Nuveen Mortgage Opportunity Term Fund
Form N-CSR
March 06, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-22329

Nuveen Mortgage Opportunity Term Fund
(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Name and address of agent for service)

Registrant s telephone number, including area code: (312) 917-7700

Date of fiscal year end: December 31

Date of reporting period: December 31, 2014

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed-End Funds

Nuveen Investments

Closed-End Funds

Annual Report December 31, 2014

JLS

Nuveen Mortgage Opportunity Term Fund

JMT

Nuveen Mortgage Opportunity Term Fund 2

NUVEEN INVESTMENTS ACQUIRED BY TIAA-CREF

On October 1, 2014, TIAA-CREF completed its previously announced acquisition of Nuveen Investments, Inc., the parent company of your fund's investment adviser, Nuveen Fund Advisors, LLC ("NFAL") and the Nuveen affiliates that act as sub-advisers to the majority of the Nuveen Funds. TIAA-CREF is a national financial services organization with approximately $851 billion in assets under management as of December 31, 2014 and is a leading provider of retirement services in the academic, research, medical and cultural fields. Nuveen is operating as a separate subsidiary within TIAA-CREF's asset management business.

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Chairman's Letter

to Shareholders

Dear Shareholders,

A pattern of divergence has emerged in the past year. Steady and moderate growth in the U.S. economy helped sustain the stock market's bull run another year. U.S. bonds also performed well, amid subdued inflation, interest rates that remained unexpectedly low and concerns about the economic well-being of the rest of the world. The stronger domestic economy enabled the U.S. Federal Reserve (Fed) to gradually reduce its large scale bond purchases, known as quantitative easing (QE), without disruption to the markets, as well as begin to set expectations for a transition into tightening mode.

The story outside the U.S., however, was different. European growth was stagnating and Japan fell into a recession, contributing to the bouts of volatility in their markets. China's economy decelerated and, despite running well above the rate of other major global economies, investors feared it looked slow by China's standards. Compounding these concerns were a surprisingly steep decline in oil prices, the U.S. dollar's rally and an increase in geopolitical tensions, including the Russia-Ukraine crisis and terrorist attacks across the Middle East and Africa, as well as more recently in Europe.

While a backdrop of healthy economic growth in the U.S. and the continuation of accommodative monetary policy (with the central banks of Japan and potentially Europe stepping in where the Fed has left off) bodes well for the markets, the global outlook has become more uncertain. Indeed, volatility is likely to feature more prominently in the investment landscape going forward. Such conditions underscore the importance of professional investment management. Experienced investment teams have weathered the market's ups and downs in the past and emerged with a better understanding of the sensitivities of their asset class and investment style, particularly in times of turbulence. We recognize the importance of maximizing gains, while striving to minimize volatility.

And, the same is true for investors like you. Maintaining an appropriate time horizon, diversification and relying on practiced investment teams are among your best strategies for achieving your long-term investment objectives. Additionally, I encourage you to communicate with your financial consultant if you have questions about your investment in a Nuveen Fund. On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

William J. Schneider
Chairman of the Board
February 23, 2015

Portfolio Manager's

Comments

Nuveen Mortgage Opportunity Term Fund (JLS)

Nuveen Mortgage Opportunity Term Fund 2 (JMT)

The investment adviser for both Funds is Nuveen Fund Advisors, LLC (NFA), an affiliate of Nuveen Investments, Inc. NFA is responsible for determining each Fund's overall investment strategy and monitoring the performance of Wellington Management Company LLP (Wellington Management), the sub-adviser for both Funds.

Wellington Management is responsible for implementing each Fund's direct investments in mortgage-backed securities and other permitted investments. Michael Garrett serves as portfolio manager for these Funds.

Here Michael talks about economic and market conditions, his management strategy and the performance of the Funds for the twelve-month reporting period ended December 31, 2014.

What factors affected the U.S. economy and the financial markets during the twelve-month reporting period ended December 31, 2014?

During this reporting period, the U.S. economy continued to expand at a moderate pace. The Federal Reserve (Fed) maintained efforts to bolster growth and promote progress toward its mandates of maximum employment and price stability by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. At its October 2014 meeting, the Fed announced that it would end its bond-buying stimulus program as of November 1, 2014, after tapering its monthly asset purchases of mortgage-backed and longer-term Treasury securities from the original $85 billion per month to $15 billion per month over the course of seven consecutive meetings (December 2013 through September 2014). In making the announcement, the Fed cited substantial improvement in the outlook for the labor market since the inception of the current asset purchase program as well as sufficient underlying strength in the broader economy to support ongoing progress toward maximum employment in a context of price stability. The Fed also reiterated that it would continue to look at a wide range of factors, including labor market conditions, indicators of inflationary pressures and readings on financial developments, in determining future actions. Additionally, the Fed stated that it would likely maintain the current target range for the fed funds rate for a considerable time after the end of the asset purchase program, especially if projected inflation continues to run below the Fed's 2% longer-run goal. However, if economic data shows faster progress toward the Fed's employment and inflation objectives than currently anticipated, the Fed indicated that the first increase in the fed funds rate since 2006 could occur sooner than expected.

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio manager as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Portfolio Manager's Comments (continued)

In the fourth quarter of 2014, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at a 2.6% annual rate, compared with 4.6% in the second quarter and 5.0% in the third quarter of 2014. The decline in real GDP growth rate from the third quarter to the fourth quarter primarily reflects an upturn in imports, a downturn in federal government spending, and decline in exports. These were partly offset by an upturn in consumer spending. The Consumer Price Index (CPI) rose 0.8% year-over-year as of December 2014, while the core CPI (which excludes food and energy) increased 1.6% during the same period, below the Fed's unofficial longer term inflation objective of 2.0%. As of December 31, 2014, the national unemployment rate was 5.6%, the lowest level since July 2008, down from the 6.7% reported in December 2013. The housing market continued to post gains, although price growth has shown signs of deceleration in recent months. The average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 4.7% for the twelve months ended November 2014 (most recent data available at the time this report was prepared).

As investor sentiment and risk aversion fluctuated throughout the reporting period, U.S. equities across the risk spectrum posted generally positive returns supported by solid corporate earnings, positive economic reports and continued accommodative monetary policy. During the first few months of this reporting period, the financial markets were unsettled in the aftermath of widespread uncertainty about the future of the Fed's quantitative easing program. Also contributing to investor concern was Congress's failure to reach agreement on the Fiscal 2014 federal budget, which had triggered sequestration, or automatic spending cuts and a 16-day federal government shutdown in October 2013. As we moved into 2014, investors quickly shook off these issues and the current bull market in the U.S. entered its sixth year. Then, midway through the first calendar quarter, investors grew concerned about the dampening effects of severe winter weather on near-term growth, firmer language from the Fed regarding potential stimulus withdrawal and mounting tensions with Russia over its territorial assertions in Ukraine. The stock market experienced a rather quick and dramatic rotation away from higher growth, higher price/earnings ratio stocks that had performed so well in 2013 and into more defensive, value-oriented stocks. As we moved into the spring and summer months, equity markets again hit new highs as U.S. data improved and policy uncertainty was reduced. Market volatility declined to levels near historical lows prompting some concern from market analysts and policymakers who believed that investors may be growing overly complacent. As conditions improved on the domestic front, however, global growth was called into question as China and the emerging markets slowed, while Europe slipped back into a recession. The U.S. dollar strengthened dramatically, which weighed on the prices of all commodities. Oil prices experienced a dramatic decline from their early June high of approximately $105/barrel and ended the reporting period at approximately $65/barrel (source: West Texas Intermediate).

Commercial Mortgage-Backed Securities (CMBS), as measured by the Barclays U.S. CMBS Aggregate Index, returned 3.86% for the reporting period, outperforming duration equivalent Treasuries by 1.08%. All subsectors across the quality spectrum posted positive excess returns. CMBS held up relatively well despite bouts of volatility that riled other credit markets. Positive economic momentum in the U.S. and continued accommodative monetary policy supported the sector overall and CMBS index spreads ended the year modestly tighter at 98 bps. Commercial real estate fundamentals remained solid. Commercial property prices, according to the Moody's/RCA Commercial Property Price Index (CPPI)™, were up 14% year over year through October and the index has now exceeded its pre-crisis peak. New issue volume was also strong, with U.S. $140.8 billion being priced during the reporting.

What key strategies were used to manage the Funds during this twelve-month reporting period ended December 31, 2014?

Both Funds seek to generate total returns by investing in a diverse portfolio of mortgage-backed securities (MBS), consisting primarily of non-agency residential mortgage-backed securities (RMBS) and CMBS. Under normal circumstances, both Funds will invest at least 80% of their managed assets in MBS, primarily non-agency RMBS and CMBS. Both JLS and JMT may be leveraged directly to a maximum effective leverage of 33% of total net asset value. The Funds have a limited term of ten years from each Fund's inception, (JLS 11/25/09 and JMT 2/23/10), at which time all net asset value will be distributed to shareholders of record.

During the reporting period, we remained constructive on CMBS, but continued to believe that the non-agency RMBS sector offered better relative value and we positioned the Funds accordingly. The Funds continue to be conservatively positioned within RMBS, with a bias toward higher quality collateral to try to protect against downside risk in the event of a prolonged path toward economic recovery.

CMBS posted positive returns during the twelve-month reporting period. CMBS index spreads ended the year modestly tighter, as the sector shrugged off global volatility that riled other credit markets. Underwriting standards continue to deteriorate and vary greatly by deal across new issuance, which requires judicious security selection, both within and across deals. Within legacy CMBS, these same relaxed underwriting standards will hopefully make it easier for many of these seasoned loans to refinance, which may then improve their credit performance. Continued economic recovery, coupled with better lending environment for commercial real estate (CRE) and a manageable near-term loan maturity schedule, bodes well for the longer term health of the sector.

The non-agency RMBS market generated positive returns during the twelve-month reporting period, in spite of softer housing data. The performance of non-agency collateral remains generally solid as defaults continue to improve. The percentage of realized losses incurred on loan balances prior to liquidation remain at stubbornly high levels as the remaining pool of distressed loans is concentrated in judicial foreclosure states where liquidation time lines are much longer.

How did the Funds perform during this twelve-month reporting period ended December 31, 2014?

The tables in the Performance Overview and Holding Summaries section of this report provide total return performance for the Funds for the one-year, five-year and since inception periods ended December 31, 2014. For the twelve-month reporting period, the Funds' total returns at net asset value (NAV) outperformed the Barclays U.S. Aggregate Bond Index. This index reflects the general performance of the bond market over these periods, but not the specific MBS market in which the Funds primarily invest. The total returns of the Funds were positive, as interest rates declined and asset spreads generally tightened.

Within the Funds, returns for the reporting period were mostly positive across sectors. The primary contributor to the Funds' returns was the allocation to residential credit, particularly the higher quality sectors (Prime and Alt-A). An allocation to CMBS also positively impacted performance.

Our approach to sector allocation has remained consistent since the Funds' launch. Both Funds seek to generate total returns by investing in a diverse portfolio of MBS consisting primarily of non-agency RMBS and CMBS. While we are constructive on CMBS, we continue to favor residential credit from a relative value perspective, and have a bias to the higher quality collateral types within each sector. With an emphasis on the long-term, we continued to focus on finding opportunities to add securities we feel were best positioned to provide stability of principal and attractive income over the duration of the Funds' limited terms.

Exposure to Fannie Mae and Freddie Mac credit risk transfer deals (CAS and STACR) detracted from performance during the reporting period, as their spreads widened in keeping with other credit markets. The Funds utilized U.S. Treasury futures to hedge against increases in interest rates and for duration management purposes and these positions had a modest negative impact on performance during the reporting period. In addition, the Funds briefly held call options to protect against an increase in volatility, which would likely be associated with widening credit spreads, contributed a small positive amount to performance during the period.

Fund

Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the return of the Funds relative to their benchmarks was the Funds' use of leverage through the use of bank borrowings and reverse repurchase agreements. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income and total return for shareholders. However, use of leverage also can expose shareholders to additional volatility. For example, as the prices of securities held by the Funds decline, the negative impact of these valuation changes on NAV and total return is magnified by the use of leverage. Conversely, leverage may enhance share returns during periods when the prices of securities held by the Funds generally are rising. The Funds' use of leverage through their investments in reverse repurchase agreements and bank borrowings had a slightly positive and positive effect on performance, respectively, over this reporting period.

As of December 31, 2014, the Funds' percentages of leverage are as shown in the accompanying table.

	JLS	JMT
Effective Leverage*	26.16%	27.18%
Regulatory Leverage*	26.16%	27.18%

* Effective leverage is the Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in the Fund's portfolio that increase the Fund's investment exposure. Regulatory leverage consists of preferred shares issued or borrowings of the Fund. Both of these are part of the Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

THE FUNDS' REGULATORY LEVERAGE

During the period, the Funds employed leverage through bank borrowings and reverse repurchase agreements. The Funds have ceased the use of reverse repurchase agreements during the reporting period. As of December 31, 2014, the Funds have outstanding bank borrowings as shown in the accompanying table.

	JLS	JMT
Bank Borrowings	$147,200,000	$46,200,000

Refer to Notes to Financial Statements, Note 3 Portfolio Securities and Investments in Derivatives and Note 8 Borrowing Agreements for further details.

Share

Information

DISTRIBUTION INFORMATION

The following information regarding each Fund's distributions is current as of December 31, 2014.

Each Fund employs a cash-flow distribution policy whose goal is to provide shareholders with relatively consistent and predictable cash flow by distributing over time the Fund's net cash flows after expenses received on its investments.

Important points to understand about each Fund's distributions are:

• The net cash flows, after expenses, that each Fund receives on its investments will vary over time, and therefore its distribution rate will also vary over time. You should not draw any conclusions about a Fund's past or future investment performance from its current distribution rate.

• Actual net cash flows each Fund receives may differ from the Fund's distribution rate over shorter time periods. Over a specific timeframe, the difference between actual net cash flows and total Fund distributions will be reflected in an increasing (net cash flows exceed distributions) or a decreasing (distributions exceed net cash flows) Fund net asset value.

• Because of the nature of its investments, a portion of the cash flows each Fund receives may not be treated as net investment income for accounting and tax reporting purposes. While the ultimate tax character of a Fund's net cash flows and therefore its distributions is not known until after December 31st each year, along with each distribution the Fund provides you a written estimate of distribution sources, broken down as follows:

• net investment income (regular interest and dividends),

• realized capital gains, and

• a return of capital (a non-taxable distribution).

• A non-taxable distribution is a payment of a portion of a Fund's capital. This may result even when a Fund's net cash flows received from portfolio investments exceed Fund distributions. This is because the Funds invest in certain securities such as REIT securities which may include a return of capital as all or a portion of the cash flows they distribute. Conversely, there are situations when Fund distributions exceed net cash flows but will still be 100% taxable to investors.

• Because the ultimate tax character of your distributions depends on each Fund's performance for its entire fiscal year (which is the calendar year for the Funds) as well as certain fiscal year-end tax adjustments, estimated distribution source information you receive with each distribution may differ from the tax information reported to you on your Fund's IRS Form 1099 statement.

Share Information (continued)

For the fiscal year ended December 31, 2014, the ratio of net distributable cash flow received to regular monthly Fund distributions paid were 100% for both JLS and JMT. The following table provides information regarding each Fund's distributions for the fiscal year ended December 31, 2014. This information is intended to help you better understand the accounting and tax character of those distributions.

As of Fiscal Year Ended December 31, 2014	**JLS**	**JMT**
Inception Date	11/25/09	2/23/10
Per share distribution:		
Regular Monthly Distributions	$ 1.55	$ 1.56
Year-End Supplemental Distribution	0.00	0.00
Total Per Share Distributions	1.55	1.56
Distribution Character:		
From net investment income	$ 1.00	$ 0.85
From long-term capital gains	0.23	0.00**
From short-term capital gains	0.00	0.00
Return of capital (non-taxable distribution)	0.32	0.71
Total per share distribution	$ 1.55	$ 1.56
Current distribution rate*	6.56%	6.60%
Average annual total returns:		
1-Year on NAV	7.31%	7.63%
5-Year on NAV	10.59%	N/A
Since inception on NAV	10.38%	10.50%

* Current distribution rate is based on each Fund's last monthly distribution during the period, annualized, expressed over the market price on the last day of the period. Distributions may be sourced from a combination of net investment income, net realized capital gains, and/or a return of capital.

** Rounds to less than $0.01 per share.

SHARE REPURCHASES

During August 2014, the Funds' Board of Trustees reauthorized an open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of December 31, 2014, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired shares as shown in the accompanying table.

	JLS	**JMT**
Shares Cumulatively Repurchased and Retired	0	0
Shares Authorized for Repurchase	1,590,000	485,000

OTHER SHARE INFORMATION

As of December 31, 2014, and during the current reporting period, the Funds' share prices were trading at a premium/(discount) to their NAVs as shown in the accompanying table.

	JLS	JMT
NAV	$ 26.16	$ 25.41
Share Price	$ 23.15	$ 23.17
Premium/(Discount) to NAV	(11.51)%	(8.82)%
12-Month Average Premium/(Discount) to NAV	(9.78)%	(9.48)%

Risk

Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment, Market and Price Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the corporate securities owned by the Funds, which generally trade in the over-the-counter markets. Shares of closed-end investment companies like the Funds frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. A Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, and distributions. Leverage risk can be introduced through regulatory leverage (issuing preferred shares or debt borrowings at the Fund level) or through certain derivative investments held in a Fund's portfolio. Leverage typically magnifies the total return of a Fund's portfolio, whether that return is positive or negative. The use of leverage creates an opportunity for increased common share net income, but there is no assurance that a Fund's leveraging strategy will be successful.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Below-Investment Grade Risk. Investments in securities below investment grade quality are predominantly speculative and subject to greater volatility and risk of default.

Mortgage-Backed Securities (MBS) Risk. Investing in MBS entails various risks, including credit risks inherent in the underlying collateral, the risk that the servicer fails to perform its duties, liquidity risks, interest rate risks, structure risks, and geographical concentration risks.

Limited Term Risk. It is anticipated that JLS will terminate on or before November 30, 2019 and JMT will terminate on or before February 28, 2020, although each could terminate sooner or later under certain conditions. Because the assets of the Funds will be liquidated in connection with their respective terminations, each may be required to sell portfolio securities when they otherwise would not desire to do so, including at times when market conditions are not favorable, which may cause them to lose money.

Reinvestment Risk. If market interest rates decline, income earned from a Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Risk Considerations (continued)

Prepayment Risk. MBS represent an interest in a pool of mortgages. These mortgages typically permit borrowers to prepay amounts owing, often with no penalty. The relationship between borrower prepayments and changes in interest rates may mean some high-yielding mortgage-related and asset-backed securities have less potential for increases in value if market interest rates were to fall than conventional bonds with comparable maturities. In addition, in periods of falling interest rates, the rate of prepayments tends to increase. During such periods, the reinvestment of prepayment proceeds by a Fund will generally be at lower rates than the rates that were carried by the obligations that have been prepaid. Because of these and other reasons, the total return and maturity of mortgage-related and asset-backed securities may be difficult to predict precisely. To the extent that a Fund purchases mortgage-related securities at a premium, prepayments may result in loss of the Fund's principal investment to the extent of any unamortized premium.

JLS

Nuveen Mortgage Opportunity Term Fund

Performance Overview and Holding Summaries as of December 31, 2014

Refer to Glossary of Terms Used in this Report for further definition of terms used in this section.

Average Annual Total Returns as of December 31, 2014

	Average Annual		
	1-Year	**5-Year**	**Since Inception[1]**
JLS at NAV	7.31%	10.59%	10.38%
JLS at Share Price	6.72%	7.33%	7.18%
Barclays U.S. Aggregate Bond Index	5.97%	4.45%	4.11%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

Share Price Performance Weekly Closing Price

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation

(% of net assets)

Mortgage-Backed Securities	130.5%
Asset-Backed Securities	0.5%
Short-Term Investments	4.2%
Other Assets Less Liabilities	0.2%
Net Assets Plus Borrowings	135.4%
Borrowings	(35.4)%
Net Assets	100%

Credit Quality

(% of total long-term investments)

AAA/U.S. Guaranteed	3.7%
AA	2.2%
A	1.6%
BBB	6.1%
BB or Lower	81.7%
N/R (not rated)	4.7%
Total	100%

1 Since inception returns are from 11/25/09.

JMT

Nuveen Mortgage Opportunity Term Fund 2

Performance Overview and Holding Summaries as of December 31, 2014

Refer to Glossary of Terms Used in this Report for further definition of terms used in this section.

Average Annual Total Returns as of December 31, 2014

	Average Annual	
	1-Year	Since Inception[1]
JMT at NAV	7.63%	10.50%
JMT at Share Price	7.81%	7.88%
Barclays U.S. Aggregate Bond Index	5.97%	4.27%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

Share Price Performance Weekly Closing Price

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Fund Allocation

(% of net assets)

Mortgage-Backed Securities	132.0%
Asset-Backed Securities	0.5%

Short-Term Investments	4.7%
Other Assets Less Liabilities	0.1%
Net Assets Plus Borrowings	137.3%
Borrowings	(37.3)%
Net Assets	100%

Credit Quality

(% of total long-term investments)

AAA/U.S. Guaranteed	3.0%
AA	1.8%
A	1.7%
BBB	5.5%
BB or Lower	83.4%
N/R (not rated)	4.6%
Total	100%

1 Since inception returns are from 2/23/10.

Shareholder

Meeting Report

The annual meeting of shareholders was held in the offices of Nuveen Investments on August 5, 2014 for JLS and JMT; at this meeting the shareholders were asked to vote to approve a new investment management agreement, to approve new sub-advisory agreements and to elect Board Members.

	JLS Common Shares	**JMT** Common Shares
To approve a new investment management agreement between each Fund and Nuveen Advisors, LLC.		
For	7,174,222	2,213,795
Against	108,032	33,929
Abstain	106,516	22,154
Broker Non-Votes	1,044,396	668,176
Total	8,433,166	2,938,054
To approve a new sub-advisory agreement between Nuveen Fund Advisors and each Fund's sub-advisor(s) as follows:		
a. Nuveen Fund Advisors and Nuveen Asset Management, LLC.		
For	7,162,400	2,210,644
Against	121,273	37,566
Abstain	105,097	21,668
Broker Non-Votes	1,044,396	668,176
Total	8,433,166	2,938,054
i. Nuveen Fund Advisors and Wellington Management Company LLP.		
For	7,143,843	
Against	120,957	
Abstain	123,970	
Broker Non-Votes	1,044,396	
Total	8,433,166	
Approval of the Board Members was reached as follows:		
William Adams IV		
For	8,249,105	2,895,290
Withhold	184,061	42,764
Total	8,433,166	2,938,054
David J. Kundert		
For	8,243,663	2,895,503
Withhold	189,503	42,551
Total	8,433,166	2,938,054
John K. Nelson		
For	8,254,178	2,896,886
Withhold	178,988	41,168
Total	8,433,166	2,938,054
Terence J. Toth		
For	8,226,473	2,896,886
Withhold	206,693	41,168
Total	8,433,166	2,938,054

Report of

Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of

Nuveen Mortgage Opportunity Term Fund

Nuveen Mortgage Opportunity Term Fund 2:

In our opinion, the accompanying statements of assets and liabilities, including the portfolios of investments, and the related statements of operations, of changes in net assets and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Nuveen Mortgage Opportunity Term Fund and Nuveen Mortgage Opportunity Term Fund 2 (hereinafter referred to as the "Funds") at December 31, 2014, the results of each of their operations and of each of their cash flows for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Funds' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2014 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, IL
February 27, 2015

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Nuveen Mortgage Opportunity Term Fund

Portfolio of Investments December 31, 2014

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	LONG-TERM INVESTMENTS 131.0% (96.9% of Total Investments)				
	MORTGAGE-BACKED SECURITIES 130.5% (96.5% of Total Investments)				
	Residential 130.5%				
$ 2,700	American Credit Auto Receivables 12-3D, 144A	5.000%	12/16/19	BB	$ 2,717,267
6,500	Argent Securities Inc., Asset-Backed Pass-Through Certificates, Series 2005-W2	0.660%	10/25/35	B	5,153,558
8,837	Asset Backed Funding Corporation, Asset-Backed Certificates Series 2006-OPT1	0.410%	9/25/36	CCC	6,222,601
2,846	Banc of America Alternative Loan Trust, Pass-Through Certificates, Series 2006-6	6.000%	7/25/46	Caa3	2,345,696
4,775	Banc of America Funding Corporation, Mortgage Pass-Through Certificates, Series 2006-G	0.455%	7/20/36	Ba3	4,407,526
3,142	Banc of America Mortgage Securities Inc, Mortgage Pass-Through Certificates, Series 2007-1	6.000%	3/25/37	Caa3	2,951,236
868	Bank of America Funding Corporation, Mortgage Pass-Through Certificates, Series 2007-C	2.674%	5/20/36	Caa2	815,902
7,286	Bank of America Funding Trust, 2007-A 2A1	0.325%	2/20/47	CCC	6,215,673
8,042	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2006-AA2	0.340%	1/25/37	Caa3	6,390,324
6,298	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2007 AA1 2A1	0.350%	3/25/37	Caa3	5,235,430
3,179	Bear Stearns Adjustable Rate Mortgage Trust 2005-3	2.617%	6/25/35	Caa2	2,935,934
1,069	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through	2.574%	7/25/36	D	885,936

	Certificate Series 2006-2				
4,487	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate Series 2006-4	2.491%	10/25/36	D	3,800,582
6,834	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate Series 2007-4	4.899%	6/25/47	D	6,132,534
1,582	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates Series 2005-12	2.484%	2/25/36	Caa3	1,310,376
6,370	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates Series 2005-12	2.487%	2/25/36	Caa3	5,636,150
3,275	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates, Series 2007-1	2.764%	2/25/47	D	2,596,822
5,377	Bear Stearns Alt-A Trust, Mortgage Pass-Through Certificates, Series 2006-8	0.490%	6/25/46	Ca	3,835,791
5,827	Bear Stearns Alt-A Trust, Mortgage Pass-Through Certificates, Series 2006-8	2.880%	8/25/46	Ca	4,258,966
2,025	Bear Stearns Asset Backed Securities I Trust 2002-EC2	0.555%	2/25/36	BBB	1,935,293
2,175	Bear Stearns Commercial Mortgage Securities Trust, Pass-Through Certificates 2007-WR16	5.707%	6/11/40	B1	2,228,984
2,381	CAI Funding II Limited, Series 2012-1A, 144A	3.470%	10/25/27	A	2,394,262
6,490	Carrington Mortgage Loan Trust, Asset Backed Pass-Through Certificates, Series 2005-NC5	0.650%	10/25/35	BB	5,627,687
6,985	Carrington Securities LP, Mortgage Loan Trust Asset-Backed Pass-Through Certificates Series 2007-HE1	0.320%	6/25/37	Caa1	6,085,597
2,090	CDGJ Commercial Mortgage Trust, Mortgage Pass-Through Certificates, Series 2014-BXCH, 144A	4.404%	12/15/27	N/R	2,090,635
6,368	Chaseflex Trust Series 2007-2	0.450%	5/25/37	CCC	5,772,732
1,926		3.155%	3/25/37	D	1,519,548

	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2007-AR4				
1,399	Citigroup Mortgage Loan Inc., Mortgage Pass-Through Certificates, Series 2006- AR2	2.696%	3/25/36	Caa3	1,279,499
1,984	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2005-3	2.640%	8/25/35	Caa2	1,835,376
8,165	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2007-AR1	0.390%	1/25/37	CCC	5,882,096
1,571	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR8	2.685%	7/25/37	Caa3	1,459,024
2,239	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR7	2.488%	11/25/36	D	1,830,916
3,415	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR7	2.625%	11/25/36	D	2,923,500
3,820	Commercial Mortgage Pass-Through Certificates Series 2012-CR4, 144A	4.575%	10/15/45	BBB	3,811,248
2,374	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2005-63	5.299%	11/25/35	Ca	1,913,772
654	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2006-6CB	5.750%	5/25/36	Ca	527,073
5,251	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2007-19	6.000%	8/25/37	D	4,445,987
2,165	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2007-3T1	6.000%	4/25/37	Caa3	1,800,095
85	Countrywide Alternative Loan Trust, Securitization Pass-Through Certificates Series 2007-HY5R	2.543%	3/25/47	Caa2	84,083

6,346	Countrywide Alternative Loan Trust, Securitization Pass-Through Certificates Series 2007-HY7C A1	0.310%	8/25/37	Caa3	5,271,408
2,300	Countrywide Asset Backed Certificates Trust 2005-IM1	0.570%	11/25/35	BBB+	2,187,139
3,560	Countrywide Asset-Backed Certificates Trust, Series 2006-17	0.320%	3/25/47	AAA	3,018,898
2,380	Countrywide CHL Mortgage Pass-Through Trust 2006-HYB1	2.458%	3/20/36	CCC	2,098,638
1,371	Countrywide CHL Mortgage Pass-Through Trust Series 2005-HY10	2.941%	2/20/36	Caa3	1,152,997
5,081	Countrywide Home Loans Mortgage Pass-Through Certificates, Series 2005-HYB7	4.832%	11/20/35	Caa3	4,559,569
818	Countrywide Home Loans Mortgage Pass-Through Trust Certificates Series 2007-HY5	4.876%	9/25/37	D	752,608
6,393	Countrywide Home Loans Mortgage Pass- Through Trust, Series 2007-HY1 1A1	2.658%	4/25/37	D	5,718,156
4,516	Credit Suisse Adjustable Rate Mortgage Trust 2005-9	0.440%	11/25/35	B+	4,107,289
5,596	Credit Suisse Adjustable Rate Mortgage Trust 2006-3, Pass-Through Certificates	0.290%	8/25/36	CCC	3,654,735
916	Credit Suisse Adjustable Rate Mortgage Trust 2007-2	0.380%	6/25/37	Caa3	720,212
3,693	Credit Suisse First Boston Mortgage Acceptance Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2005-12	2.805%	3/25/36	Caa3	2,866,363

JLS Nuveen Mortgage Opportunity Term Fund
Portfolio of Investments (continued) **December 31, 2014**

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
$ 1,214	Credit Suisse First Boston Mortgage Securities Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2006-2	2.738%	5/25/36	D	$ 1,128,366
815	Fannie Mae Connecticut Avenue Securities , Series 2014-C02	2.770%	5/25/24	AA+	717,816
2,790	Fannie Mae Connecticut Avenue Securities, Series 2013-C01	5.420%	10/25/23	N/R	3,017,357
3,350	Fannie Mae, Connecticut Avenue Securities Series 2014-C01	4.570%	1/25/24	AA+	3,447,472
4,000	Fannie Mae, Connecticut Avenue Securities, Series 2014-C03	3.170%	7/25/24	AA+	3,613,408
4,518	Federal Home Loan Mortgage Corporation, REMIC, (I/O)	6.489%	5/15/36	Aaa	596,981
5,350	Federal Home Loan Mortgage Corporation, REMIC, (I/O)	6.459%	7/15/36	Aaa	924,242
6,500	First Franklin Mortgage Loan Trust, Collateralized Mortgage Obligation, Series 2005-FFH3	0.700%	9/25/35	Ba2	6,078,722
3,380	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Caa3	2,841,578
3,060	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Caa3	2,572,303

%

6,550	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates, Series 2006-FA8	0.670	2/25/37	Caa3	3,834,515
2,508	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates Series 2005-A7	2.240%	9/25/35	Caa2	2,189,063
228	First Horizon Mortgage Pass-Through Certificates Trust, Series 2007-AR1	2.581%	5/25/37	D	182,545
2,158	First Horizon Mortgage Pass-Through Trust, Mortgage Pass-Through Certificate Series 2007-AR2	2.582%	8/25/37	D	1,768,948
7,310	Freddie Mac Collateralized Mortgage REMIC Series 4338, (I/O)	2.490%	6/25/42	AA+	1,318,607
3,850	Freddie Mac Mortgage Trust, Multifamily Mortgage Pass-Through Certificates, Series 2013-K713, 144A	3.165%	4/25/46	BBB	3,745,380
5,400	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K701, (I/O)	2.108%	7/25/48	Aaa	293,015
4,296	Freddie Mac Multi-Class Certificates, (I/O)	6.139%	8/15/35	Aaa	553,394
848	Freddie Mac Multi-Class Certificates, (I/O)	6.989%	6/15/36	Aaa	156,544
2,195	Freddie Mac Multi-Class Certificates, (I/O)	6.839%	8/15/36	Aaa	360,964
2,276	Freddie Mac Multi-Class Certificates, (I/O)	6.239%	6/15/39	Aaa	234,791
2,038	Freddie Mac Multi-Class Certificates, (I/O)	6.039%	10/15/39	Aaa	273,624
4,386	Freddie Mac Multi-Class Certificates, (I/O)	6.289%	2/15/40	Aaa	544,382
4,000	Freddie Mac Multifamily Mortgage Trust, Series 2011-K704, 144A	4.533%	10/25/30	Baa1	4,228,776
1,210	Freddie Mac Multifamily Mortgage Trust, Structured Pass-Through Certificates,	3.819%	6/25/47	AA+	1,247,590

	Series 2012-K710, 144A				
5,123	Freddie Mac Multifamily Mortgage Trust, Structured Pass-Through Certificates, Series 2013-K31, 144A	3.739%	7/25/46	Baa3	4,822,120
1,491	Freddie Mac Multifamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K38, 144A	4.636%	6/25/47	BBB+	1,492,163
1,150	Freddie Mac Multifamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K715, 144A	4.124%	2/25/46	Baa2	1,139,944
6,950	Freddie Mac Multifamily Structured Pass-Through Certificates K036, (I/O)	2.111%	12/25/41	Aaa	1,027,752
17,405	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K025, (I/O)	1.751%	11/25/40	Aaa	1,973,936
11,406	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K031, (I/O)	1.661%	7/25/41	Aaa	1,293,494
16,460	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K034, (I/O)	1.726%	9/25/41	Aaa	1,979,614
9,800	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K037, (I/O)	2.206%	1/25/24	AA+	1,576,418
11,060	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K715, (I/O)	2.017%	2/25/41	N/R	1,195,863
6,257	Freddie Mac Multifamily Structured Pass-Through Certificates Series KF01, (I/O)	1.969%	7/25/40	Aaa	773,964
1,630	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K013, (I/O)	2.807%	1/25/43	Aaa	237,623
13,675	Freddie Mac Multifamily Structures Pass-Through Certificates, Series 2011-K012, (I/O)	2.288%	1/25/41	Aaa	1,617,387

775	Freddie Mac Multifamily Trust, Structured Pass-Through Certificates, Series 2014-K37, 144A	4.558%	1/25/47	A	775,114
15,800	Freddie Mac Structured Pass-Through Certificates, Series K711 X3, (I/O)	1.619%	8/25/40	Aaa	1,042,358
4,454	GMAC Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AR5	2.939%	9/19/35	CCC	4,322,744
4,190	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AF2	6.000%	12/25/35	D	3,461,461
3,710	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1	2.970%	4/19/36	Caa3	3,271,457
3,512	Goldman Sachs GSAA Home Equity Trust, Series 2006-4 4A2	0.400%	3/25/36	Caa3	3,153,028
6,518	Goldman Sachs GSAA Home Equity Trust, Series 2007-8	0.620%	8/25/37	CCC	5,847,380
427	Goldman Sachs Mortgage Securities Corporation, GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR1	2.614%	3/25/47	D	372,445
7,364	Goldman Sachs Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1 2A4	2.629%	1/25/36	D	6,829,367
1,698	Government National Mortgage Association Pool, (I/O)	4.500%	10/20/39	Aaa	269,885
2,550	Gramercy Park CLO Limited, Series 2012-1AR, 144A	3.178%	7/17/23	A	2,505,735
2,888		0.245%	12/20/54	AAA	2,864,503

	Granite Master Issuer PLC Series 2006-3				
2,153	GSAA Home Equity Trust Series 2007-5	0.270%	3/25/47	CCC	1,130,735
2,899	GSAA Home Equity Trust Series 2007-5	5.788%	3/25/47	CCC	1,988,805
3,881	GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR2	2.561%	4/25/36	D	3,290,926

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
$ 3,790	GSR Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-AR2	2.703%	5/25/37	D	$ 3,119,378
5,383	HarborView Mortgage Loan Trust 2006-12	0.404%	12/19/36	Ca	3,823,443
7,004	HomeBanc Mortgage Trust, Mortgage Backed Notes 2005-5	0.430%	1/25/36	Caa1	6,010,433
3,831	HSI Asset Securitization Corporation, Mortgage Pass-Through Certificates, Series 2006-HE1	0.280%	10/25/36	CCC	2,111,400
2,000	Impac Secured Assets Corporation 2004-3	1.070%	11/25/34	Baa1	1,736,834
1,740	IndyMac INDA Mortgage Loan Trust, Series 2006-AR1	4.950%	8/25/36	B2	1,722,547
3,326	IndyMac INDA Mortgage Loan Trust, Series 2007-AR3	5.342%	7/25/37	Caa2	3,017,649
669	IndyMac INDX Mortgage Loan Trust, Series 2005-AR23	2.379%	11/25/35	Caa3	562,443
3,008	IndyMac INDX Mortgage Loan Trust, Series 2006-AR15	0.290%	7/25/36	N/R	2,305,931
7,073	IndyMac INDX Mortgage Loan Trust, Series 2007-AR7 2A1	2.056%	6/25/37	Ca	5,373,915
1,709	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2006-A4	2.663%	6/25/36	Caa2	1,472,021
3,300	JPMorgan Alternative Loan Trust, Mortgage Pass-Through Certificates 2006-S4	5.960%	12/25/36	CC	2,690,117
4,170	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-LDP8	5.480%	5/15/45	Baa1	4,369,735
1,153	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage	6.000%	1/25/37	Caa3	1,041,037

	Pass-Through Certificates, Series 2006-S4 A5				
5,300	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A8	0.550%	1/25/37	Caa3	3,439,401
5,000	JPMorgan Chase Commercial Mortgage Securities Trust, Pass-Through Certificates Series 2006-LDP9	5.337%	5/15/47	Ba1	5,012,355
2,300	JPMorgan Chase Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-CB17 AM	5.464%	12/12/43	Ba1	2,376,884
4,200	JPMorgan Mortgage Acquisition Corporation, Asset-Backed Pass-Through Certificates, Series 2007-CH5	0.430%	5/25/37	B3	3,247,738
3,900	JPMorgan Mortgage Acquisition Trust, Series 2006-A6	2.799%	10/25/36	Caa2	3,533,695
642	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-A4	2.539%	6/25/37	D	577,858
2,500	LB UBS Commercial Mortgage Trust, Series 2006-C4	5.853%	6/15/38	Ba2	2,604,800
3,981	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2014-2, 144A	2.155%	12/1/21	N/R	3,914,644
4,145	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-2	2.540%	8/25/36	Caa2	3,801,883
6,234	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-3	2.805%	6/25/37	D	5,205,238
4,465	Merrill Lynch Mortgage Investors Trust, Mortgage Loan Asset-Backed Certificates, 2005-A9	2.510%	12/25/35	CCC	4,315,789

3,800	Merrill Lynch Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C1 AM	5.835%	6/12/50	B	3,920,456
3,900	ML_CFC Commercial Mortgage Trust, Pass-Through Certificates, Series 2007-8	5.882%	8/12/49	BB	3,967,259
7,660	Morgan Stanley Capital I Inc., Mortgage Pass-Through Certificates, Series 2006- HE1	0.460%	1/25/36	CCC	6,818,932
4,130	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-HQ8	5.492%	3/12/44	BB	4,164,808
2,045	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.404%	10/12/52	Baa1	2,081,203
1,525	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.404%	10/12/52	Baa2	1,532,001
4,000	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-IQ14	5.684%	4/15/49	Ba2	4,161,620
3,850	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-TOP25	5.574%	11/12/49	B1	3,951,698
3,074	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-3AR	2.832%	3/25/36	Caa3	2,528,041
5,327	Mortgage IT Trust, Mortgage-Backed Notes, Series 2005-5	0.430%	12/25/35	BB+	4,886,303
6,712	Mortgage-IT Trust 2005-4	0.450%	10/25/35	BB+	6,099,852
2,574	Opteum Mortgage Acceptance Corporation, Asset backed Pass-Through Certificates, Series 2006-1	0.470%	4/25/36	CCC	2,198,204

619	Popular Asset Backed Securities Mortgage Pass-Through Trust 2005-2 M1	4.899%	4/25/35	B1	515,679
4,377	Renaissance Home Equity Loan Trust 2005-3	4.934%	8/25/35	Ba3	4,254,347
4,837	Renaissance Home Equity Loan Trust Asset Backed Certificates, Series 2007-3	6.998%	9/25/37	CCC	3,128,623
4,026	Residential Accredit Loans Inc., Hybrid Adjustable Rate Mortgages, 2006-QA6	0.360%	7/25/36	Caa3	3,149,198
6,780	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA10 A31	3.535%	9/25/35	Caa3	5,773,067
3,880	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS1	5.750%	1/25/36	Caa3	3,408,484
2,373	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS2	6.250%	1/25/37	Caa3	1,949,044
2,124	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA6	3.126%	5/25/35	Ca	1,734,595

JLS Nuveen Mortgage Opportunity Term Fund
Portfolio of Investments (continued) **December 31, 2014**

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
$ 3,500	Residential Asset Mortgage Products Inc. Asset Backed Pass-Through Certificates, Series 2005-RS7	0.670%	7/25/35	Ba1	$ 3,036,779
7,295	Residential Asset Mortgage Products, Mortgage Asset-Backed Pass-Through Certificates, Series 2006-NC2	0.460%	2/25/36	B2	6,150,378
2,793	Residential Funding Mortgage Securities I Inc., Mortgage Pass-Through Certificates Series 2007-SA3	3.797%	7/27/37	D	2,340,883
1,771	Residential Funding Mortgage Securities I Inc., Mortgage Pass-Through Certificates, Series 2006-SA3	3.594%	9/25/36	D	1,476,181
2,766	Residential Funding Mortgage Securities I, Mortgage Pass-Through Securities Series 2006-S1	5.750%	1/25/36	Caa3	2,259,824
2,968	Residential Funding Mortgage Securities I, Mortgage Pass-Through Securities Series 2006-S1	3.225%	2/25/36	Caa2	2,643,751
3,098	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.060%	4/25/37	Caa2	2,693,081
3,314	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.060%	4/25/37	Caa2	2,880,536

2,184	Residential Funding Mortgage Securities Inc. Mortgage Pass-Through Certificates Series 2006-SA2	3.656%	8/25/36	D	1,919,019
5,122	Sequoia Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-1	2.423%	2/20/47	CCC	4,469,112
510	Sierra Receivables Funding Company, Series 2011-1A	6.190%	4/20/26	BB	530,454
953	Soundview Home Equity Loan Trust 2004-WMC1 M1	0.920%	1/25/35	BB+	851,847
5,380	Structured Adjustable Rate Mortgage Loan Pass-Through Trust, Series 2007-6 2A1	0.360%	7/25/37	CCC	3,898,609
905	Structured Agency Credit Risk Debt Notes 2014-DN2	3.770%	4/25/24	N/R	833,321
11,975	Structured Agency Credit Risk Debt Notes, 2013-DN2	4.405%	11/25/23	N/R	12,094,810
3,085	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-2	2.712%	4/25/37	D	2,592,728
1,713	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-4	2.966%	10/25/37	Caa1	1,573,437
672	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-4	2.876%	10/25/37	Caa1	596,977
5,000	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-1	2.623%	2/25/37	D	4,268,527
3,332	TAL Advantage LLC, Series 2013-1A A, 144A	2.830%	2/22/38	A	3,294,755
3,820	Wachovia Bank Commercial Mortgage Trust, Commercial	5.396%	3/15/42	BB	3,836,995

	Mortgage Pass-Through Certificates, Series 2005-C17, 144A				
4,200	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C30	5.413%	12/15/43	B3	4,279,498
1,366	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.672%	4/15/47	CCC	1,340,408
3,650	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.660%	4/15/47	B1	3,780,411
3,825	Wachovia Commercial Mortgage Trust, Pass-Through Certificates, Series 2005-C21, 144A	5.242%	10/15/44	BB	3,748,917
1,906	Washington Mutual Mortgage Pass-Through Certificates Trust 2006-AR14	1.957%	11/25/36	D	1,682,142
3,724	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR17	0.933%	12/25/46	CCC	2,985,900
2,784	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR	1.822%	1/25/37	D	2,360,764
1,693	Washington Mutual Mortgage Pass-Through Certificates, Series 2007-HY6	2.407%	6/25/37	D	1,487,511
2,565	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-5	6.000%	7/25/36	Ca	1,958,414
5,858	Washington Mutual Mortgage Securities Corporation,	2.010%	12/25/36	D	5,053,925

	Pass-Through Certificates, Series 2006-AR				
4,299	Washington Mutual Mortgage Securities Corporation, Pass-Through Certificates, Series 2006-AR	2.017%	12/25/36	D	3,742,741
3,107	Washington Mutual Mortgage Securities Corporation. Mortgage Pass-Through Certificates, Series 2006-AR7	1.093%	7/25/46	CCC	2,633,551
3,830	Wells Fargo Alternative Loan Trust, Mortgage Asset Backed Pass-Through Certificates, Series 2007-PA2	6.000%	6/25/37	D	3,637,677
1,409	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates, Series 2007-PA1	6.000%	3/25/37	Caa3	1,200,838
3,192	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates Series 2007-PA6	2.579%	12/28/37	D	2,744,144
491	Wells Fargo Mortgage Backed Securities Trust 2006-AR17, Mortgage Pass-Through Certificates	2.611%	10/25/36	D	475,759
862	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificate Series 2006-AR14	2.617%	10/25/36	Caa2	810,206
288	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificates Series 2006-AR16	2.489%	10/25/36	Caa2	268,082
2,816	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through	2.608%	11/25/37	Caa2	2,468,046

Certificates,
Series 2007-AR8

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value	
	Residential (continued)					
$ 6,414	Wells Fargo Mortgage Backed Securities, Collateralized Mortgage Obligation, Series 2007-AR7 A1	2.570%	12/28/37	Caa3	$ 5,902,145	For single payment cash advances originated by independent non-bank third-party lenders, the Company introduced a credit services program (the CSO program) on July 1, 2005, under which the Company acts as a credit services organization on behalf of consumers in accordance with applicable state laws. Credit services that the Company provides to its customers include arranging loans with independent third-party lenders, assisting in the preparation of loan applications and loan documents, and accepting loan payments at the location where the loans were arranged. If a customer obtains a loan from an independent non-bank

third-party lender through the CSO program, the Company, on behalf of the customer, also guarantees the customer s payment obligations under the loan to the third-party lender. A customer who obtains a loan through the CSO program pays the Company a fee for the credit services, including the guaranty, and enters into a contract with the Company governing the credit services arrangement. Losses on cash advances acquired by the Company as a result of its guaranty obligations are the responsibility of the Company. As of February 1, 2006, the Company offered the CSO program in Texas, Michigan and Florida.

For cash advances originated by commercial banks, the banks sell participation interests in the bank-originated cash advances to third parties, and the Company purchases sub-participation interests in certain of those participations. The Company also receives an administrative fee for its services. In order to benefit from the use of the Company s collection resources and proficiency, the banks assign cash advances unpaid after their payment due date to the Company at a discount from the amount owed by the borrower. The Company introduced a third-party commercial bank originated multi-payment installment cash advance product at 52 locations in California and Georgia during the fourth quarter of 2005.

In January 2006, the Company discontinued offering third-party bank originated cash advances to its Texas, Florida and North Carolina customers. It has expanded its CSO program in Florida and Texas to meet customer demand for cash advances in those states.

If the Company collects a delinquent amount owed by the customer that exceeds the amount assigned by the banks or acquired by the Company as a result of its guaranty to third-party lenders, the Company is entitled to the excess and recognizes it in income when collected. Since the Company may not be successful in collection of these delinquent accounts, the Company s cash advance loss provision includes amounts estimated to be adequate to absorb credit losses from cash advances in the aggregate cash advance portfolio, including those expected to be assigned to the Company or acquired by the Company as a result of its guaranty obligations. The accrued losses on portfolios owned by the third-party lenders are included in Accounts payable and accrued expenses in the consolidated balance sheets.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Cash advances outstanding at December 31, 2005 and 2004, were as follows (in thousands):

	2005	2004
Originated by the Company		
Active cash advances and fees receivable	**$ 32,207**	$ 23,967
Cash advances and fees in collection	**7,510**	5,376
Total originated by the Company	**39,717**	29,343
Originated by third-party lenders (1)		
Active cash advances and fees receivable	**19,548**	17,532
Cash advances and fees in collection	**5,010**	4,795
Total originated by third-party lenders (1)	**24,558**	22,327
Combined gross portfolio	**64,275**	51,670
Less: Elimination of cash advances owned by third-party lenders	**16,912**	10,150
Less: Discount on cash advances assigned by third-party lenders	**350**	672
Company-owned cash advances and fees receivable, gross	**47,013**	40,848
Less: Allowance for losses	**6,309**	4,358
Cash advances and fees receivable, net	**$ 40,704**	$ 36,490

(1) Amounts showing as originated by third-party lenders include $8,874 (which includes $6,590 single payment bank cash advance program balance offerings predominately discontinued in January 2006 and $2,284 of multi-payment installment bank cash advance program balance expected to be discontinued later in 2006) and $22,327 originated by commercial banks for 2005 and 2004, respectively.

Changes in the allowance for losses for the years ended December 31, 2005, 2004 and 2003 were as follows (in thousands):

	2005	2004	2003
Company-owned cash advances			
Balance at beginning of year	**$ 4,358**	$ 3,393	$ 1,319
Cash advance loss provision	**42,302**	23,242	11,130
Charge-offs	**(50,145)**	(29,833)	(12,453)
Recoveries	**9,794**	7,556	3,397

Balance at end of year	**$ 6,309**	$ 4,358	$ 3,393
Accrual for third-party lender-owned cash advances			
Balance at beginning of year	**$ 342**	$ 55	$ 429
Increase/(decrease) in loss provision	**532**	287	(374)
Balance at end of year	**$ 874**	$ 342	$ 55
Combined statistics			
Combined cash advance loss provision	**$ 42,834**	$ 23,529	$ 10,756
Charge-offs, net of recoveries	**$ 40,351**	$ 22,277	$ 9,056
Combined cash advances written	**$ 930,335**	$ 647,746	$ 300,518
Combined cash advance loss provision as a % of combined cash advances written	**4.6%**	3.6%	3.6%
Charge-offs (net of recoveries) as a % of combined cash advances written	**4.3%**	3.4%	3.0%
Combined allowance for losses and accrued third-party lender losses as a % of combined gross portfolio	**11.2%**	9.1%	10.2%

Cash advances assigned to the Company for collection were $67.6 million and $45.9 million for 2005 and 2004, respectively. The Company s participation interest in third-party lender originated cash advances at December 31, 2005 and 2004 was $2.6 million and $7.4 million, respectively.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Property and Equipment

Major classifications of property and equipment at December 31, 2005 and 2004 were as follows (in thousands):

	2005			2004		
	Cost	**Accumulated Depreciation**	**Net**	Cost	Accumulated Depreciation	Net
Land	**$ 5,014**	**$**	**$ 5,014**	$ 3,263	$	$ 3,263
Buildings and leasehold improvements	**116,307**	**(57,228)**	**59,079**	107,124	(50,860)	56,264
Furniture, fixtures and equipment	**67,076**	**(40,910)**	**26,166**	57,456	(33,734)	23,722
Computer software	**21,229**	**(16,632)**	**4,597**	19,350	(14,987)	4,363
Total	**$ 209,626**	**$ (114,770)**	**$ 94,856**	$ 187,193	$ (99,581)	$ 87,612

The Company recognized depreciation expense of $20.1 million, $15.9 million and $12.5 million during 2005, 2004 and 2003, respectively.

6. Goodwill and Other Intangible Assets

Goodwill and other intangible assets having an indefinite useful life are tested for impairment annually at June 30, or more frequently if events or changes in circumstances indicate that the assets might be impaired, using a two-step impairment assessment. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired, and the second step of the impairment test is not necessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The useful lives of other intangible assets must be reassessed and the remaining amortization periods adjusted accordingly.

The Company adopted the provisions of SFAS 142 on January 1, 2002. Based on the results of the initial and the subsequent annual impairment tests, management determined that there have been no impairments.

Goodwill Changes in the carrying value of goodwill for the years ended December 31, 2005 and 2004, were as follows (in thousands):

	Pawn Lending	Cash Advance	Check Cashing	Consolidated
Balance as of January 1, 2005, net of amortization of $20,788	**$ 114,341**	**$ 44,422**	**$ 5,310**	**$ 164,073**
Acquisitions	**11,196**	**190**		**11,386**
Adjustments	**(478)**	**6**		**(472)**
Balance as of December 31, 2005	**$ 125,059**	**$ 44,618**	**$ 5,310**	**$ 174,987**
Balance as of January 1, 2004, net of amortization of $20,788	$ 65,934	$ 27,840	$ 5,310	$ 99,084
Acquisitions	48,425	16,860		65,285
Adjustments	(18)	(278)		(296)

Balance as of December 31, 2004	$ 114,341	$ 44,422	$ 5,310	$ 164,073

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Acquired Intangible Assets Acquired intangible assets that are subject to amortization as of December 31, 2005 and 2004, were as follows (in thousands):

	2005			2004		
	Cost	**Accumulated Depreciation**	**Net**	Cost	Accumulated Depreciation	Net
Non-competition agreements	**$ 8,555**	**$ (1,888)**	**$ 6,667**	$ 7,085	$ (680)	$ 6,405
Customer relationships	**6,644**	**(3,098)**	**3,546**	6,069	(1,197)	4,872
Other	**269**	**(91)**	**178**	179	(70)	109
Total	**$ 15,468**	**$ (5,077)**	**$ 10,391**	$ 13,333	$ (1,947)	$ 11,386

Non-competition agreements are amortized over the applicable terms of the contracts. Customer relationships are generally amortized over five to six years based on the pattern of economic benefits provided. At December 31, 2005, tradenames of $4.3 million and $1.0 million obtained in the acquisition of SuperPawn and Cashland, respectively, and licenses of $7.6 million primarily obtained in the SuperPawn and other acquisitions are not subject to amortization.

Amortization Amortization expense for the acquired intangible assets is as follows (in thousands):

Actual amortization expense for the year ended December 31:

2005	**$3,230**
2004	1,315
2003	600

Estimated future amortization expense for the years ended December 31:

2006	$2,984
2007	2,501
2008	1,999
2009	1,502
2010	399

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2005 and 2004, were as follows (in thousands):

	2005	2004
Trade accounts payable	**$ 7,989**	$ 8,560
Accrued taxes, other than income taxes	**3,912**	2,577
Accrued payroll and fringe benefits	**16,784**	15,077
Accrued interest payable	**1,854**	2,540
Purchase consideration payable	**70**	1,510
Accrual for losses on third-party lender-owned cash advances	**874**	342
Other accrued liabilities	**5,734**	3,248
Total	**$ 37,217**	$ 33,854

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Long-term Debt

The Company s long-term debt instruments and balances outstanding at December 31, 2005 and 2004, were as follows (in thousands):

	2005	2004
Line of credit due 2010	**$ 71,137**	$ 92,483
6.12% senior unsecured notes due 2015	**40,000**	
7.20% senior unsecured notes due 2009	**34,000**	42,500
7.10% senior unsecured notes due 2008	**12,857**	17,143
8.14% senior unsecured notes due 2007	**8,000**	12,000
12.0% subordinated note due 2014		2,500
Total debt	**165,994**	166,626
Less current portion	**16,786**	16,786
Total long-term debt	**$ 149,208**	$ 149,840

In February 2005, the Company amended and restated the existing line of credit agreement to increase the credit limit to $250 million and extend the maturity to February 2010. Interest on the amended line of credit is charged, at the Company s option, at either LIBOR plus a margin or at the agent s base rate. The margin on the line of credit varies from 0.875% to 1.875% (1.375% at December 31, 2005), depending on the Company s cash flow leverage ratios as defined in the amended agreement. The Company also pays a fee on the unused portion ranging from 0.25% to 0.30% (0.25% at December 31, 2005) based on the Company s cash flow leverage ratios. The weighted average interest rate (including margin) on the line of credit at December 31, 2005 was 5.85%. On September 30, 2005, the Company entered into an interest rate cap agreement with a notional amount of $15.0 million of the Company s outstanding floating rate line of credit for a term of 24 months at a fixed rate of 4.5%. This interest rate cap agreement was designated as a perfectly effective cash flow hedge at inception. See Note 13.

In December 2005, the Company issued $40.0 million of 6.12% senior unsecured notes, due in December 2015. The notes are payable in six equal annual payments beginning December 2010. Net proceeds received from the issuance of the notes were used to reduce the amount outstanding under the Company s bank line of credit.

In connection with the sale of the foreign pawn lending operations and the acquisition of SuperPawn in 2004, the Company entered into agreements to amend certain terms and calculations of covenants under the line of credit, and the 8.14%, 7.10%, and 7.20% senior notes. The credit agreements governing the line of credit and the senior unsecured notes require the Company to maintain certain financial ratios. The Company is in compliance with all covenants or other requirements set forth in its credit agreements.

In June 2005, the Company prepaid the 12% subordinated note due 2014 for a total amount of $2.7 million, including accrued interest of $123,000 and a prepayment fee of $75,000. The note was issued in February 2004, as partial consideration of the final payment pursuant to an amended asset purchase agreement.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2005, annual maturities of the outstanding long-term debt, including the Company s line of credit, for each of the five years after December 31, 2005 are as follows (in thousands):

2006	$ 16,786
2007	16,786
2008	12,785
2009	8,500
2010	77,804
Thereafter	33,333
	$ 165,994

9. Income Taxes

The components of the Company s deferred tax assets and liabilities as of December 31, 2005 and 2004, were as follows (in thousands):

	2005	2004
Deferred tax assets:		
Allowance for valuation of merchandise held for disposition	**$ 402**	$ 278
Tax over book accrual of finance and service charges	**4,752**	4,349
Allowance for cash advance losses	**2,515**	1,639
Valuation of notes receivable sale of discontinued operations	**1,565**	1,165
Deferred compensation	**3,037**	2,102
Net capital losses	**180**	356
Other	**1,089**	1,271
Total deferred tax assets	**13,540**	11,160
Valuation allowance for deferred tax assets	**(65)**	(225)
Deferred tax assets, net	**13,475**	10,935
Deferred tax liabilities:		
Amortization of acquired intangibles	**8,505**	5,861
Property and equipment	**4,169**	5,928
Other	**871**	852
Total deferred tax liabilities	**13,545**	12,641
Net deferred tax liabilities	**$ (70)**	$ (1,706)
Balance sheet classification:		
Current deferred tax assets	**$ 11,274**	$ 9,293
Non-current deferred tax liabilities	**(11,344)**	(10,999)
Net deferred tax liabilities	**$ (70)**	$ (1,706)

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The components of the provision for income taxes and the income to which it relates for the years ended December 31, 2005, 2004 and 2003 are shown below (in thousands):

	2005	2004	2003
Income from continuing operations before income taxes	**$ 70,882**	$ 55,023	$ 34,325
Current provision:			
Federal	**$ 26,291**	$ 13,887	$ 10,229
State and local	**1,401**	1,097	767
	27,692	14,984	10,996
Deferred provision (benefit):			
Federal	**(1,845)**	5,008	1,326
State and local	**214**	66	(27)
	(1,631)	5,074	1,299
Total provision	**$ 26,061**	$ 20,058	$ 12,295

The effective tax rate on income from continuing operations differs from the federal statutory rate of 35% for the following reasons ($ in thousands):

	2005	2004	2003
Tax provision computed at the federal statutory income tax rate	**$ 24,809**	$ 19,258	$ 12,014
State and local income taxes, net of federal tax benefits	**1,050**	756	481
Valuation allowance	**(123)**	(166)	(487)
Other	**325**	210	287
Total provision	**$ 26,061**	$ 20,058	$ 12,295
Effective tax rate	**36.8%**	$ 36.5%	35.8%

As of December 31, 2005, the Company had net capital loss carryovers of $513,000, principally related to a previous investment. These losses may only be used to offset net capital gains. Any unused losses expire in 2006 through 2007. The deferred tax valuation allowances at December 31, 2005 and 2004 were provided to reduce deferred tax benefits of capital losses that the Company does not expect to realize. During 2005 and 2004, the Company reduced the valuation allowance by $160,000 and $7.0 million, respectively, as a result of capital gains arising during those years or expected to arise in the carryforward years. The decrease in the valuation allowance during 2005 and 2004 includes $37,000 and $6.8 million, respectively, attributable to gains recognized on disposal of discontinued foreign operations. The tax benefit resulting from that portion of the decrease reduced the tax provision on the gain from disposal of discontinued foreign operations (see Note 17).

10. Commitments and Contingencies

Leases The Company leases certain of its facilities under operating leases with terms ranging from 3 to 15 years and certain rights to extend for additional periods. Future minimum rentals due under non-cancelable leases for continuing operations are as follows for each of the years ending December 31 (in thousands):

2006	$ 31,080
2007	25,762
2008	19,478
2009	14,127
2010	7,250
Thereafter	11,709
Total	$ 109,406

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Rent expense for continuing operations was $32.6 million, $24.7 million and $21.2 million for 2005, 2004 and 2003, respectively.

Guarantees The Company guarantees borrowers payment obligations to third-party lenders. At December 31, 2005, the amount of cash advances, excluding the Company s participation interest, guaranteed by the Company was $16.9 million. Of which $13.4 million was cash advances originated by third-party lenders under the CSO program and $3.5 million was cash advances originated by third-party banks. The fair value of the liability related to these guarantees of $874,000 was included in the Accounts payable and accrued expenses in the accompanying financial statements.

The Company guarantees obligations under certain operating leases for the premises related to 22 stores sold in June 2002 from a discontinued operating segment. In the event the buyer is unable to perform under the operating leases, the Company s maximum aggregate potential obligation under these guarantees was approximately $686,000 at December 31, 2005. This amount is reduced dollar-for-dollar by future amounts paid on these operating leases by the buyer. In the event that the buyer fails to perform and the Company is required to make payments under these leases, the Company will seek to mitigate its losses by subleasing the properties or buying out of the leases.

Litigation On August 6, 2004, James E. Strong filed a purported class action lawsuit in the State Court of Cobb County, Georgia against Georgia Cash America, Inc., Cash America International, Inc. (together with Georgia Cash America, Inc., Cash America), Daniel R. Feehan, and several unnamed officers, directors, owners and stakeholders of Cash America. The lawsuit alleges many different causes of action, among the most significant of which is that Cash America has been making illegal payday loans in Georgia in violation of Georgia s usury law, the Georgia Industrial Loan Act and Georgia s Racketeer Influenced and Corrupt Organizations Act. Community State Bank (CSB) has for some time made loans to Georgia residents through Cash America s Georgia operating locations. The complaint in this lawsuit claims that CSB is not the true lender with respect to the loans made to Georgia borrowers and that its involvement in the process is a mere subterfuge. Based on this claim, the suit alleges that Cash America is the de facto lender and is illegally operating in Georgia. The complaint seeks unspecified compensatory damages, attorney s fees, punitive damages and the trebling of any compensatory damages. The Company believes that the claims in this suit are without merit and intends to vigorously defend this lawsuit. Cash America removed the case to the U.S. District Court for the Northern District of Georgia and filed a motion to compel the plaintiff to arbitrate his claim, in addition to denying the plaintiff s allegations and asserting various defenses to his claim. The court approved a motion by the plaintiff to remand the case to Georgia state court on December 13, 2005. As of February 15, 2006, the entirety of this case is before the State Court of Cobb County, Georgia and the parties are awaiting the State Court s ruling on certain motions, including a motion to compel arbitration. This case is still at a very early stage, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, with respect to this litigation can be determined at this time. In response to the Strong case, and to further assert the Company s right to arbitrate that dispute, Cash America and CSB filed a separate complaint against Strong on September 7, 2004 in the U.S. District Court for the Northern District of Georgia to compel Strong to arbitrate the claims he asserts in his suit. The court dismissed Cash America s complaint on February 7, 2006, based on a finding of a lack of subject matter jurisdiction. Cash America is likely to appeal this dismissal.

The Company is a defendant in certain lawsuits encountered in the ordinary course of its business. Certain of these matters are covered to an extent by insurance. In the opinion of management, the resolution of these matters will not have a material adverse effect on the Company s financial position, results of operations or liquidity.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Stockholders Equity

During 2005 and 2004, the Company received net proceeds totaling $2.2 million and $6.1 million from the exercise of stock options for 225,134 and 707,199 shares, respectively. The Company issued 578,793 and 1,533,333 treasury shares valued at $12.6 million and $16.8 million, respectively, in connection with the acquisitions of SuperPawn in 2004 and Cashland in 2003.

The Company received 2,588 shares during 2005 of its common stock valued at $67,000 as partial payment of taxes for shares issued under stock-based compensation plans and 5,605 shares during 2004 valued at $130,000 for the payment of stock exercise price.

On April 20, 2005, the Company s Board of Directors authorized management to purchase up to a total of 1,500,000 shares of its common stock and terminated the open market purchase authorization established on July 25, 2002. The following table summarizes the aggregate shares purchased under these plans during each of the three years ended December 31:

	2005	2004	2003
Shares purchased:			
Under 2002 authorization	**122,000**	173,200	199,800
Under 2005 authorization	**178,800**		
Total shares purchased	**300,800**	173,200	199,800
Aggregate amount (in thousands)	**$ 6,130**	$ 3,976	$ 2,281
Average price paid per share	**$ 20.38**	$ 22.96	$ 11.42

Periodically, shares are purchased in the open market on behalf of participants relating to the Non-Qualified Savings Plan. Certain amounts are subsequently distributed or transferred to participants 401(k) account annually based on results of the plan s administration testing results. Activities during each of the three years ended December 31 are summarized as follows:

	2005	2004	2003
Purchases:			
Number of shares	**11,463**	13,355	13,756
Aggregate amount (in thousands)	**$ 258**	$ 315	$ 173
Distributions and transfers to 401(k) savings plan:			
Number of shares	**16,441**	8,162	15,834
Aggregate amount (in thousands)	**$ 215**	$ 83	$ 143

The Board of Directors adopted an officer stock loan program (the Program) in 1994 and modified it in 1996, 2001 and 2002. The amendment in 2002 provided that no further advances would be made to existing participants and closed the plan to new participants. Prior to the 2002 amendment, Program participants utilized loan proceeds to acquire and hold the Company s and affiliates common stock by means of stock option exercises or otherwise. Common stock held as a result of the loan is pledged to the Company in support of the obligation. Interest accrues at 6% per annum. The entire unpaid balance of principal and interest on these loans is due and payable on July 24, 2007. During 2003, the Chairman of the Board of Directors sold 139,400 shares of common stock that had been pledged to the Company to secure a loan under the Program. The proceeds of $1.7 million from the sale were used to repay the loan in full. The Company s Chief Executive Officer and other officers also made principal and interest payments totaling $1.8 million toward such loans during 2003. Amounts due under the Program are reflected as a reduction of stockholders equity in the accompanying consolidated balance sheets.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In November 2005, the Company s Chief Executive Officer adopted a pre-arranged, systematic trading plan to sell company shares pursuant to guidelines specified by Rule 10b5-1 under the Securities and Exchange Act of 1934 and with the Company s policies with respect to insider sales (the Plan). The net proceeds from the Plan will be used to fully repay the Chief Executive Officer s remaining principal and interest on the related note receivable under a pre-2003 stock loan program. The Company will receive proceeds from the exercise of options and repayment of the receivable while the Plan is being executed, these proceeds are estimated to be approximately $4.4 million.

12. Employee Benefit Plans

The Cash America International, Inc. 401(k) Savings Plan is open to substantially all employees who meet specific length of employment and age requirements. The Cash America International, Inc. Nonqualified Savings Plan is available to certain members of management. Participants may contribute up to 50% of their earnings to these plans subject to regulatory restrictions. The Company makes matching cash contributions of 50% of each participant s contributions, based on participant contributions of up to 5% of compensation. Company contributions vest at the rate of 20% each year after one year of service; thus a participant is 100% vested after five years of service. The Company s total contributions to the 401(k) Savings Plan and the Nonqualified Savings Plan for the continuing operations were $1.1 million, $1.0 million and $716,000 in 2005, 2004 and 2003, respectively.

In addition to the plans mentioned above, the Company established a Supplemental Executive Retirement Plan (SERP) for its officers in 2003. The Company makes an annual discretionary cash contribution to the SERP based on the objectives of the plan as approved by the Management Development and Compensation Committee of the Board of Directors. The Company recorded compensation expense of $510,000, $513,000 and $432,000 for contributions to the SERP during 2005, 2004 and 2003, respectively.

The amounts included in the Company s consolidated balance sheets relating to the Nonqualified Savings Plan and the SERP were as follows (in thousands):

	As of December 31,	
	2005	2004
Other receivables and prepaid expenses	**$5,399**	$3,910
Accounts payable and accrued expenses	**5,909**	4,423
Other liabilities	**869**	630
Treasury shares	**900**	873

13. Derivative Instruments and Hedging Activities

On September 30, 2005, the Company entered into an interest rate cap agreement with a notional amount of $15.0 million of the Company s outstanding floating rate line of credit for a term of 24 months at a fixed rate of 4.5%. This interest rate cap agreement was designated as a perfectly effective cash flow hedge at inception. The change in the fair value of the effective portion of hedge is recorded in accumulated other comprehensive income (loss) ($5,000 loss at December 31, 2005) and reclassified into earnings when the hedged interest payment impacts earnings ($477 during 2005). The estimated net amount to be reclassified into earnings as interest expense within the next twelve months is $48,000. The change in the fair value of the ineffective portion of the hedge, if any, will be recorded as income or expense. The fair value of the interest rate cap agreement of $93,000 at December 31, 2005 is included in Other receivables and prepaid expenses of the accompanying consolidated balance sheet.

During 2005, the Company entered into foreign currency contracts totaling 62 million Swedish kronor (approximately $8.0 million at maturity) with respect to the expected principal to be received under two notes

CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

received upon the sale of the foreign pawn lending operations, to minimize the market fluctuations. Under the contracts, the Company will receive fixed total payments of $7.9 million and will pay the counter parties a total of 62 million Swedish kronor upon maturity (March 31, 2006) unless the contracts are effectively extended through the establishment of a new contract maturing in the future. These contracts resulted in gains of $731,000 during 2005 which offset most of the period exchange rate losses during the same time frame.

14. Stock Purchase Rights

In August 1997, the Board of Directors declared a dividend distribution of one Common Stock Purchase Right (the Rights) for each outstanding share of its common stock. The Rights become exercisable in the event a person or group acquires 15% or more of the Company s common stock or announces a tender offer, the consummation of which would result in ownership by a person or group of 15% or more of the common stock. If any person becomes a 15% or more shareholder of the Company, each Right (subject to certain limits) will entitle its holder (other than such person or members of such group) to purchase, for $37.00, the number of shares of the Company s common stock determined by dividing $74.00 by the then current market price of the common stock. The Rights will expire on August 5, 2007.

15. Stock Options and Restricted Stock Units

Under various equity compensation plans (the Plans) it sponsors, the Company is authorized to issue 9,150,000 shares of Common Stock pursuant to Awards granted as incentive stock options (intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended), nonqualified stock options and restricted stock units. At December 31, 2005, 1,366,399 shares were reserved for future grants under these equity compensation plans.

Stock Options Stock options currently outstanding under the Plans have contractual terms of up to 10 years and have an exercise price equal to or greater than the fair market value of the stock at grant date. These stock options vest over periods ranging from 1 to 7 years. However, the terms of options with the 7-year vesting periods and certain of the 4-year and 5-year vesting periods include provisions that accelerate vesting if specified share price appreciation criteria are met. During 2004 and 2003, 576,547 and 1,021,725 shares vested due to the acceleration provisions. No accelerated vesting of stock options occurred in 2005.

A summary of the Company s stock option activity for each of the three years ended December , is as follows (shares in thousands):

	2005		2004		2003	
	Shares	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	**1,633**	**$ 10.26**	2,342	$ 9.75	4,374	$ 8.13
Granted					572	10.80
Exercised	**(225)**	**9.78**	(707)	8.58	(2,565)	7.22
Forfeited	**(5)**	**17.14**	(2)	10.13	(39)	9.65
Outstanding at end of year	**1,403**	**$ 10.31**	1,633	$ 10.26	2,342	$ 9.75
Exercisable at end of year	**1,358**	**$ 10.09**	1,583	$ 10.04	1,559	$ 9.29
Weighted average fair value of options granted	**N/A**		**N/A**		$ 7.37	

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Stock options outstanding and exercisable as of December 31, 2005, are summarized below (shares in thousands):

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Weighted Average Years of Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price
\$ 5.94 to \$ 9.41	255	\$ 7.85	4.9	255	\$ 7.85
\$ 9.42 to \$12.63	1,029	10.22	4.0	1,029	10.22
\$12.64 to \$17.14	119	16.42	6.1	74	15.99
\$ 5.94 to \$17.14	1,403	\$ 10.31	4.3	1,358	\$ 10.09

Restricted Stock Units In January 2004, the Company changed its approach to annual equity based compensation awards and granted restricted stock units to its officers under the provisions of the 1994 Long-Term Incentive Plan in lieu of stock options. In April 2004, the Company adopted the 2004 Long-Term Incentive Plan, which was approved by shareholders at the 2004 annual shareholders meeting and granted restricted stock units to the non-management members of the Board of Directors. Each vested restricted stock unit entitles the holder to receive a share of the common stock of the Company to be issued upon vesting or, in the case of directors, upon retirement from the Board. The amount attributable to officer grants is being amortized to expense over a four-year period, as the officer units vest on each of the first four anniversaries of the grant date. Director units have the same vesting schedule, but for directors with five or more years of service the vesting of units held for one year or more accelerates upon the director s departure from the Board. Because all of the Company s current directors have served for more than five years, the market value of the units attributable to directors is being amortized to expense over a one-year period.

In December 2003, the Company granted restricted stock units to its officers in conjunction with the adoption of the Supplemental Executive Retirement Plan. Each vested restricted stock unit entitles the holder to receive shares of the common stock of the Company to be issued upon termination of employment from the Company. The amount attributable to this grant is being amortized to expense over the vesting periods of 4 to 15 years.

Compensation expense totaling \$1.7 million (\$1.1 million net of related taxes), \$1.2 million (\$779,000 net of related taxes) and \$14,000 (\$9,000 net of related taxes) were recognized for 2005, 2004 and 2003, respectively, for all of the above restricted stock units granted.

The following table summarizes the restricted stock unit activity during 2005, 2004 and 2003:

	2005		2004		2003	
	Units	**Weighted Average Fair Value at Date of Grant**	Units	Weighted Average Fair Value at Date of Grant	Units	Weighted Average Fair Value at Date of Grant
Outstanding at beginning of year	**342,798**	**\$ 20.31**	233,223	\$ 19.23		\$
Units granted	**100,061**	**24.99**	114,749	22.63	233,223	19.23
Shares issued	**(12,115)**	**22.46**				

Units Forfeited	**(35,153)**		**21.75**	(5,174)		22.84			
Outstanding at end of year	**395,591**	**$**	**21.30**	342,798	$	20.31	233,223	$	19.23
Units vested at end of year	**74,901**	**$**	**20.12**	26,111	$	19.23		$	

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Supplemental Disclosures of Cash Flow Information

The following table sets forth certain cash and non-cash activities for the years ended December 31 (in thousands):

	2005	2004	2003
Cash paid during the year for			
Interest	**$ 11,153**	$ 8,274	$ 11,238
Income taxes	**27,464**	11,067	6,542
Non-cash investing and financing activities			
Pawn loans forfeited and transferred to merchandise held for disposition	**$156,766**	$130,971	$122,548
Pawn loans renewed	**77,878**	46,008	40,875
Cash advances renewed	**14,336**	7,404	5,969
Notes payable issued in acquisition		2,500	
Notes receivable received from sale of subsidiaries		7,962	
Common stock issued in acquisitions		12,562	16,805
Liabilities assumed in acquisitions	**172**	950	176

17. Discontinued Operations

In order to dedicate its strategic efforts and resources on the growth opportunities of pawn lending and cash advance activities in the United States, the Company sold in September 2004 its foreign pawn lending operations in the United Kingdom and Sweden to Rutland Partners LLP for $104.9 million cash after paying off the outstanding balance of the multi-currency line of credit, and two separate subordinated notes receivable valued at $8.0 million. The Company realized a gain of $19.0 million ($15.4 million net of related taxes) upon the sale of the discontinued operations. The amount of goodwill included in the determination of the gain was $18.5 million. In connection with the sale, the Company declared a special dividend of $0.30 per share to its shareholders that was paid in December 2004. The special dividend reflects a share of the significant gain realized on the sale.

The two subordinated notes received are the sole obligation of the company that acquired the Swedish pawn lending operations and are both subordinated as to rights and payment terms to certain senior lenders in the transaction. The senior subordinated note received in the maximum principal amount of SEK 80.4 million (approximately $10.7 million face value at the date of sale with a discounted value after currency translation adjustment of $7.2 million at December 31, 2005) bears a coupon rate of 8.33% per annum (effective yield of 16.4% per annum) payable quarterly with scheduled principal payments due between 2007 and 2011 subject to terms of the senior indebtedness. The convertible junior subordinated note received in the amount of SEK 13.4 million (approximately $1.8 million face value at the date of sale with discounted value after currency translation adjustment of $755,000 at December 31, 2005) bears a coupon rate of 10.0% per annum (effective yield of 25.5% per annum) payable quarterly with the entire principal or remaining unconverted principal due in 2014. This subordinated note is convertible after two years, at the Company s option, into approximately 27.7% of the equity interest on a fully diluted basis in the acquiring company. Upon conversion to equity shares, the Company has no voting rights.

As the issuer of the two subordinated notes is heavily leveraged with minimal equity, and due to the subordination feature and the payment structure of the two notes, the Company has valued the notes based on comparable yields for securities of this nature and discounted the senior subordinated note with 8.33% coupon rate and face value of $10.7 million to $7.2 million at the date of sale to yield 16.4% per annum, and the junior subordinated convertible note with 10.0% coupon rate and face value of $1.8 million to $765,000 at the date of sale to yield 25.5% per annum. Foreign currency transaction losses of $834,000 and gains of

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

$1.1 million on the U.S. dollar equivalent value of the subordinated notes and the accrued interest receivable at December 31, 2005 and 2004, respectively, were recognized in the Company s consolidated statements of income when incurred. The 2005 foreign currency transaction losses include offsetting gains of $731,000 recognized on foreign currency forward contracts totaling 62 million SEK (or approximately $8.0 million at maturity of these contracts) that the Company established in 2005 to minimize the financial impact of currency market fluctuations.

The summarized financial information for the discontinued operations for the years ended December 31, 2004 and 2003 is as follows (in thousands, except per share amounts):

	Year Ended December 31,		
	2005	2004[(1)]	2003
Revenue			
Finance and service charges	**$**	$ 23,820	$ 28,608
Proceeds from disposition of merchandise		15,433	18,572
Check cashing royalties and fees		1,771	1,862
Total Revenue		41,024	49,042
Cost of Revenue			
Disposed merchandise		11,140	12,557
Net Revenue		29,884	36,485
Expenses			
Operations		13,865	16,107
Administration		4,365	5,026
Depreciation and amortization		1,963	2,872
Total Expenses		20,193	24,005
Income from Operations		9,691	12,480
Interest expense and other, net		430	671
Income before Income Taxes		9,261	11,809
Provision for income taxes		2,806	3,803
Income from Operations before Gain on Disposal		6,455	8,006
Gain on disposal of discontinued operations, net of applicable of income taxes (benefits) of $(253) for 2005 and $3,608 for 2004	**197**	15,415	
Income from Discontinued Operations	**$ 197**	$ 21,870	$ 8,006
Diluted Income Per Share from Discontinued Operations	**$ 0.01**	$ 0.74	$ 0.30

(1) For period from January 1, 2004 through September 7, 2004 (the date of sale).

18. Operating Segment Information

The Company has three reportable operating segments: pawn lending operations, cash advance operations, and check cashing operations. The cash advance and check cashing segments are managed separately due to the different operational strategies required and, therefore, are reported as separate segments.

The accounting policies of the segments are the same as those described in Note 2. Management of the Company evaluates performance based on income from operations before net interest expense, other miscellaneous items of income or expense, and the provision for income taxes. There are no sales between operating segments.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As described in Note 17, the Company reclassified the results of operations of its foreign lending operations business as discontinued operations. These operations were previously reported as a separate operating segment. The segment data included below has been restated to exclude amounts related to these discontinued operations.

Information concerning the operating segments is set forth below (in thousands):

	Pawn Lending	Cash Advance	Check Cashing	Consolidated
Year Ended December 31, 2005:				
Revenue				
Finance and service charges	**$ 139,772**	**$**	**$**	**$ 139,772**
Proceeds from disposition of merchandise	**301,502**			**301,502**
Cash advance fees	**41,405**	**100,663**		**142,068**
Check cashing royalties and fees		**7,185**	**3,819**	**11,004**
Total revenue	**482,679**	**107,848**	**3,819**	**594,346**
Cost of revenue disposed merchandise	**183,799**			**183,799**
Net revenue	**298,880**	**107,848**	**3,819**	**410,547**
Expenses				
Operations	**167,272**	**51,706**	**1,379**	**220,357**
Cash advance loss provision	**15,663**	**27,171**		**42,834**
Administration	**32,769**	**9,503**	**955**	**43,227**
Depreciation and amortization	**15,786**	**7,299**	**332**	**23,417**
Total expenses	**231,490**	**95,679**	**2,666**	**329,835**
Income from operations	**$ 67,390**	**$ 12,169**	**$ 1,153**	**$ 80,712**
Expenditures for property and equipment	**$ 19,961**	**$ 7,086**	**$ 208**	**$ 27,255**
As of December 31, 2005:				
Total assets	**$ 475,527**	**$ 115,778**	**$ 7,343**	**$ 598,648**
Year Ended December 31, 2004:				
Revenue				
Finance and service charges	$ 110,495	$	$	$ 110,495
Proceeds from disposition of merchandise	250,291			250,291
Cash advance fees	32,952	66,250		99,202
Check cashing royalties and fees		5,904	3,586	9,490
Total revenue	393,738	72,154	3,586	469,478
Cost of revenue disposed merchandise	153,866			153,866
Net revenue	239,872	72,154	3,586	315,612

Expenses				
Operations	134,878	36,982	1,417	173,277
Cash advance loss provision	8,750	14,779		23,529
Administration	30,034	9,178	971	40,183
Depreciation and amortization	11,984	4,754	472	17,210
Total expenses	185,646	65,693	2,860	254,199
Income from operations	$ 54,226	$ 6,461	$ 726	$ 61,413
Expenditures for property and equipment	$ 14,107	$ 14,269	$ 115	$ 28,491
As of December 31, 2004:				
Total assets	$ 442,420	$ 105,650	$ 7,095	$ 555,165

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Pawn Lending	Cash Advance	Check Cashing	Consolidated
Year Ended December 31, 2003:				
Revenue				
Finance and service charges	$ 100,699	$	$	$ 100,699
Proceeds from disposition of merchandise	236,032			236,032
Cash advance fees	27,017	19,938		46,955
Check cashing royalties and fees		1,381	3,568	4,949
Total revenue	363,748	21,319	3,568	388,635
Cost of revenue disposed merchandise	147,456			147,456
Net revenue	216,292	21,319	3,568	241,179
Expenses				
Operations	130,076	11,179	1,561	142,816
Cash advance loss provision	6,435	4,321		10,756
Administration	29,177	2,598	744	32,519
Depreciation and amortization	11,349	1,387	533	13,269
Total expenses	177,037	19,485	2,838	199,360
Income from operations	$ 39,255	$ 1,834	$ 730	$ 41,819
Expenditures for property and equipment	$ 11,530	$ 4,458	$ 75	$ 16,063
As of December 31, 2003:				
Total assets	$ 302,863	$ 66,971	$ 7,360	$ 377,194

19. Related Party Transactions

In October 2005, the Company acquired three pawnshops that were previously franchise units for a total purchase price of $3.1 million from Ace Pawn, Inc. (Ace), whose sole stockholder J.D. Credit, Inc is controlled by the Chairman of the Board of Directors of the Company. The purchase price was determined by independent appraisal and approved by the Board of Directors of the Company. The Company recorded royalties of $48,000 in 2005 before the completion of the acquisition, and $54,000 and $73,000, in 2004 and 2003 respectively.

In February 2004, pursuant to the amended Cashland asset purchase agreement, the Company made a final payment of additional consideration in the amount of $5.4 million to the sellers, one of which was a senior officer of the Company through January 31, 2005. The payment consisted of $2.9 million in cash and a subordinated note for $2.5 million (see Note 8). The Company recorded interest expense of $223,000 (including a prepayment fee of $75,000) and $275,000 in 2005 and 2004, respectively. The note was prepaid in June 2005 for a total amount of $2.7 million. The Company also paid rent of $47,000, $122,000 and $51,000 during 2005, 2004 and 2003, respectively, for three Cashland administrative offices and facilities that are owned by the seller.

Under the Company s now discontinued officer stock loan program, the Company recorded interest income of $149,000, $150,000 and $299,000, respectively, in 2005, 2004 and 2003. During 2003, the Company s Chief Executive Officer and other officers made total principal and interest payment of $3.5 million on these notes. At

December 31, 2005 and 2004, the outstanding balance on these notes was $2.5 million, and accrued interest on these notes was $585,000 and $435,000, respectively.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Fair Values of Financial Instruments

The carrying amounts and estimated fair values of financial instruments at December 31, 2005 and 2004 were as follows (in thousands):

	2005		2004	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
Financial assets:				
Cash and cash equivalents	**$ 18,852**	**$ 18,852**	$ 15,103	$ 15,103
Pawn loans	**115,280**	**115,280**	109,353	109,353
Cash advances, net	**40,704**	**40,704**	36,490	36,490
Subordinated notes receivable	**7,994**	**8,270**	9,136	9,243
Interest rate cap	**93**	**93**	9	9
Foreign currency forward contracts	**77**	**77**		
Financial liabilities:				
Bank line of credit	**$ 71,137**	**$ 71,137**	$ 92,483	$ 92,483
Senior unsecured notes	**94,857**	**96,026**	71,643	73,963
Subordinated note			2,500	2,683

Cash and cash equivalents bear interest at market rates and have maturities of less than 90 days. Pawn loans have relatively short maturity periods depending on local regulations, generally 90 days or less. Cash advance loans generally have a loan term of 7 to 45 days. Finance and service charge rates are determined by regulations and bear no valuation relationship to the capital markets interest rate movements. Generally, pawn loans may only be resold to a licensed pawnbroker.

The fair value of the subordinated notes receivables is estimated by taking the present value of the expected cash flow over the life of the notes discounted at a rate prevalent to financial instruments with similar credit profiles and like terms.

The Company s bank credit facility bears interest at a rate that is frequently adjusted on the basis of market rate changes. The fair values of the remaining long-term debt instruments are estimated based on market values for debt issues with similar characteristics or rates currently available for debt with similar terms.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Quarterly Financial Data (Unaudited)

The Company s operations are subject to seasonal fluctuations. Revenue tends to be highest during the first and fourth calendar quarters, when the average amount of pawn loans and cash advance balances are the highest and consistent with heavier disposition of merchandise activities compared to the other two quarters. The following is a summary of the quarterly results of operations for the years ended December 31, 2005 and 2004 (in thousands, except per share data):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2005				
Total revenue	**$144,989**	**$133,569**	**$144,773**	**$171,015**
Cost of revenue	**47,955**	**38,939**	**40,863**	**56,042**
Net revenue	**97,034**	**94,630**	**103,910**	**114,973**
Income from continuing operations	**11,902**	**6,900**	**9,563**	**16,456**
Income from discontinued operations (2)				**197**
Net income	**11,902**	**6,900**	**9,563**	**16,653**
Diluted net income per share				
Income from continuing operations	**0.39**	**0.23**	**0.32**	**0.55**
Income from discontinued operations				**0.01**
Net income	**0.39**	**0.23**	**0.32**	**0.55**
Diluted weighted average common shares	**30,396**	**30,079**	**30,142**	**30,169**
2004(1)				
Total revenue	$117,018	$101,143	$110,536	$140,781
Cost of revenue	40,829	31,338	33,588	48,111
Net revenue	76,189	69,805	76,948	92,670
Income from continuing operations	9,142	4,926	7,181	13,716
Income from discontinued operations (3)	2,248	2,413	16,483	726
Net income	11,390	7,339	23,664	14,442
Diluted income per share				
Income from continuing operations	$ 0.31	$ 0.17	$ 0.24	$ 0.46
Income from discontinued operations	0.08	0.08	0.56	0.02
Net income	0.39	0.25	0.80	0.48
Diluted weighted average common shares	29,453	29,443	29,522	29,884

(1) On September 7, 2004, the Company sold its foreign pawn lending operations; all prior periods presented have been restated to reflect that business as discontinued operations.

(2) Principally represents change in the U.S. tax provision on the disposal resulting from the final tax adjustments to the 2004 foreign pawn lending operations tax returns.

(3) Includes a gain on sale of $15,415 (after related taxes of $3,608) for the quarter ended September 30, 2004.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

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 Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of December 31, 2005 (Evaluation Date). 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.

The Report of Management on Internal Control Over Financial Reporting is included in Item 8 of this annual report on Form 10-K. There have been no significant changes during the fourth quarter of the year ended December 31, 2005 in the Company s internal control over financial reporting that were identified in connection with management s evaluation described in Item 9A above and have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

The Company s management, including its Chief Executive Officer and Chief Financial Officer, does not expect that the Company s disclosure controls and procedures or internal controls will prevent all possible error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this Item 10 with respect to directors, the Audit Committee of the Board of Directors and Audit Committee financial experts is incorporated into this report by reference to the Company s Proxy Statement for the 2006 Annual Meeting of Shareholders (Proxy Statement), and in particular to the information in the Proxy Statement under the captions Election of Directors and Meetings and Committees of the Board of Directors. Information concerning executive officers is contained in Item 1 of this report under the caption Executive Officers of the Registrant. Information regarding Section 16(a) compliance is incorporated into this report by reference to the information contained under the caption Compliance with Section 16(a) of the Securities Exchange Act of 1934 in the Proxy Statement.

The Company has adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers, and employees. This Code is publicly available on the Company s website at www.cashamerica.com. Amendments to this Code and any grant of a waiver from a provision of the Code requiring disclosure under applicable SEC rules will be disclosed on the Company s website. These materials may also be requested in print and without charge by writing to the Company s Secretary at Cash America International, Inc., 1600 West 7th Street, Fort Worth, Texas 76102.

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In 2005, Daniel R. Feehan, Chief Executive Officer of the Company, filed his annual certification with the New York Stock Exchange (NYSE) regarding the NYSE s corporate governance listing standards as required by Section 303A.12 of those listing standards.

ITEM 11. EXECUTIVE COMPENSATION

Information contained under the caption Executive Compensation in the Proxy Statement is incorporated by reference into this report in response to this Item 11.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information contained under the captions Security Ownership of Certain Beneficial Owners and Management and Executive Compensation Equity Compensation Plan Information in the Proxy Statement is incorporated into this report by reference in response to this Item 12.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information contained under the caption Executive Compensation in the Proxy Statement is incorporated into this report by reference in response to this Item 13.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information contained under the caption Independent Registered Public Accounting Firm in the Proxy Statement is incorporated into this report by reference in response to this Item 14.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements: See Item 8, Financial Statements and Supplementary Data, on pages 46 through 79 hereof, for a list of the Company s consolidated financial statements and report of independent registered accounting firm.

(2) Financial Statement Schedule: The following financial statement schedule of the Company is included herein on pages 83 through 84.

Report of Independent Registered Public Accounting Firm on Financial Statement Schedule (page 83)
Schedule II Valuation Accounts (page 84)

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions, are inapplicable, or the required information is included elsewhere in the financial statements.

(3) Exhibits required by Item 601 of Regulation S-K: The exhibits filed in response to this item are listed in the Exhibit Index on pages 85 through 87.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on March 1, 2006.

CASH AMERICA INTERNATIONAL, INC.

By: /s/ DANIEL R. FEEHAN

Daniel R. Feehan
Chief Executive Officer and President

Pursuant to the requirements of the Securities and Exchange Act of 1934, the report has been signed by the following persons on March 1, 2006 on behalf of the registrant and in the capacities indicated.

Signature	Title	Date
/s/ JACK R. DAUGHERTY Jack R. Daugherty	Chairman of the Board Of Directors	March 1, 2006
/s/ DANIEL R. FEEHAN Daniel R. Feehan	Chief Executive Officer, President and Director (Principal Executive Officer)	March 1, 2006
/s/ THOMAS A. BESSANT, JR. Thomas A. Bessant, Jr.	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 1, 2006
/s/ A. R. DIKE A. R. Dike	Director	March 1, 2006
/s/ JAMES H. GRAVES James H. Graves	Director	March 1, 2006
/s/ B. D. HUNTER B. D. Hunter	Director	March 1, 2006
/s/ TIMOTHY J. McKIBBEN Timothy J. McKibben	Director	March 1, 2006
/s/ ALFRED M. MICALLEF Alfred M. Micallef	Director	March 1, 2006

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors of
Cash America International, Inc.

Our audits of the consolidated financial statements, of management s assessment of the effectiveness of internal control over financial reporting and of the effectiveness of internal control over financial reporting referred to in our report dated February 23, 2006 appearing in this Annual Report on Form 10-K also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP
Fort Worth, Texas
February 23, 2006

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SCHEDULE II

CASH AMERICA INTERNATIONAL, INC.
VALUATION ACCOUNTS
For the Three Years Ended December 31, 2005
(dollars in thousands)

Description	Balance at Beginning of Period	Additions: Charged To Expense	Additions: Charged To Other	Deductions	Balance at End of Period
Allowance for losses on cash advances					
Year Ended:					
December 31, 2005	**$ 4,358**	**$ 42,302**	**$ 9,794**(a)	**$ 50,145**	**$ 6,309**
December 31, 2004	$ 3,393	$ 23,242	$ 7,556(a)	$ 29,833	$ 4,358
December 31, 2003	$ 1,319	$ 11,130	$ 3,397(a)	$ 12,453	$ 3,393
Accrual for losses on third-party lender-owned cash advances					
Year Ended:					
December 31, 2005	**$ 342**	**$ 532**	**$**	**$**	**$ 874**
December 31, 2004	$ 55	$ 287	$	$	$ 342
December 31, 2003	$ 429	$ (374)	$	$	$ 55
Allowance for valuation of inventory					
Year Ended:					
December 31, 2005	**$ 1,445**	**$ 1,070**	**$**	**$ 715**(b)	**$ 1,800**
December 31, 2004	$ 1,410	$ 542	$	$ 507(b)	$ 1,445
December 31, 2003	$ 1,435	$ 552	$	$ 577(b)	$ 1,410
Allowance for valuation of deferred tax assets					
Year Ended:					
December 31, 2005	**$ 225**	**$ (123)**	**$**	**$ 37**	**$ 65**
December 31, 2004	$ 7,204	$ (166)	$	$ 6,813	$ 225
December 31, 2003	$ 7,691	$ (487)	$	$	$ 7,204

Allowance for valuation of discontinued operations [c]

Year Ended:										
December 31, 2005	**$**	**325**	**$**	**19**	**$**		**$**	**133**	**$**	**211**
December 31, 2004	$	389	$	30	$		$	94	$	325
December 31, 2003	$	623	$	36	$		$	270	$	389

(a) Recoveries.

(b) Deducted from allowance for write-off or other disposition of merchandise.

(c) Represents amounts related to business discontinued in 2001.

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EXHIBIT INDEX

The following documents are filed as a part of this report. Those exhibits previously filed and incorporated herein by reference are identified by reference to the list of prior filings after the list of exhibits. Exhibits not required for this report have been omitted.

Exhibit	Description
3.1	Articles of Incorporation of Cash America Investments, Inc. filed in the office of the Secretary of State of Texas on October 4, 1984. (a) (Exhibit 3.1)
3.2	Articles of Amendment to the Articles of Incorporation of Cash America Investments, Inc. filed in the office of the Secretary of State of Texas on October 26, 1984. (a) (Exhibit 3.2)
3.3	Articles of Amendment to the Articles of Incorporation of Cash America Investments, Inc. filed in the office of the Secretary of State of Texas on September 24, 1986. (a) (Exhibit 3.3)
3.4	Articles of Amendment to the Articles of Incorporation of Cash America Investments, Inc. filed in the office of the Secretary of State of Texas on September 30, 1987. (b) (Exhibit 3.4)
3.5	Articles of Amendment to the Articles of Incorporation of Cash America Investments, Inc. filed in the office of the Secretary of State of Texas on April 23, 1992 to change the Company s name to Cash America International, Inc. (c) (Exhibit 3.5)
3.6	Articles of Amendment to the Articles of Incorporation of Cash America International, Inc. filed in Office of the Secretary of State of Texas on May 21, 1993. (d) (Exhibit 3.6)
3.7	Bylaws of Cash America International, Inc. (e) (Exhibit 3.5)
3.8	Amendment to Bylaws of Cash America International, Inc. dated effective September 26, 1990. (f) (Exhibit 3.6)
3.9	Amendment to Bylaws of Cash America International, Inc. dated effective April 22, 1992. (c) (Exhibit 3.8)
4.1	Form of Stock Certificate. (c) (Exhibit 4.1)
10.1	Note Agreement between the Company and Teachers Insurance and Annuity Association of America dated as of July 7, 1995. (g) (Exhibit 10.1)
10.2	First Supplement (November 10, 1995) to 1995 Note Agreement between the Company and Teachers Insurance and Annuity Association of America. (h) (Exhibit 10.2)
10.3	Second Supplement (December 30, 1996) to 1995 Note Agreement between the Company and Teachers Insurance and Annuity Association of America. (i) (Exhibit 10.16)
10.4	Third Supplement (December 30, 1997) to 1995 Note Agreement between the Company and Teachers Insurance and Annuity Association of America. (j) (Exhibit 10.20)
10.5	

	Fourth Supplement (December 31, 1998) to 1995 Note Agreement between the Company and Teachers Insurance and Annuity Association of America. (k) (Exhibit 10.23)
10.6	Fifth Supplement (September 29, 1999) to 1995 Note Agreement between the Company and Teachers Insurance and Annuity Association of America. (l) (Exhibit 10.2)
10.7	Sixth Supplement (June 30, 2000) to 1995 Note Agreement between the Company and Teachers Insurance and Annuity Association of America. (m) (Exhibit 10.2)
10.8	Seventh Supplement (September 30, 2001) to 1995 Note Agreement between the Company and Teachers Insurance and Annuity Association of America. (n) (Exhibit 10.26)
10.9	Eighth Supplement (September 7, 2004) to 1995 Note Agreement between the Company and Teachers Insurance and Annuity Association of America. (o) (Exhibit 10.1)
10.10	Note Agreement dated as of December 1, 1997 among the Company and the Purchasers named therein for the issuance of the Company s 7.10% Senior Notes due January 2, 2008 in the aggregate principal amount of $30,000,000. (j) (Exhibit 10.23)
10.11	First Supplement (December 31, 1998) to Note Agreement dated as of December 1, 1997 among the Company and the purchasers named therein. (k) (Exhibit 10.29)
10.12	Second Supplement (September 29, 1999) to Note Agreement dated as of December 1, 1997 among the Company and the purchasers named therein. (l) (Exhibit 10.1)

Exhibit	Description
10.13	Third Supplement (June 30, 2000) to Note Agreement dated as of December 1, 1997 among the Company and the purchasers named therein. (m) (Exhibit 10.1)
10.14	Fourth Supplement (September 30, 2000) to Note Agreement dated as of December 1, 1997 among the Company and the purchasers named therein. (n) (Exhibit 10.38)
10.15	Fifth Supplement (September 7, 2004) to Note Agreement dated as of December 1, 1997 among the Company and the purchasers named therein. (o) (Exhibit 10.1)
10.16	Note Agreement dated as of August 12, 2002 among the Company and the Purchasers named therein for the issuance of the Company s 7.20% Senior Notes due August 12, 2009 in the aggregate principal amount of $42,500,000. (p) (Exhibit 10.1)
10.17	Amendment No. 1 (September 7, 2004) to Note Agreement dated as of August 12, 2002 among the Company and the purchasers named therein. (o) (Exhibit 10.1)
10.18	Supplemental Executive Retirement Plan dated effective January 1, 2003. (q) (Exhibit 10.32)
10.19	Form of Executive Change-in-Control Severance Agreement dated December 22, 2003 between the Company and each of its Executive Vice Presidents (Thomas A. Bessant, Jr., Robert D. Brockman, Jerry D. Finn, Michael D. Gaston, William R. Horne, James H. Kauffman) (q) (Exhibit 10.31)
10.20	Amended and Restated Executive Employment Agreement between the Company and Mr. Feehan dated as of January 21, 2004. (q) (Exhibit 10.30)
10.21	2004 Long-Term Incentive Plan (r) (Exhibit 10.21)
10.22	First Amended and Restated Credit Agreement among the Company, certain lenders named therein, and Wells Fargo Bank, National Association, as Administrative Agent dated as of February 24, 2005. (r) (Exhibit 10.22)
10.23	Administrative Credit Services Agreement, dated July 1, 2005, by and between Cash America Financial Services, Inc. and NCP Finance Limited Partnership. (s) (Exhibit 10.1)
10.24	Administrative Credit Services Agreement, dated July 1, 2005, by and between Cash America Financial Services, Inc. and NCP Finance Michigan, LLC. (s) (Exhibit 10.2)
10.25	Administrative Credit Services Agreement, dated July 1, 2005, by and between Cash America Financial Services, Inc. and NCP Finance Florida, LLC. (s) (Exhibit 10.3)
10.26	Administrative Credit Services Agreement, dated July 1, 2005, by and between Cash America Financial Services, Inc. and Midwest R&S Corporation. (s) (Exhibit 10.4)
10.27	Guaranty dated July 1, 2005 by Cash America International, Inc. for the benefit of NCP Finance Limited Partnership. (s) (Exhibit 10.5)

10.28	Guaranty dated July 1, 2005 by Cash America International, Inc. for the benefit of NCP Finance Michigan, LLC. (s) (Exhibit 10.6)
10.29	Guaranty dated July 1, 2005 by Cash America International, Inc. for the benefit of NCP Finance Florida. (s) (Exhibit 10.7)
10.30	Guaranty dated July 1, 2005 by Cash America International, Inc. for the benefit of Midwest R&S Corporation. (s) (Exhibit 10.8)
10.31	Amendment One (January 25, 2006) to the Cash America International, Inc. 2004 Long-Term Incentive Plan.
10.32	Note Agreement dated as of December 28, 2005 among the Company and the Purchasers named therein for the issuance of the Company s 6.12% Senior Notes due December 28, 2015 in the aggregate principal amount of $40,000,000.
14	Code of Ethics. The Company s Code of Business Conduct and Ethics may be accessed via the Company s website at www.cashamerica.com.
21	Subsidiaries of Cash America International, Inc.
23	Consent of PricewaterhouseCoopers LLP.
31.1	Certification of Chief Executive Officer.
31.2	Certification of Chief Financial Officer.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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Exhibit	Description
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Certain Exhibits are incorporated by reference to the Exhibits shown in parenthesis contained in the Company s following filings with the Securities and Exchange Commission:

(a) Registration Statement Form S-1, File No. 33-10752.

(b) Amendment No. 1 to its Registration Statement on Form S-4, File No. 33-17275.

(c) Annual Report on Form 10-K for the year ended December 31, 1992.

(d) Annual Report on Form 10-K for the year ended December 31, 1993.

(e) Post-Effective Amendment No. 1 to its Registration Statement on Form S-4, File No. 33-17275.

(f) Annual Report on Form 10-K for the year ended December 31, 1990.

(g) Quarterly Report on Form 10-Q for the quarter ended June 30, 1995.

(h) Quarterly Report on Form 10-Q for the quarter ended September 30, 1995.

(i) Annual Report on Form 10-K for the year ended December 31, 1996.

(j) Annual Report on Form 10-K for the year ended December 31, 1997.

(k) Annual Report on Form 10-K for the year ended December 31, 1998.

(l) Quarterly Report on Form 10-Q for the quarter ended September 30, 1999.

(m) Quarterly Report on Form 10-Q for the quarter ended September 30, 2000.

(n) Annual Report on Form 10-K for the year ended December 31, 2001.

(o) Current Report on Form 8-K dated September 7, 2004.

(p) Current Report on Form 8-K dated August 15, 2002.

(q) Annual Report on Form 10-K for the year ended December 31, 2003.

(r) Annual Report on Form 10-K for the year ended December 31, 2004.

(s) Quarterly Report on Form 10-Q for the quarter ended June 30, 2005.

(t) Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.