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**UNITED PANAM FINANCIAL CORP. ANNOUNCES
FOURTH QUARTER 2009 RESULTS**

Irvine, California – February 4, 2010 – United PanAm Financial Corp. (UPFC) today announced results for its fourth quarter and year ended December 31, 2009.

For the quarter ended December 31, 2009 UPFC reported a net loss of \$1.2 million, compared to a net income of \$690,000 for the same period last year. Interest income decreased to \$25.8 million for the quarter ended December 31, 2009 from \$47.8 million for the same period last year. UPFC reported a net loss of \$0.08 per diluted share for the quarter ended December 31, 2009 compared to net income of \$0.04 per diluted share for the same period last year.

For the year ended December 31, 2009, UPFC reported a net loss of \$24.1 million compared to a net loss of \$451,000 for the year ended December 31, 2008. Interest income decreased to \$131.0 million for the year ended December 31, 2009 from \$218.6 million for the year ended December 31, 2008. UPFC reported a net loss of \$1.56 per diluted share for year ended December 31, 2009 compared to a net loss \$0.03 per diluted share for the year ended December 31, 2008. The reported net loss for the year ended December 31, 2009 includes a charge of \$10.0 million (\$6.1 million after-tax) or \$0.64 (\$0.39 after-tax) per diluted share for restructuring charges and other non-recurring charges associated with the closure of 50 branches during the year ended December 31, 2009.

The difficult economic environment continues to affect the loan portfolio negatively. Provision for loan losses for the year ended December 31, 2009 increased to \$69.4 million from \$65.0 million for the same period last year. The loan portfolio experienced higher than expected losses during the year ended December 31, 2009. The annualized charge-off rate for the year ended December 31, 2009 increased to 12.0% compared to 8.0% for the year ended December 31, 2008.

The decrease in net income for the quarter ended December 31, 2009 compared to the same period last year primarily reflects the following:

- Interest income decreased to \$25.8 million from \$47.8 million due primarily to a decrease in average loans outstanding as a result of UPFC's strategy of downsizing its operations.

- Interest expense decreased to \$7.6 million from \$14.5 million primarily due to lower average debt outstanding, partially offset by higher market interest rates on the term financing with Santander Consumer USA Inc. Net Interest margin as a percentage of interest income remained stable, increasing slightly to 70.6% from 69.6% for the same period last year.
- Provision for loan losses decreased to \$8.4 million from \$13.4 million due primarily to a decrease in average balance of loans outstanding, offset by an increase in the annualized charge-off rate to 13.3% for the quarter ended December 31, 2009 from 9.2% for the same period last year. The factors that impacted the charge-off rate were the overall deteriorating economic environment and the adverse effect from a declining receivable balance.

During the fourth quarter ended December 31, 2009 UPFC closed an additional five branches bringing to 17 branches the total number of branches in operation as of December 31, 2009.

United PanAm Financial Corp.

UPFC is a specialty finance company engaged in automobile finance, which includes the purchasing and servicing of automobile installment sales contracts by independent and franchised dealers of used automobiles. UPFC conducts its automobile finance business through its wholly-owned subsidiary, United Auto Credit Corporation.

Forward Looking Statements

Any statements set forth above as well as some oral statements by our officials to securities analysts and shareholders during presentations about us are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, or the Act. Statements which are predictive in nature, which depend upon or refer to future events or conditions, or which include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “hopes,” “assumes,” “may,” “project,” “will” and similar expressions constitute forward-looking statements. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions, which may be provided by management. It is also forward-looking statements as defined in the Act. Forward-looking statements are based upon expectations and projections about future events and are subject to assumptions, risks and uncertainties about, among other things, our company and economic and market factors. Actual events and results may differ materially from those expressed or forecasted in the forward-looking statements due to a number of factors. The principal factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to, our dependence on securitizations, our need for substantial liquidity to run our business, loans we made to credit-impaired borrowers, reliance on operational systems and controls and key employees, competitive pressure we face, changes in the interest rate environment, general economic conditions, the effects of accounting changes, inability to manage consolidating operations, and other factors or conditions. Our past performance and past or present economic conditions are not indicative of our future performance or of future economic conditions. Undue reliance should not be placed on forward-looking statements. In addition, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events or changes to projections over time unless required by federal securities law.

United PanAm Financial Corp. and Subsidiaries
Consolidated Statements of Financial Condition

	December 31, 2009	December 31, 2008
<i>(Dollars in thousands)</i>		
Assets		
Cash	\$ 40,989	\$ 5,773
Short term investments	-	3,701
Cash and cash equivalents	40,989	9,474
Restricted cash	34,822	70,895
Loans	395,775	710,251
Allowance for loan losses	(46,888)	(43,220)
Loans, net	348,887	667,031
Premises and equipment, net	3,056	5,073
Interest receivable	4,462	8,476
Other assets	40,318	33,819
Total assets	\$ 472,534	\$ 794,768
 Liabilities and Shareholders' Equity		
Securitization notes payable	\$ 198,577	\$ 406,087
Term facility - Santander Consumer USA Inc.	121,057	-
Term facility - Deutsche Bank	-	200,218
Junior subordinated debentures	10,310	10,310
Accrued expenses and other liabilities	7,329	18,450
Total liabilities	\$ 337,274	\$ 635,065
 Preferred stock (no par value):		
Authorized, 2,000,000 shares; no shares issued and outstanding	-	-
 Common stock (no par value):		
Authorized, 30,000,000 shares; 15,476,680 and 15,749,699 shares issued and outstanding at December 31, 2009 and December 31, 2008, respectively	50,016	50,317
Retained earnings	85,244	109,386
Total shareholders' equity	135,260	159,703
Total liabilities and shareholders' equity	\$ 472,534	\$ 794,768

United PanAm Financial Corp. and Subsidiaries
Consolidated Statements of Operations

(In thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Interest Income				
Loans	\$ 25,777	\$ 47,455	\$ 130,787	\$ 216,533
Short term investments and restricted cash	16	320	213	2,101
Total interest income	<u>25,793</u>	<u>47,775</u>	<u>131,000</u>	<u>218,634</u>
Interest Expense				
Securitization notes payable	3,496	6,774	18,835	34,961
Term facility and warehouse line of credit - Deutsche Bank	-	7,564	7,474	16,116
Term facility - Santander Consumer USA Inc.	3,996	-	11,994	-
Other interest expense	85	199	387	687
Total interest expense	<u>7,577</u>	<u>14,537</u>	<u>38,691</u>	<u>51,764</u>
Net interest income	<u>18,217</u>	<u>33,238</u>	<u>92,309</u>	<u>166,870</u>
Provision for loan losses	<u>8,374</u>	<u>13,450</u>	<u>69,430</u>	<u>64,994</u>
Net interest income (expense) after provision for loan losses	<u>9,843</u>	<u>19,788</u>	<u>22,879</u>	<u>101,876</u>
Non-interest Income	1,145	590	3,034	2,506
Non-interest Expense				
Compensation and benefits	8,345	11,855	34,345	56,706
Occupancy	1,218	1,707	5,154	8,348
Other non-interest expense	4,019	4,418	15,852	20,652
Restructuring charges	368	1,285	9,338	9,209
Other non-recurring charges	-	-	633	9,890
Total non-interest expense	<u>13,951</u>	<u>19,265</u>	<u>65,321</u>	<u>104,805</u>
Income (Loss) before income taxes	(2,963)	1,113	(39,408)	(423)
Income tax (benefit) expense	(1,782)	423	(15,267)	28
Net (Loss) Income	<u>\$ (1,180)</u>	<u>\$ 690</u>	<u>\$ (24,141)</u>	<u>\$ (451)</u>
Loss per share-basic:				
Net (Loss) Income	<u>\$ (0.08)</u>	<u>\$ 0.04</u>	<u>\$ (1.56)</u>	<u>\$ (0.03)</u>
Weighted average basic shares outstanding	<u>15,485</u>	<u>15,746</u>	<u>15,485</u>	<u>15,740</u>
Loss per share-diluted:				
Net (Loss) Income	<u>\$ (0.08)</u>	<u>\$ 0.04</u>	<u>\$ (1.56)</u>	<u>\$ (0.03)</u>
Weighted average diluted shares outstanding	<u>15,485</u>	<u>15,746</u>	<u>15,485</u>	<u>15,740</u>

United PanAm Financial Corp. and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity

	<u>Number of Shares</u>	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total Shareholders' Equity</u>
	<i>(Dollars in thousands)</i>			
Balance, December 31, 2008	15,749,699	\$ 50,317	\$ 109,386	\$ 159,703
Net loss	-	-	(24,141)	\$ (24,141)
Repurchase of common stock	(406,162)	(1,179)	-	\$ (1,179)
Issuance of restricted stock	32,000	-	-	\$ -
Exercise of stock options	109,143	336	-	\$ 336
Stock-based compensation expense	-	541	-	\$ 541
Balance, December 31, 2009	<u>15,484,680</u>	<u>\$ 50,015</u>	<u>\$ 85,245</u>	<u>\$ 135,260</u>

United PanAm Financial Corp. and Subsidiaries Selected Financial Data

(Dollars in thousands)

	At or For the Three Months Ended		At or For the Twelve Months Ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Operating Data				
Contracts purchased	\$ 6,518	\$ -	\$ 8,874	\$ 266,574
Contracts outstanding	\$ 408,218	\$ 739,728	\$ 408,218	\$ 739,728
Unearned acquisition discounts	\$ (12,443)	\$ (29,477)	\$ (12,443)	\$ (29,477)
Average loan balance	\$ 438,587	\$ 779,354	\$ 553,783	\$ 875,678
Unearned acquisition discounts to gross loans	3.05%	3.98%	3.05%	3.98%
Average percentage rate to borrowers	22.83%	22.72%	22.83%	22.72%
Loan Quality Data				
Allowance for loan losses	\$ (46,888)	\$ (43,220)	\$ (46,888)	\$ (43,220)
Allowance for loan losses to gross loans net of unearned acquisition discounts	11.84%	6.09%	11.84%	6.09%
Delinquencies (% of net contracts)				
31-60 days	4.76%	1.52%	4.76%	1.52%
61-90 days	2.05%	0.39%	2.05%	0.39%
90+ days	1.50%	0.19%	1.50%	0.19%
Total	8.31%	2.10%	8.31%	2.10%
Repossessions over 30 days past due (% of net contracts)	2.00%	1.46%	2.00%	1.46%
Annualized net charge-offs to average loans ⁽¹⁾	13.57%	9.20%	12.02%	8.01%
Other Data				
Number of branches	17	67	17	67
Number of employees	449	685	449	685
Interest income	\$ 25,793	\$ 47,775	\$ 131,000	\$ 218,634
Interest expense	\$ 7,577	\$ 14,537	\$ 38,691	\$ 51,764
Interest margin	\$ 18,217	\$ 33,238	\$ 92,309	\$ 166,870
Net interest margin as a percentage of interest income	70.63%	69.57%	70.46%	76.32%
Net interest margin as a percentage of average loans ⁽¹⁾	16.61%	16.97%	16.67%	19.06%
Non-interest expense to average loans ⁽¹⁾	12.72%	9.83%	11.80%	11.97%
Non-interest expense to average loans ⁽²⁾	12.39%	9.18%	9.99%	9.79%
Return on average assets ⁽¹⁾	(0.24%)	0.33%	(3.88%)	(0.05%)
Return on average shareholders' equity ⁽¹⁾	(0.87%)	1.73%	(16.01%)	(0.28%)
Consolidated capital to assets ratio	28.67%	20.09%	28.67%	20.09%

(1) Quarterly information is annualized for comparability with full year information.

(2) Excluding restructuring charges and other non-recurring charges.

