UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the Quarter Ended June 30, 2003 — Commission File Number: 0-19133

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

Delaware
(state or other jurisdiction of incorporation or organization)

75-2237318
(IRS Employer Identification No.)

690 East Lamar Blvd., Suite 400
Arlington, Texas
(Address of principal executive offices)

76011
(Zip Code)

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

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 ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act). Yes X No ___

As of August 7, 2003, there were 9,578,137 shares of Common Stock outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST CASH FINANCIAL SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30,		December 31,
	2003	2002	2002
	(unaudited) (in thousands, except share data)		
ASSETS			
Cash	$ 12,511	$ 12,177	$ 12,735
Service charges receivable	3,351	2,636	3,174
Receivables	28,781	22,620	27,314
Inventories	13,248	11,301	13,648
Prepaid expenses and other current assets	523	1,600	1,161
Income taxes receivable	457	780	109
Total current assets	58,871	51,114	58,141
Property and equipment, net	12,454	10,330	11,750
Goodwill, net	53,194	53,194	53,194
Receivable from Cash & Go, Ltd	5,155	5,889	7,351
Other	537	555	563
	$130,211	$121,082	$130,999
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current portion of long-term debt	$ -	$ 1,606	$ 900
Accounts payable and accrued expenses	9,974	10,190	10,054
Total current liabilities	9,974	11,796	10,954
Revolving credit facility	17,000	24,500	28,000
Long-term debt, net of current portion	-	653	602
Deferred income taxes	5,524	4,389	4,923

	32,498	41,338	44,479
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; 8,966,187, 8,871,187 and 8,871,187 shares outstanding, respectively	97	96	96
Additional paid-in capital	52,373	51,908	51,908
Retained earnings	48,258	35,872	41,759
Notes receivable from officers	-	(5,117)	(4,228)
Common stock held in treasury, at cost, 654,181 shares	(3,015)	(3,015)	(3,015)
	97,713	79,744	86,520
	$130,211	$121,082	$130,999

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		Six Months Ended	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
	(unaudited, in thousands, except per share amounts)			
Revenues:				
Merchandise sales.......	$ 15,550	$ 12,578	$ 32,703	$ 27,333
Service charges.........	16,923	13,368	32,936	26,113
Check cashing fees......	667	653	1,439	1,384
Other...................	278	268	584	488
	33,418	26,867	67,662	55,318
Cost of goods sold and expenses:				
Cost of goods sold......	8,978	7,082	19,325	15,992
Operating expenses......	14,914	12,733	28,825	24,768
Interest expense........	122	220	304	476
Interest income.........	(151)	(132)	(334)	(282)
Depreciation	686	586	1,348	1,141
Administrative expenses.	3,962	2,848	7,696	5,328
	28,511	23,337	57,164	47,423
Income before income taxes	4,907	3,530	10,498	7,895
Provision for income taxes	1,906	1,271	3,999	2,842
Net income................	$ 3,001	$ 2,259	$ 6,499	$ 5,053
Net income per share:				
Basic	$ 0.34	$ 0.26	$ 0.73	$ 0.57
Diluted	$ 0.30	$ 0.23	$ 0.65	$ 0.53

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

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

	Six Months Ended June 30, 2003 (unaudited)	Six Months Ended June 30, 2002 (unaudited)
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 6,499	$ 5,053
Adjustment to reconcile net income to net cash flows from operating activities:		
Depreciation	1,348	1,141
Changes in operating assets and liabilities:		
Service charges receivable	(177)	181
Inventories	400	1,380
Prepaid expenses and other assets	316	(390)
Accounts payable and accrued expenses	(80)	149
Current and deferred income taxes	601	374
Net cash flows from operating activities	8,907	7,888
Cash flows from investing activities:		
Net (increase) decrease in receivables	(1,467)	936
Purchases of property and equipment	(2,052)	(1,437)
Decrease in receivable from Cash & Go, Ltd	2,196	1,184
Net cash flows from investing activities	(1,323)	683
Cash flows from financing activities:		
Proceeds from debt	-	2,500
Repayments of debt	(12,501)	(10,734)
Decrease (increase) in notes receivable from officers	4,228	(66)
Proceeds from exercise of options and warrants	465	654
Net cash flows from financing activities	(7,808)	(7,646)
Change in cash and cash equivalents	(224)	925
Cash and cash equivalents at beginning of the period	12,735	11,252
Cash and cash equivalents at end of the period	$ 12,511	$ 12,177
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 328	$ 484
Income taxes	$ 2,931	$ 2,355

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 in the United States of America 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, 2002 Annual Report on Form 10-K. All significant inter-company accounts and transactions have been eliminated in consolidation. The consolidated financial statements as of June 30, 2003 and for the periods ended June 30, 2003 and 2002 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 June 30, 2003 are not necessarily indicative of the results that may be expected for the full fiscal year.

Note 2 - Revolving Credit Facility

The Company maintains a long-term line of credit with a group of commercial lenders (the "Credit Facility"). The Credit Facility provides a $30,000,000 long-term line of credit that matures on August 9, 2005 and bears interest at the prevailing LIBOR rate (which was approximately 1.1% at June 30, 2003) plus an applicable margin based on a defined leverage ratio for the Company. Based on the Company's existing leverage ratio, the margin is currently 1.375%, the most favorable rate provided under the terms of the agreement. Amounts available under the Credit Facility are limited to 300% of the Company's earnings before income taxes, interest, depreciation and amortization for the trailing twelve months. At June 30, 2003, the Company had $13,000,000 available for additional borrowings. 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 the requirements and covenants of the Credit Facility as of June 30, 2003 and August 7, 2003. The Company is required to pay an annual commitment fee of 1/5 of 1% on the average daily-unused portion of the Credit Facility commitment. The Company's Credit Facility contains provisions, which will allow the Company to repurchase stock and/or pay cash dividends within certain parameters. Substantially all of the unencumbered assets of the Company have been pledged as collateral against indebtedness under the Credit Facility.

Note 3 - Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Three Months Ended		Six Months Ended	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Numerator:				
Net income for calculating basic and diluted earnings per share	$ 3,001	$ 2,259	$ 6,499	$ 5,053
Denominator:				
Weighted-average common shares for calculating basic earnings per share	8,905	8,825	8,892	8,794
Effect of dilutive securities:				
Stock options and warrants	1,201	917	1,055	805
Weighted-average common shares for calculating diluted earnings per share	10,106	9,742	9,947	9,599
Basic earnings per share	$ 0.34	$ 0.26	$ 0.73	$ 0.57

Diluted earnings per share	$ 0.30	$ 0.23	$ 0.65	$ 0.53

Note 4 - Employee Stock Incentive Plans

The Company accounts for its employee stock incentive plans under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees and the related interpretations under Financial Accounting Standards Board (FASB) Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation. Accordingly, no stock-based employee compensation cost is reflected in net income as all options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. In accordance with SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, the following table illustrates the effect on net income and earnings per share as if the Company had applied the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, to stock-based employee compensation.

	Three Months Ended		Six Months Ended	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Net income, as reported	$ 3,001	$ 2,259	$ 6,499	$ 5,053
Less: Stock based employee compensation determined under the fair value requirements of SFAS 123, net of income tax benefits	823	1,181	911	1,189
Adjusted net income	$ 2,178	$1,078	$ 5,588	$ 3,864
Earnings per share:				
Basic, as reported	$ 0.34	$ 0.26	$ 0.73	$ 0.57
Basic, adjusted	0.24	0.12	0.63	0.44
Diluted, as reported	0.30	0.23	0.65	0.53
Diluted, adjusted	0.22	0.11	0.56	0.40

The fair values were determined using a Black-Scholes option-pricing model using the following assumptions:

	Three Months Ended		Six Months Ended	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Dividend yield	-	-	-	-
Volatility	58.1%	58.0%	58.1%	58.0%
Risk-free interest rate	3.5%	3.5%	3.5%	3.5%
Expected life	7 years	7 years	7 years	7 years

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

First Cash Financial Services, Inc. (the "Company") is the nation's third largest publicly traded pawnshop operator and currently owns 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 advances, advancing 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. Certain of the Company's pawn stores also offer short-term, unsecured advances ("short-term advances").

The Company also owns and operates check cashing and short-term advance stores in Texas, California, Washington, Oregon, Illinois, South Carolina and Washington, D.C. These stores provide a broad range of consumer financial services, including check cashing, short-term advances, money order sales, wire transfers and bill payment services. In addition, the

Company is a 50% partner in Cash & Go, Ltd., a Texas limited partnership, which owns and operates financial services kiosks located inside convenience stores.

The Company opened a total of eleven stores during the quarter ended June 30, 2003, bringing total year-to-date store openings to 22 and the total store count to 212 units. For the quarter ended June 30, 2003, the Company's revenues were derived 46% from merchandise sales, 51% from service charges on pawn loans and short-term advances, and 3% from other sources, primarily check-cashing fees. The Company's business plan is to continue to expand its operations by opening both new check cashing/short-term advance stores and new pawn stores in selected geographic markets.

Although the Company has had significant increases in revenues due 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, equipment depreciation, advertising, property taxes, licenses, supplies, security and bad debt and collection expenses for both check cashing and short-term advances. Administrative expenses consist of items relating to the operation of the corporate office, including the compensation and benefit costs 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.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and related revenues and expenses and disclosure of gain and loss contingencies at the date of the financial statements. Such estimates and assumptions are subject to a number of risks and uncertainties, which may cause actual results to differ materially from the Company's estimates. Both the significant accounting policies which management believes are the most critical to aid in fully understanding and evaluating the reported financial results and the effects of recent accounting pronouncements have been reported in the Company's 2002 Annual Report on Form 10-K.

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), Consolidation of Variable Interest Entities - an interpretation of ARB No. 51. FIN 46 addresses consolidation by business enterprises of variable interest entities (formerly special purpose entities). In general, a variable interest entity is a corporation, partnership, trust or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The consolidation requirements of FIN 46 apply to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. The Company has evaluated the applicability of FIN 46 to its existing 50% investment in Cash & Go, Ltd., a Texas limited partnership, which owns and operates approximately 40 check-cashing/short term advance kiosks inside convenience stores in the Texas market. As a result, the Company expects that beginning in July 2003, it will consolidate into its financial statements the assets, liabilities and operating results of Cash & Go, Ltd. As part of the initial consolidation, the Company projects that it will incur a change in accounting charge of approximately $430,000, net of income taxes. The expected third quarter charge results from the Company recognizing the other partner's share of the previously accumulated losses of the joint venture as a result of the consolidation. There have been no subsequent changes in the Company's accounting policies nor have there been any other subsequently issued accounting pronouncements which materially affect the preparation of the Company's financial statements.

RESULTS OF OPERATIONS

Three months ended June 30, 2003 compared to the three months ended June 30, 2002

Total revenues increased 24% to $33,418,000 for the three months ended

June 30, 2003 ("the Second Quarter of 2003") as compared to $26,867,000 for the three months ended June 30, 2002 ("the Second Quarter of 2002"). The change resulted from an increase in revenues of $2,881,000 generated by the 52 pawn and check cashing/short-term advance stores which were opened since April 1, 2002, an increase of $4,126,000 at the 160 stores which were in operation during all of the Second Quarter of 2002 and the Second Quarter of 2003, net of a decrease in revenues of $456,000 from the five stores consolidated since April 1, 2002. Of the $6,551,000 increase in total revenues, 45%, or $2,972,000, was attributable to increased merchandise sales, 54%, or $3,555,000 was attributable to a net increase in service charges on pawn and short-term advances, and 1% or $24,000 was attributable to other income, comprised primarily of check cashing fees. A significant component of the increase in merchandise sales was non-retail bulk sales of scrap jewelry merchandise, which increased from $624,000 in the Second Quarter of 2002 to $2,171,000 in the Second Quarter of 2003. Service charges from short-term advances increased from $8,387,000 in the Second Quarter of 2002 to $10,255,000 in the Second Quarter of 2003, while service charges from pawns increased from $4,981,000 in the Second Quarter of 2002 to $6,668,000 in the Second Quarter of 2003. As a percentage of total revenues, merchandise sales decreased from 47% to 46% during the Second Quarter of 2003 as compared to the Second Quarter of 2002, service charges increased from 50% to 51%, and check-cashing fees and other income as a percentage of total revenues were at 3% during both the Second Quarter of 2003 and the Second Quarter of 2002.

The receivables balance increased 27% from $25,256,000 at June 30, 2002 to $32,132,000 at June 30, 2003. Of the $6,876,000 increase, an increase of $4,157,000 was attributable to the 166 pawn stores and check cashing/short-term advance stores which were in operation as of June 30, 2003 and 2002 and an increase of $2,719,000 was attributable to growth at the 46 pawn and check cashing/short-term advance stores opened or acquired since June 30, 2002, net of closed stores. The aggregate receivables balance at June 30, 2003 was comprised of $20,859,000 of pawn loan receivables and $11,273,000 of short-term advance receivables, compared to $16,010,000 of pawn loan receivables and $9,246,000 of short-term advance receivables at June 30, 2002.

Gross profit margins as a percentage of total merchandise sales were 42% during the Second Quarter of 2003 compared to 44% during the Second Quarter of 2002. Retail merchandise margins, which do not include bulk scrap jewelry sales, increased from 45% to 46% over the same periods.

Operating expenses increased 17% to $14,914,000 during the Second Quarter of 2003 compared to $12,733,000 during the Second Quarter of 2002, primarily as a result of the net addition of 47 pawn stores and check cashing/short-term advance stores since April 1, 2002, which is a 28% increase in store count. The Company's net bad debt expense relating to short-term advances increased from $2,034,000 in the Second Quarter of 2002 to $2,690,000 in the Second Quarter of 2003 as a result of an increase in volume of short-term advances. Administrative expenses increased 39% to $3,962,000 during the Second Quarter of 2003 compared to $2,848,000 during the Second Quarter of 2002 due primarily to increased costs including administrative/supervisory compensation and benefits, insurance, accounting and legal fees and other expenses necessary to support the Company's growth strategy and increase in store counts. Interest expense decreased to $122,000 in the Second Quarter of 2003 compared to interest expense of $220,000 in the Second Quarter of 2002 as a result of lower average outstanding debt balances and lower average interest rates during the Second Quarter of 2003. Interest income increased to $151,000 in the Second Quarter of 2003 compared to $132,000 in the Second Quarter of 2002, due primarily to an increase in the contractual rate of interest on the note receivable from Cash & Go, Ltd.

For the Second Quarter of 2003 and 2002, the Company's effective federal income tax rates of 38.8% and 36.0%, respectively, differed from the statutory tax rate of approximately 34% primarily as a result of state and foreign income taxes.

Six months ended June 30, 2003 compared to the six months ended June 30, 2002

Total revenues increased 22% to $67,662,000 for the six months ended June 30, 2003 ("the Six-Month 2003 Period") as compared to $55,318,000 for the six months ended June 30, 2002 ("the Six-Month 2002 Period"). The change resulted from an increase in revenues of $5,874,000 generated by the 60 pawn and check cashing/short-term advance stores which were opened since January 1, 2002, an increase of $7,482,000 at the 158 stores which were in operation during all of the Six-Month 2002 Period and the Six-Month 2003 Period, net of a decrease in revenues of $1,012,000 from the six stores consolidated since January 1, 2002. Of the $12,344,000 increase in total revenues, 44%, or $5,370,000, was attributable to increased merchandise sales, 55%, or $6,823,000 was attributable to a net increase in service charges on pawn and short-term advances, and 1% or $151,000 was attributable to an increase in other income, primarily check cashing fees. A significant component of the increase in merchandise sales was non-retail bulk sales of scrap jewelry merchandise, which increased from $1,301,000 in the Six-Month 2002 Period to $4,559,000 in the Six-Month 2003 Period. Service charges from short-term advances increased from $16,352,000 in the Six-Month 2002 Period to $19,774,000 in the Six-Month 2003 Period, while service charges from pawns increased from $9,761,000 in the Six-Month 2002 Period to $13,162,000 in the Six-Month 2003 Period. As a percentage of total revenues, merchandise sales decreased from 49% to 48% during the Six-Month 2003 Period as compared to the Six-Month 2002 Period, service charges increased from 47% to 49%, check-cashing fees and other income as a percentage of total revenues decreased from 4% to 3% during the Six-Month 2003 Period as compared to the Six-Month 2002 Period.

The receivables balance increased 27% from $25,256,000 at June 30, 2002 to $32,132,000 at June 30, 2003. Of the $6,876,000 increase, an increase of $4,157,000 was attributable to the 166 pawn stores and check cashing/short-term advance stores which were in operation as of June 30, 2003 and 2002 and an increase of $2,719,000 was attributable to growth at the 46 pawn and check cashing/short-term advance stores opened or acquired since June 30, 2002, net of closed stores. The aggregate receivables balance at June 30, 2003 was comprised of $20,859,000 of pawn loan receivables and $11,273,000 of short-term advance receivables, compared to $16,010,000 of pawn loan receivables and $9,246,000 of short-term advance receivables at June 30, 2002.

Gross profit margins as a percentage of total merchandise sales were 41% during the Six-Month 2003 Period, which was consistent with overall margins during the Six-Month 2002 Period. Retail merchandise margins, which do not include bulk scrap jewelry sales, increased from 43% to 45% over the same periods.

Operating expenses increased 16% to $28,825,000 during the Six-Month 2003 Period compared to $24,768,000 during the Six-Month 2002 Period, primarily as a result of the net addition of 54 pawn stores and check cashing/short-term advance stores since January 1, 2002, which is a 34% increase in store count. The Company's net bad debt expense relating to short-term advances increased from $3,287,000 in the Six-Month 2002 Period to $4,128,000 in the Six-Month 2003 Period as a result of an increase in volume of short-term advances. Administrative expenses increased 44% to $7,696,000 during the Six-Month 2003 Period compared to $5,328,000 during the Six-Month 2002 Period due primarily to increased costs including administrative/supervisory compensation and benefits, insurance, accounting and legal fees and other expenses necessary to support the Company's growth strategy and increase in store counts. Interest expense decreased to $304,000 in the Six-Month 2003 Period compared to interest expense of $476,000 in the Six-Month 2002 Period as a result of lower average outstanding debt balances and lower average interest rates during the Six-Month 2003 Period. Interest income increased to $334,000 in the Six-Month 2003 Period compared to $282,000 in the Six-Month 2002 Period, due primarily to an increase in the contractual rate of interest on the note receivable from Cash & Go, Ltd.

For the Six-Month Period of 2003 and 2002, the Company's effective federal income tax rates of 38% and 36%, respectively, differed from the statutory tax rate of approximately 34% primarily as a result of state and foreign income taxes.

LIQUIDITY AND CAPITAL RESOURCES

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

The Company's Credit Facility provides a $30,000,000 long-term line of credit that matures on August 9, 2005 and bears interest at the prevailing LIBOR rate (which was approximately 1.1% at June 30, 2003) plus an applicable margin based on a defined leverage ratio for the Company. Based on the Company's current leverage ratio, the margin is 1.375%, the most favorable rate provided under the terms of the agreement. Amounts available under the Credit Facility are limited to 300% 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 the requirements and covenants of the Credit Facility as of June 30, 2003 and August 7, 2003. The Company is required to pay an annual commitment fee of 1/5 of 1% on the average daily-unused portion of the Credit Facility commitment. The Company's Credit Facility contains provisions, which will allow the Company to repurchase stock and/or pay cash dividends within certain parameters. Substantially all of the unencumbered assets of the Company have been pledged as collateral against indebtedness under the Credit Facility.

As of June 30, 2003, the Company's primary sources of liquidity were $12,511,000 in cash and cash equivalents, $32,132,000 in receivables, $13,248,000 in inventories and $13,000,000 of available and unused funds under the Company's Credit Facility. The Company had working capital of $48,897,000 as of June 30, 2003, and a total liabilities to equity ratio of 0.33 to 1.

The Company utilized positive cash flows from operations in the Six-Month 2003 Period to fund investing and financing activities primarily related to opening new stores and reduction of debt. Net cash provided by operating activities of the Company during the six months ended June 30, 2003 was $8,907,000, consisting primarily of net income before non-cash depreciation of $7,847,000, net of an increase in accrued service charges receivable and a decrease in accounts payable and accrued expenses of $177,000 and $80,000, respectively, in addition to a decrease in inventory and prepaid expenses of $400,000 and $316,000, respectively, and an increase in current and deferred taxes of $601,000. Net cash used by investing activities during the six months ended June 30, 2003 was $1,323,000, which was primarily comprised of an increase in receivables of $1,467,000, cash paid for fixed asset additions of $2,052,000, net of a decrease in the receivable from the Cash & Go, Ltd. joint venture of $2,196,000. The year-to-date opening of 22 new stores in 2003 contributed significantly to the volume of fixed asset additions. Net cash used by financing activities was $7,808,000 during the six months ended June 30, 2003, which primarily consisted of a decrease in the Company's debt of $12,501,000, net of repayments on notes receivable from officers of $4,228,000 and proceeds, including tax benefit, from exercises of stock options and warrants of $465,000.

The Company funds substantially all of the working capital needs of Cash & Go, Ltd. The Company's net receivable from the joint venture was $5,155,000 at June 30, 2003.

The profitability and liquidity of the Company is affected by the amount of pawn loans outstanding, which is controlled in part by the Company's lending decisions. The Company is able to influence the frequency of pawn redemption by increasing or decreasing the amount loaned in relation to the resale value of the pawned property. Tighter credit decisions generally result in smaller pawn loans in relation to the estimated resale value of the pledged property and can thereby decrease the Company's aggregate pawn loan balance and, consequently, decrease pawn service charges. Additionally, small advances in relation to the pledged property's estimated resale value tend to increase pawn redemptions and improve the Company's liquidity. Conversely, providing larger pawn loans in relation to the estimated resale value of the pledged property can result in an increase in the Company's pawn service charge income. Also, larger average pawn loan balances can result in an increase in pawn forfeitures, which increases the quantity of goods on hand and, unless the Company increases inventory turnover, reduces the Company's liquidity. The Company's renewal policy allows customers to renew pawns by repaying all accrued interest on such pawns, effectively creating a new pawn transaction.

The amount of short-term advances outstanding and related potential bad debt expense also affect the profitability and liquidity of the Company. An allowance for losses is provided on active short-term advances and service charges receivable, based upon expected default rates, net of estimated future recoveries of previously defaulted short-term advances and service charges receivable. The Company considers short-term advances to be in default if they are not repaid on the due date, and writes off the principal amount and service charges receivable as of the default date, leaving only active receivables in the reported balances. Net defaults and changes in the short-term advance allowance are charged to bad debt expense, which is included in operating expenses.

In addition to these factors, merchandise sales and the pace of store expansions affect the Company's liquidity. Management believes that the Credit Facility and cash generated from operations will be sufficient to accommodate the Company's current operations for Fiscal 2003. The Company has no significant capital commitments. The Company currently has no written commitments for additional borrowings or future acquisitions; however, the Company intends to continue to grow and may 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.

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 additional new stores in the near future, the Company may seek additional financing, the terms of which will be negotiated on a case-by-case basis.

CAUTIONARY STATEMENT REGARDING RISKS AND UNCERTAINTIES THAT MAY AFFECT FUTURE RESULTS

Forward-Looking Statements

This quarterly report may contain forward-looking statements about the business, financial condition and prospects of the Company. Forward-looking statements can be identified by the use of forward-looking terminology such as "believes," "projects," "expects," "may," "estimates," "will," "should," "plans," "intends," or "anticipates" or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy. Forward-looking statements include, without limitation, the earnings per share discussion, the expectation of increased pawn growth, the expectation for additional store openings, and the expectation of growth in the Company's short-term advance products. These statements are made to provide the public with management's assessment of the Company's business. 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. Security holders are cautioned that such forward-looking statements involve risks and uncertainties. The forward-looking statements contained in 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. Certain factors may cause results to differ materially from those anticipated by some of the statements made in this report. Such factors are difficult to predict and many are beyond the control of the Company, but may include changes in regional or national economic conditions, the ability to integrate new stores, the ability to maintain favorable banking relationships as it relates to short-term lending products, changes in governmental regulations, access to credit, unforeseen litigation, changes in interest rates or tax rates, changes in foreign currency exchange rates, changes in gold prices, future business decisions, other uncertainties, and other risks indicated in the Company's 2002 Annual Report to Stockholders.

Regulatory Changes

Governmental action to prohibit or restrict short-term advances has been advocated over the past few years by consumer-advocacy groups and by media reports and stories. The consumer groups and media stories typically focus on the cost to a consumer for that type of short-term advance, which is higher than the interest typically charged by credit-card issuers to a more creditworthy consumer. The consumer groups and media stories typically characterize short-term advance activities as abusive toward consumers. During the last few years, legislation has been introduced in the United States Congress and in certain state legislatures, and regulatory authorities have proposed or publicly addressed the possibility of proposing regulations, that would prohibit or restrict short-term advances.

The U.S. Office of Comptroller of the Currency has recently initiated enforcement actions to restrict the ability of nationally chartered banks to establish or maintain relationships with loan servicers in order to make out-of-state short-term advance loans. The Company does not currently maintain nor intend in the future to establish loan-servicing relationships with nationally chartered banks. The Federal Deposit Insurance Corporation, ("FDIC"), which regulates the ability of state chartered banks to enter into relationships with loan servicers, has recently enacted new examiner guidelines under which such arrangements are permitted. Texas is the only state in which the Company functions as loan servicer through a relationship with a state chartered bank, County Bank of Rehoboth Beach, Delaware, that is subject to the new FDIC examiner guidelines. If the implementation of the FDIC's new guidelines were to ultimately restrict the ability of all or certain state banks to maintain relationships with loan servicers, it could have a materially adverse impact on the Company's operations and financial results.

Legislation and regulatory action at the state level that affects consumer lending has recently become effective in a few states and may be taken in other states. The Company intends to continue, with others in the short-term advance industry, to oppose legislative or regulatory action that would prohibit or restrict short-term advances. But if legislative or regulatory action with that effect were taken on the federal level or in states such as Texas, in which the Company has a significant number of stores, that action could have a material adverse effect on the Company's short-term advance-related activities and revenues. There can be no assurance that additional local, state, or federal legislation will not be enacted or that existing laws and regulations will not be amended, which would materially, adversely impact the Company's operations and financial condition.

Other

Certain factors may cause results to differ materially from those anticipated by some of the statements made in this report. Such factors are difficult to predict and many are beyond the control of the Company, but may include changes in regional or national economic conditions, changes in competition from various sources including both financial services entities and retail businesses, the ability to integrate new stores, changes in governmental regulations, unforeseen litigation, changes in capital markets, changes in interest rates or tax rates, the ability to maintain a loan servicing relationship with an out-of-state bank necessary to generate service charges from short-term advances in the Texas market, future business decisions, other risks indicated in the Company's 2002 Annual Report to Stockholders and other uncertainties.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to the Company's operations result primarily from changes in interest rates, gold prices and foreign currency exchange rates and are described in detail in the Company's 2002 Annual Report on Form 10-K. The Company does not engage in speculative or leveraged transactions, nor does it hold or issue financial instruments for trading purposes. There have been no material changes to the Company's exposure to market risks since December 31, 2002.

ITEM 4. CONTROLS AND PROCEDURES

(a) Under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, management of the Company has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934) as of a date (the "Evaluation Date") within 90 days prior to the filing date of this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective in timely alerting them to the material information relating to the Company required to be included in its periodic filings with the Securities and Exchange Commission.

(b) During the period covered by this report, there were no significant changes in the Company's internal controls or, to management's knowledge, in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material developments in the litigation and arbitration "previously reported" in the Company's 2002 Annual Report to Stockholders filed on Form 10-K.

ITEM 2. CHANGES IN SECURITIES

During the period from January 1, 2003 through August 7, 2003, the Company issued 373,200 shares of common stock relating to the exercise of outstanding stock warrants for an aggregate exercise price of $3,894,000 (including income tax effect) and issued warrants to purchase 270,000 shares of common stock at an average exercise price of $11.20, expiring in ten years.

The transactions set forth in the above paragraph were completed pursuant to either Section 4(2) of the Securities Act or Rule 506 of Regulation D of the Securities Act. With respect to issuances made pursuant to Section 4(2) of the Securities Act, the transactions did not involve any public offering and were sold to a limited group of persons. Each recipient either received adequate information about the Company or had access, through employment or other relationships, to such information, and the

Company determined that each recipient had such knowledge and experience in financial and business matters that they were able to evaluate the merits and risks of an investment in the Company. With respect to issuances made pursuant to Rule 506 of Regulation D of the Securities Act, the Company determined that each purchaser was an "accredited investor" as defined in Rule 501(a) under the Securities Act. All sales of the Company's securities were made by officers of the Company who received no commission or other remuneration for the solicitation of any person in connection with the respective sales of securities described above. The recipients of securities represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and other instruments issued in such transactions.

During the period from January 1, 2003 through August 7, 2003, the Company issued 333,750 shares of common stock relating to the exercise of outstanding stock options for an aggregate exercise price of $2,814,000 (including income tax effect) and issued options to purchase 50,000 shares of common stock at an average exercise price of $10.00, expiring in ten years.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On July 10, 2003, the Company held the annual meeting of its stockholders. Of the 8,887,187 issued and outstanding common shares entitled to vote at the meeting, 8,475,547 of the common shares voted in person or by proxy. The shareholders voted affirmatively on the following three proposals:

1. The stockholders ratified the re-election of three directors:

	FOR	%	WITHHOLD	%
Rick Wessel	8,012,183	94.9	431,841	5.1
Richard Burke	8,396,302	99.4	47,722	0.6
Joe Love	8,395,802	99.4	48,222	0.6

2. The stockholders ratified the selection of Deloitte & Touche LLP as independent auditors of the Company for the year ended December 31, 2003.

FOR	%	AGAINST	%	ABSTAIN	%
8,396,607	99.4	36,167	0.4	11,250	0.1

3. The stockholders approved the adoption of the First Cash Financial Services, Inc. Executive Performance Incentive Plan.

FOR	%	AGAINST	%	ABSTAIN	%	NON-VOTE	%
3,939,884	46.7	484,801	5.7	84,858	1.0	3,934,481	46.6

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(1) Exhibits:

31.1 Chief Executive Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act

31.2 Chief Financial Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act

32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(2) Reports on Form 8-K:

April 8, 2003 Item 5. Other Events

April 25, 2003 Item 9. Regulation FD Disclosure

	Item 12.	Results of Operations and Financial Condition
May 14, 2003	Item 5.	Other Events

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: August 7, 2003

FIRST CASH FINANCIAL SERVICES, INC.
(Registrant)

/s/PHILLIP E. POWELL

Phillip E. Powell
Chief Executive Officer

/s/ R. DOUGLAS ORR

R. Douglas Orr
Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
31.1	Chief Executive Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act
31.2	Chief Financial Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

EXHIBIT 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO SECTION 13A-14 OF THE SECURITIES EXCHANGE ACT

I, Phillip E. Powell, Chief Executive Officer of First Cash Financial Services, Inc. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

Date: August 7, 2003

/s/ PHILLIP E. POWELL

Phillip E. Powell
Chief Executive Officer

EXHIBIT 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION
PURSUANT TO SECTION 13A-14 OF THE SECURITIES EXCHANGE ACT

I, R. Douglas Orr, Chief Financial Officer of First Cash Financial Services, Inc. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

Date: August 7, 2003

/s/ R. DOUGLAS ORR

R. Douglas Orr
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of First Cash Financial Services, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Phillip E. Powell, Chief Executive Officer of the Company, and R. Douglas Orr, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2003

/s/ PHILLIP E. POWELL

Phillip E. Powell
Chief Executive Officer

/s/ R. DOUGLAS ORR

R. Douglas Orr
Chief Financial Officer