

Table 8 sets forth the activity in the allowance for loan losses for the periods indicated. See “Asset Quality,” “Delinquencies” and “Net Charge-Offs” for a more complete analysis of asset quality.

Table 8: Summary of Allowance for Loan Losses

(Dollars in Thousands)	Year Ended December 31				
	2002	2001	2000	1999	1998
Balance at beginning of year	\$ 840,000	\$ 527,000	\$ 342,000	\$ 231,000	\$ 183,000
Provision for loan losses:					
Domestic	2,025,885	1,048,972	705,195	364,086	252,612
Foreign	123,443	71,485	107,666	62,384	36,229
Total provision for loan losses	2,149,328	1,120,457	812,861	426,470	288,841
Acquisitions/other	(9,644)	14,800	(549)	3,522	7,503
Charge-offs:					
Domestic	(1,363,565)	(908,065)	(693,106)	(344,679)	(282,455)
Foreign	(127,276)	(110,285)	(79,296)	(55,464)	(11,840)
Total charge-offs	(1,490,841)	(1,018,350)	(772,402)	(400,143)	(294,295)
Principal recoveries:					
Domestic	203,412	176,102	136,334	79,150	45,892
Foreign	27,745	19,991	8,756	2,001	59
Total principal recoveries	231,157	196,093	145,090	81,151	45,951
Net charge-offs	(1,259,684)	(822,257)	(627,312)	(318,992)	(248,344)
Balance at end of year	\$ 1,720,000	\$ 840,000	\$ 527,000	\$ 342,000	\$ 231,000
Allowance for loan losses to loans at end of year	6.18%	4.02%	3.49%	3.45%	3.75%
Allowance for loan losses by geographic distribution:					
Domestic	\$ 1,636,405	\$ 784,857	\$ 451,074	\$ 299,424	\$ 198,419
Foreign	83,595	55,143	75,926	42,576	32,581

REPORTABLE SEGMENTS

The Company manages its business by three distinct operating segments: Consumer Lending, Auto Finance and International. The Consumer Lending, Auto Finance and International segments are considered reportable segments based on quantitative thresholds applied to the managed loan portfolio for reportable segments provided by SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*. Management decision making is performed on a managed portfolio basis, and such information about reportable segments is provided on a managed basis.

Table 9: Segments (Managed Basis)

	Consumer Lending		Auto Finance		International	
	2002	2001	2002	2001	2002	2001
Loans receivable	\$ 47,290,100	\$ 37,324,079	\$ 6,992,541	\$ 3,957,729	\$ 5,330,541	\$ 3,970,244
Net income	1,043,027	780,776	10,262	(35,361)	(35,566)	(50,454)
Net charge-off rate	5.54%	4.87%	3.82%	4.25%	3.76%	3.59%
Delinquency rate	5.54	5.00	7.15	5.59	4.18	3.84