



Financial Convenience.
Everyday People.



Q3 2009 Highlights—Chairman's Remarks and Strategic Outlook Commentary by Gordon J. Reykdal, April 30, 2009

Introduction

Originally founded as Rentcash Inc. in 2001, Cash Store Financial operates under two banners: The Cash Store and Instaloans. These are two of the strongest branded chains in the industry. We operate 423 branches in nine provinces and two territories and employ over 1,600 associates nation wide.

Our primary offering is to serve as brokers to facilitate payday advance services to income-earning consumers. In addition to brokering small, short-term consumer loans, we offer financial product insurance, cheque cashing products, Western Union, a pre-paid MasterCard, and longer term loans in selected branches.

Cash Store Financial is the only payday advance broker in Canada publicly-traded on the Toronto Stock Exchange. Our goal is to maintain our position as the alternative financial services provider of choice by continuing to offer a wide range of products, a high level of customer service and convenient hours of operation.

Key Priorities

Our current strategic priorities are:

- Continued aggressive expansion of our branch network
- Maturing of existing branches
- Product innovation
- Associate training
- Senior management's continued involvement in branch operations
- Working with governments toward a stable regulatory environment

From a financial perspective our objectives are:

- Maximizing shareholder value by growing our earnings per share
- Maintaining a strong balance sheet to enable aggressive growth at acceptable risk
- Controlling costs through operational excellence
- Ensuring that all branches are contributing to our profitability

During the quarter I, along with our President and Chief Operating Officer, completed our annual President's Tour. This country-wide series of over 30 meetings with all branch managers enables us to review strategic priorities and to hear directly from associates about what is working and what is not. During our sessions, emphasis was placed on verifying that all associates are committed to the effective pursuit of established goals and objectives.

We consider the President's tour to be a fundamental component of our management approach as it provides us with important front-line exposure to our operations. This year's tour occurred in an earlier quarter than previous years, as we wanted to review the impact of the current economy on our operations. Our findings clearly indicate that the economic downturn has not imposed any significant negative impacts on the Company.

Our ability to service our customers' needs remains well intact. Our cash position remains consistent and we have no debt. We will continue to closely monitor our Company's performance in relation to both industry trends and economic conditions. Current liquidity restrictions in Canada's capital markets have had no impact on the accessibility of funds for our customers. Due to our continued strong performance I am pleased to say that we have again declared a quarterly dividend of 6.5 cents per share.

Over the past several months Cash Store Financial has solidified its partnership with the Alberta Diabetes Foundation, which is the fundraising arm for the Alberta Diabetes Institute, a globally recognized research institute dedicated to finding a cure for diabetes. Through this partnership we have made a commitment to raise \$7.5 million dollars over the next seven years. An integral component of this initiative is the Cash Store Financial Freedom Run which will take place in 23 communities across Canada, from June to November.

Since inception, this company has made contributions to many worthy causes. Our commitment to diabetes research and to the Freedom Runs is one more step in our program to give back to the community.

Industry Regulation

Many provinces are currently working through a process to establish consumer protection measures for the payday loan industry. These measures will include rate caps. We expect all Provinces to have provided full clarity on rate caps by the close of calendar 2009. All Canadian jurisdictions appear committed to facilitating a competitive industry. As such, the Company anticipates that it will remain viable in all jurisdictions post regulation.

To date the following rate caps have been announced, but are not yet in force: British Columbia: \$23 per hundred dollars loaned; Ontario: \$21 per hundred dollars loaned; Nova Scotia: \$31 per hundred dollars loaned.

It has been our belief from the outset that regulation is a good thing for this industry. It will provide industry with a needed level of regulatory certainty and it will improve overall protection for consumers. In this regard, we were one of the first companies to stop providing rollovers and we have tried to leverage this leadership role in encouraging governments to move forward with new rules that are fair to both business and consumers.

Our objective has been to secure our market dominance before regulation, so we can quickly capitalize on our market presence, after regulation. We believe now that the bulk of unresolved regulatory matters impacting our business will be wound-up within the year. These developments in combination with industry-wide settlement of class-action law suits bode well for the future of our company.

The Cash Store Financial, The Cash Store, and Instaloans continue to operate in compliance with all applicable federal and provincial laws. We continue to strengthen our footprint in the Canadian market with no meaningful challenge from our major competitors. Our competitors have slowed the pace of their Canadian expansion, in some cases they have shortened hours and have closed branches. It is our expectation that restrictive elements in Payday loan regulations, particularly, the ban on rollovers, will lead to market consolidation for the roughly 45% of the industry that is fragmented amongst small operators.

Looking Ahead

In closing I would like to comment on our annual President's Tour, referenced at the outset of this call. An integral part of the tour is the distribution of long-service awards. We are now in our seventh year of operations. Over the course of the tour we distributed almost 200 awards. The average tenure for a branch manager is now 3 years. We consider this a great accomplishment for a young company. We have a strong backbone of committed associates who understand and embrace our corporate philosophy. This is evident in our continued earnings improvements.

We believe that our competitive advantage rests in the quality of our customer service. Word of mouth is our primary form of advertising. By providing excellent service to Canadians in over 160 communities, we have established a base of satisfied consumers to whom we may offer a broadened range of financial services products. We are well-capitalized and well-positioned to fund future growth. We are also well positioned to effectively manage any trend variances that may result from the current economic downturn.

For additional information or if you have any questions, please contact:

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