations Information

For financial/investment data and general information about AmeriCredit Corp., write the Investor Relations Department at the above address or telephone 817-302-7009. Information about the Company may also be found at [www.americredit.com](http://www.americredit.com).

Individual investors can invest in AmeriCredit for significantly reduced fees through the NAIC Stock Service. For more information, call 888-780-8400 or visit [www.naicstockservice.com](http://www.naicstockservice.com).

### Transfer Agent and Registrar

ChaseMellon Shareholder Services  
85 Challenger Rd., Overpeck Centre  
Ridgefield Park, NJ 07660-2104  
800-635-9270  
[www.chasemellon.com](http://www.chasemellon.com)

### Independent Accountants

PricewaterhouseCoopers LLP  
301 Commerce Street, Suite 1900  
Fort Worth, Texas 76102-4183

### Form 10-K

Shareholders may obtain without charge a copy of the Company's annual report on Form 10-K, as filed with the Securities and Exchange Commission, by writing the Investor Relations Department at the corporate headquarters address or by accessing Investor information on the Company's Web site at [www.americredit.com](http://www.americredit.com).





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