FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended March 31, 2001	Commission File Number: 0-19133

FIRST CASH FINANCIAL SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware (State of Incorporation)	75-2237318 (IRS Employers Identification Number)
690 East Lamar, Suite 400 Arlington, Texas (Address of principal executive offices)	76011 (Zip Code)

(817)460-3947
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ___

As of May 11, 2001, there were 8,666,687 shares of Company common stock, par value $.01 per share ("Common Stock"), issued and outstanding.

Part I. Financial Information
Item 1. Financial Statements

FIRST CASH FINANCIAL SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2001 (unaudited)	December 31, 2000
	(in thousands, except share data)	
ASSETS		
Cash and cash equivalents	$ 7,254	$ 6,611
Service charges receivable	2,443	2,707
Receivables	19,773	22,043
Inventories	14,182	17,221
Prepaid expenses and other current assets	1,536	1,884
Total current assets	45,188	50,466
Property and equipment, net	10,129	10,378
Intangible assets, net	53,126	53,508
Receivable from Cash & Go, Ltd	4,639	4,580
Other	259	186
	$113,341	$119,118
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt and notes payable	$ 1,643	$ 1,643
Accounts payable and accrued expenses	7,806	6,460

Income taxes payable	1,046	528
Total current liabilities	10,495	8,631
Revolving credit facility	30,000	39,000
Long-term debt and notes payable, net of current portion	2,602	3,019
Deferred income taxes	3,054	2,814
	46,151	53,464
Stockholders' equity:		
Preferred stock; $.01 par value; 10,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock; $.01 par value; 20,000,000 shares authorized; 9,320,868 and 9,320,868 shares issued, respectively; 8,666,687 and 8,796,027 shares outstanding, respectively	93	93
Additional paid-in capital	50,953	50,953
Retained earnings	25,075	22,949
Common stock receivables from officers	(5,916)	(5,826)
Common stock held in treasury, at cost, 654,181 and 524,841 shares, respectively	(3,015)	(2,515)
	67,190	65,654
	$113,341	$119,118

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

FIRST CASH FINANCIAL SERVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31, 2001 (unaudited)	Three Months Ended March 31, 2000 (unaudited)
	(in thousands, except per share amounts)	
Revenues:		
Merchandise sales	$ 14,817	$ 15,275
Service charges	12,699	11,059
Check cashing fees	625	608
Other	562	623
	28,703	27,565
Cost of goods sold and expenses:		
Cost of goods sold	9,561	10,299
Operating expenses	11,529	11,340
Interest expense	489	763
Depreciation	584	512
Amortization	382	379
Administrative expenses	2,836	1,745
	25,381	25,038
Income before income taxes	3,322	2,527
Provision for income taxes	1,196	948
Income before cumulative effect of change in accounting principle	2,126	1,579
Cumulative effect on prior years of change in accounting principle, net of tax	-	(2,287)
Net income (loss)	$ 2,126	$ (708)
Net income (loss) per share:		
Basic		
Income before cumulative effect of change in accounting principle	$ 0.24	$ 0.18
Cumulative effect of change in accounting principle	-	(0.26)
Net income (loss)	$ 0.24	$ (0.08)
Diluted		
Income before cumulative effect of change in accounting principle	$ 0.24	$ 0.17
Cumulative effect of change in accounting principle	-	(0.25)
Net income (loss)	$ 0.24	$ (0.08)

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

FIRST CASH FINANCIAL SERVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2001	2000
	(unaudited)	(unaudited)
	(in thousands)	
Cash flows from operating activities:		
Net income (loss)	$ 2,126	$ (708)
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	966	891
Cumulative effect of change in accounting principle	-	2,287
Changes in operating assets and liabilities, net of effect of purchases of existing stores:		
Service charges receivable	264	365
Inventories	3,039	1,031
Prepaid expenses and other assets	275	(133)
Accounts payable and accrued expenses	1,346	462
Current and deferred income taxes	758	911
Net cash flows from operating activities....	8,774	5,106
Cash flows from investing activities:		
Net decrease in receivables	2,270	2,827
Purchases of property and equipment	(335)	(781)
Increase in receivable from Cash & Go, Ltd	(59)	(1,026)
Net cash flows from investing activities ...	1,876	1,020
Cash flows from financing activities:		
Proceeds from debt	600	277
Repayments of debt	(10,017)	(8,198)
Common stock receivables from officers	(90)	(157)
Purchase of treasury stock	(500)	-
Net cash flows from financing activities ...	(10,007)	(8,078)
Increase (decrease) in cash and cash equivalents.	643	(1,952)
Cash and cash equivalents at beginning of the period	6,611	10,717
Cash and cash equivalents at end of the period.	$ 7,254	$ 8,765
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 833	$ 764
Income taxes	$ 438	$ 36

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

FIRST CASH FINANCIAL SERVICES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements, including the notes thereto, include the accounts of First Cash Financial Services, Inc. (the "Company") and its wholly-owned subsidiaries. Such unaudited consolidated financial statements are condensed and do not include all disclosures and footnotes required by generally accepted accounting principles for complete financial statements. Such interim period financial statements should be read in conjunction with the Company's consolidated financial statements which are included in the Company's December 31, 2000 Annual Report on Form 10-K. All significant intercompany accounts and transactions have been eliminated in consolidation. The consolidated financial statements as of March 31, 2001 and December 31, 2000 and for the periods ended March 31, 2001 and 2000 are unaudited, but in management's opinion, include all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the financial position, results of operations and cash flows for such interim periods. Operating results for the period ended March 31, 2001 are not necessarily indicative of the results that may be expected for the full fiscal year.

Note 2 - Revolving Credit Facility

The Company currently maintains a $50,000,000 long-term line of credit with a group of commercial lenders (the "Credit Facility"). At March 31, 2001, $30,000,000 was outstanding under this Credit Facility and an additional $18,839,000 was available to the Company pursuant to the available borrowing base. The Credit Facility bears interest at the prevailing LIBOR rate (which was approximately 4.5% at March 31, 2001) plus one percent, and matures on September 1, 2002. Amounts available under the Credit Facility are limited to 325% of the Company's earnings before income taxes, interest, depreciation and amortization for the trailing twelve months. Under the terms of the Credit Facility, the Company is required to maintain certain financial ratios and comply with certain technical covenants. The Company was in compliance with these requirements and covenants during the three months ended March 31, 2001 and as of May 11, 2001.

Note 3 - Earnings Per Share

The following table sets forth the computation of the amounts used in calculating basic and diluted earnings per share:

	Three Months Ended	
	March 31, 2001	March 31, 2000
Numerator:		
Income before cumulative effect of change in accounting principle for calculating basic and diluted earnings per share	$ 2,126	$ 1,579
Cumulative effect on prior years of change in accounting principle for calculating basic and diluted earnings per share	-	(2,287)
Net income for calculating basic and diluted earnings per share	$ 2,126	$ (708)
Denominator:		
Weighted-average common shares for calculating basic earnings per share	8,736	8,850
Effect of dilutive securities:		
Stock options and warrants	235	213
Weighted-average common shares for calculating diluted earnings per share	8,971	9,063

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Note 4 - Change in Accounting Principle

Effective January 1, 2000, the Company changed its method of income recognition on pawn loans. The Company accrues pawn service charge revenue on a constant yield basis for all pawn loans that the Company deems collection to be probable based on historical loan redemption statistics. For loans not repaid, the cost of forfeited collateral (inventory) is stated at the lower of cost (cash amount loaned) or market. Prior to 2000, the Company recognized service charge income on a constant yield basis over the initial loan period for all pawn loans written. Service charges applicable to the extension periods or additional loan periods were not recognized as income until the loan was repaid or renewed. If the loan was not repaid, the carrying value of the forfeited collateral (inventory) was stated at the lower of cost (the principal amount loaned plus accrued service charges) or market. The Company believes the accounting change provides a more timely matching of revenues and expenses with which to measure results of operations. The cumulative effect of the accounting method change on all periods since inception of the Company through December 31, 1999 is $2,287,000 (after an income tax benefit of $1,373,000) and is included as a one-time reduction to net income for the quarter ended March 31, 2000.

Operating results for the three months ended March 31, 2000 have been calculated using the new accounting method. The effect for the quarter ended March 31, 2000 of adopting the change in income recognition on pawn loans was to increase income before cumulative effect of change in accounting principle by $195,000 ($0.02 per diluted share) and decrease net income $2,092,000 ($0.23 per diluted share).

Note 5 - Operating Segment Information

The Company has three reportable operating segments: pawn lending stores, check cashing and payday advance stores, and a software and hardware provider. The Company's pawn stores offer non-recourse loans on the collateral of pledged tangible personal property as well as short-term secured consumer loans commonly referred to as payroll advances. The Company's check cashing and payday advance stores provide check cashing services, short-term secured consumer loans, bill payment services, money transfer services and money order sales. The Company's computer software subsidiary, Answers, etc., provides turnkey point of sale operating systems to other check cashing and payday advance operators unaffiliated with the Company.

Management of the Company evaluates performance based on the operating income of each segment. There are no intersegmental sales. Each of the segments are supervised separately. Information concerning the segments is set forth below (in thousands):

	Pawn Stores	Check Cashing/ Payday Advance Stores	Software	Consolidated
Three Months Ended March 31, 2001				
Total revenues	$24,025	$ 4,119	$ 559	$ 28,703
Depreciation and amortization	711	202	53	966
Income before interest and income taxes	2,925	1,049	(163)	3,811
Total assets at March 31, 2001	82,850	28,284	2,207	113,341
Capital expenditures	278	42	15	335
Three Months Ended March 31, 2000				
Total revenues	22,969	3,926	670	27,565
Depreciation and amortization	663	189	39	891
Income before interest and income taxes	2,099	1,351	(160)	3,290
Total assets at March 31, 2000	85,966	31,607	2,490	120,063
Capital expenditures	505	167	109	781

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

First Cash Financial Services, Inc. is the nation's third largest publicly traded pawnshop operator and currently owns and operates pawn stores in Texas, Oklahoma, Washington, D.C., Maryland, Missouri, South Carolina, Virginia and Mexico. The Company's pawn stores engage in both consumer finance and retail sales activities. The Company's pawn stores provide a convenient source for consumer loans, lending money against pledged tangible personal property such as jewelry, electronic equipment, tools, sporting goods and musical equipment. These pawn stores also function as retailers of previously-owned merchandise acquired in forfeited pawn transactions and over-the-counter purchases from customers. The Company's pawn stores also offer short-term, secured advances ("payroll advances").

The Company also currently owns check cashing and payday advance stores in California, Washington, Oregon, Illinois and Washington D.C. These stores provide a broad range of consumer financial services, including check cashing, money order sales, wire transfers, bill payment services and payday advances. The Company also owns Answers, etc., a company which provides computer hardware and software to third party check cashing and payday advance operators throughout the country, as well as ongoing technical support. In addition, the Company is a 50% partner in Cash & Go, Ltd., a joint venture which owns financial service kiosks located inside convenience stores.

Although the Company has had significant increases in revenues due primarily to acquisitions and secondarily to new store openings, the Company has also incurred increases in operating expenses attributable to the additional stores and increases in administrative expenses attributable to building a management team and the support personnel required by the Company's growth. Operating expenses consist of all items directly related to the operation of the Company's stores, including salaries and related payroll costs, rent, utilities, advertising, property taxes, licenses, supplies, security and net returned checks. Administrative expenses consist of items relating to the operation of the corporate office, including the salaries of corporate officers, area supervisors and other management, accounting and administrative costs, liability and casualty insurance, outside legal and accounting fees and stockholder-related expenses.

Effective January 1, 2000, the Company changed its method of income recognition on pawn loans. The Company accrues pawn service charge revenue on a constant yield basis for all pawn loans that the Company deems collection to be probable based on historical loan redemption statistics. For loans not repaid, the cost of forfeited collateral (inventory) is stated at the lower of cost (cash amount loaned) or market. Prior to 2000, the Company recognized service charge income on a constant yield basis over the initial loan period for all pawn loans written. Service charges applicable to the extension periods or additional loan periods were not recognized as income until the loan was repaid or renewed. If the loan was not repaid, the carrying value of the forfeited collateral (inventory) was stated at the lower of cost (the principal amount loaned plus accrued service charges) or market. The Company believes the accounting change provides a more timely matching of revenues and expenses with which to measure results of operations. The cumulative effect of the accounting method change on all periods since inception of the Company through December 31, 1999 is $2,287,000 (after an income tax benefit of $1,373,000) and is included as a one-time reduction to net income for the quarter ended March 31, 2000.

RESULTS OF OPERATIONS

Three months ended March 31, 2001 compared to the three months ended March 31, 2000

Total revenues increased 4% to $28,703,000 for the three months ended March 31, 2001 ("the First Quarter of 2001") as compared to revenues of $27,565,000 for the three months ended March 31, 2000 ("the First Quarter of 2000"). Of the $1,138,000 increase in total revenues, $458,000 was attributable to a decrease in merchandise sales, $1,640,000 was attributable to increased service charges, $17,000 was attributable to increased check cashing fees, and the remaining decrease of $61,000, was attributable to other income. As a percentage of total revenues, merchandise sales decreased from 56% to 52%, service charges increased from 40% to 44%, while check cashing fees and other income were each 2% of total revenues during both the First Quarter of 2000 and the First Quarter of 2001. The gross profit margin as a percentage of merchandise sales increased to 35% during the First Quarter of 2001 compared to 33% during the First Quarter of 2000. The aggregate receivables balance (pawn loans plus payday advances) decreased 3% from $20,487,000 as of March 31, 2000 to $19,773,000 as of March 31, 2001.

Operating expenses increased 2% to $11,529,000 during the First Quarter of 2001 compared to $11,340,000 during the First Quarter of 2000, primarily as a result of increased bad debt related to the introduction of payday advances in most of the Company's pawn stores subsequent to the First Quarter of 1999. Administrative expenses increased 63% to $2,836,000 during the First Quarter of 2001 compared to $1,745,000 during the First Quarter of 2000, primarily due to a legal accrual and the addition of supervisory staff and other overhead related to the introduction of payday advances in the Company's pawn stores. Interest expense decreased 36% from $763,000 in the First Quarter of 2000 to $489,000 in the First Quarter of 2001, primarily due to the significantly lower level of debt during the First Quarter of 2001 compared to the First Quarter of 2000.

For the First Quarter of 2001 and the First Quarter of 2000, the Company's tax provisions of 36% and 38%, respectively, of income before income taxes differed from the statutory federal rate of 34% primarily due to state income taxes, net of the federal tax benefit.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations and acquisitions have been financed with funds generated from operations, bank and other borrowings, and the issuance of the Company's securities.

The Company currently maintains a $50,000,000 long-term line of credit with a group of commercial lenders (the "Credit Facility"). At March 31, 2001, $30,000,000 was outstanding under this Credit Facility and an additional $18,839,000 was available to the Company pursuant to the available borrowing base. The Credit Facility bears interest at the prevailing LIBOR rate (which was approximately 4.5% at March 31, 2001) plus one percent, and matures on September 1, 2002. Amounts available under the Credit Facility are limited to 325% of the Company's earnings before income taxes, interest, depreciation and amortization for the trailing twelve months. Under the terms of the Credit Facility, the Company is required to maintain certain financial ratios and comply with certain technical covenants. The Company was in compliance with these requirements and covenants during the quarter ended March 31, 2001 and as of May 11, 2001. The Company is required to pay an annual commitment fee of 1/8 of 1% on the average daily unused portion of the Credit Facility commitment. The Company is prohibited from paying dividends to its stockholders. Substantially all of the unencumbered assets of the Company have been pledged as collateral against indebtedness under the Credit Facility.

As of March 31, 2001, the Company's primary sources of liquidity were $7,254,000 in cash and cash equivalents, $2,443,000 in service charges receivable, $19,773,000 in receivables, $14,182,000 in inventories and $18,839,000 of available and unused funds under the Company's Credit Facility. The Company had working capital as of March 31, 2001 of $34,693,000 and a total liabilities to equity ratio of 0.69 to 1.

Net cash provided by operating activities for the Company during the First Quarter of 2001 was $8,774,000 as compared with $5,106,000 provided by operating activities during the First Quarter of 2000. Net cash provided by investing activities during the First Quarter of 2001 was $1,876,000 as compared with $1,020,000 provided by investing activities during the First Quarter of 2000. Net cash used for financing activities of $10,007,000 during the First Quarter of 2001 compares to net cash used for financing activities of $8,078,000 during the First Quarter of 2000.

The profitability and liquidity of the Company are affected by the amount of pawn loans outstanding, which is controlled in part by the Company's pawn lending decisions. The Company is able to influence the frequency of forfeiture of collateral by increasing or decreasing the amount loaned in relation to the resale value of the pledged property. Tighter credit decisions generally result in smaller loans in relation to the estimated resale value of the pledged property and can thereby decrease the Company's aggregate loan balance and, consequently, decrease pawn service charges. Additionally, small loans in relation to the pledged property's estimated sale value tend to increase loan redemptions and improve the Company's liquidity. Conversely, providing larger loans in relation to the estimated sale value of the pledged property can result in an increase in the Company's pawn service charge income. Also larger average loan balances can result in an increase in loan forfeitures, which increases the quantity of goods on hand and, unless the Company increases inventory turnover, reduces the Company's liquidity. In each of the Company's last three fiscal years, at least 70% of the amounts loaned were either paid in full or renewed. The Company's renewal policy allows customers to renew pawn loans by repaying all accrued interest on such pawn loans. In addition to these factors, the Company's liquidity is affected by merchandise sales and the pace of store expansions.

Management believes that the Credit Facility, current assets and cash generated from operations will be sufficient to accommodate the Company's current operations for at least the next twelve months. The Company has no significant capital commitments as of May 11, 2001. The Company currently has no written commitments for additional borrowings or future acquisitions; however, the Company intends to continue to grow and will likely seek additional capital to facilitate expansion. The Company will evaluate acquisitions, if any, based upon opportunities, acceptable financing, purchase price, strategic fit and qualified management personnel.

The Company intends to continue to engage in a plan of expansion primarily through new store openings in both check cashing/payday advance locations for the Company, and kiosks for Cash & Go, Ltd., the Company's 50% convenience store joint venture. Secondarily, the Company will selectively expand through existing store acquisitions. While the Company continually looks for, and is presented with, potential acquisition candidates, the Company has no definitive plans or commitments for further acquisitions. If the Company encounters an attractive opportunity to acquire or open a new store in the near future, the Company will seek additional financing, the terms of which will be negotiated on a case-by-case basis. Between April 1, 2001 and May 11, 2001, the Company opened one new store. All store openings and acquisitions during the quarter ended March 31, 2001 were financed with proceeds from the Company's Credit Facility and with cash generated from operations.

FORWARD LOOKING INFORMATION

This report contains certain statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "estimates," "will," "should," "plans," or "anticipates" or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy. Such statements include, but are not limited to, the discussions of the Company's operations, liquidity, and capital resources. Forward-looking statements are included in the "Liquidity and Capital Resources" section of this annual report. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, there can be no assurances that such expectations will prove to be accurate. Generally, these statements relate to business plans, strategies, anticipated strategies, levels of capital expenditures, liquidity and anticipated capital funding needed to effect the business plan. All phases of the Company's operations are subject to a number of uncertainties, risks and other influences, many of which are outside the control of the Company and cannot be predicted with any degree of accuracy. Factors such as changes in regional or national economic conditions, changes in governmental regulations, unforeseen litigation, changes in interest rates or tax rates, significant changes in the prevailing market price of gold, future business decisions and other uncertainties may cause results to differ materially from those anticipated by some of the statements made in this report. In light of the significant uncertainties inherent in the forward-looking statements made in this report, the inclusion of such statements should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved. Security holders are cautioned that such forward-looking statements involve risks and uncertainties. The forward-looking statements contained this report speak only as of the date of this report and the Company expressly disclaims any obligation or undertaking to release any updates or revisions to any such statement to reflect any change in the Company's expectations or any change in events, conditions or circumstance on which any such statement is based.

PART II. OTHER INFORMATION

ITEM 2. Changes in securities

b. Between January 1, 2001 and March 31, 2001, the Company repurchased 129,340 shares of common stock for an average purchase price of $3.87 per share.

ITEM 4. Submission of matters to a vote of security holders

ITEM 6. Exhibits and reports on Form 8-K

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 11, 2001	FIRST CASH FINANCIAL SERVICES, INC.
	(Registrant)
/s/ Phillip E. Powell	/s/ Rick L. Wessel
Phillip E. Powell Chairman of the Board and Chief Executive Officer	Rick L. Wessel Chief Accounting Officer