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Advance America, Cash Advance Centers Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions). We will go first to Dennis Telzrow with Stephens Inc.

Dennis Telzrow – Stephens Inc.

Patrick I think you mentioned that if the loss rate? if collections had been the same as last year, is that the collections of the delinquent previously charged off that would have been impacted by the tax refunds?

Patrick O'Shaughnessy

That is correct. Last year we collected about 8.8% of our previously charged-off debt, and this year we collected about 6.6%. The dollar difference had we collected at the level we collected last year would have been \$3.5 million or 2.1% of total revenues.

Dennis Telzrow – Stephens Inc.

So obviously if you look at that, the loss rate was not as severe a change relative to what would have been, correct?

Patrick O'Shaughnessy

That's correct. Instead of, I think, 320 basis points it would have been 110 basis points.

Dennis Telzrow – Stephens Inc.

And no change in the store opening goals for the year. As recall I think it was roughly 50, is that about right?

Ken Compton

Yeah, Dennis, including the UK and Canada all in, we have said between 50 and 100, and there is no change on that.

Dennis Telzrow – Stephens Inc.

And stores in Canada that you have opened, are they primarily in Manitoba now or are they also in Alberta?

Ken Compton

We have 10 as of today, 7 in Manitoba, 3 in British Columbia, and we have got about 10 leases signed ready to roll out whenever we decide to pull the trigger. As you know, Dennis, we are waiting on final proclamation in Canada. It is moving a little bit slow, but we are geared up and ready.

Dennis Telzrow – Stephens Inc.

Okay. All right, thank you very much.

Operator

We will go next to John Hecht with JMP Securities

John Hecht – JMP Securities

Good morning, guys. Thanks for taking my questions. Patrick you mentioned the credit issues primarily appeared to be related to collection levels. Can you compare your gross charge-off levels in this quarter versus last year's, so we get a sense for year-to-year changes in the regard.

Patrick O'Shaughnessy

Let me get that for you. The gross charge off in 2007 was \$38.5 million and in 2008 first quarter was \$43.7 million.

John Hecht – JMP Securities

So that that is certainly a higher volume, so a little bit of a pickup in gross charge-off activity, but not quite to the degree you saw in the net charge-off activity?

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