UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 22, 2020

META FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**0-22140**	**42-1406262**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5501 South Broadband Lane, Sioux Falls, South Dakota 57108
(Address of principal executive offices) (Zip Code)

Registrant’s telephone number, including area code: **(605) 782-1767**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d- 2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	CASH	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On July 22, 2020, the Registrant issued a press release announcing its results of operations and financial condition as of and for the three and nine months ended June 30, 2020. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated into this Item 2.02 by reference.

The information in this Item 2.02, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities thereof, nor shall it be deemed to be incorporated by reference in any filing under the Exchange Act or under the Securities Act of 1933, as amended (the "Securities Act"), except to the extent specifically provided in any such filing.

Item 7.01 Regulation FD Disclosure.

Information is being furnished herein in Exhibit 99.2 with respect to the Investor Update slide presentation prepared for use with the press release. While most of the selected financial information furnished herein is derived from the Company's consolidated financial statements and related notes prepared in accordance with generally accepted accounting principles ("GAAP") and management's discussion and analysis of financial condition and results of operations included, or to be included, in the Company's reports on Forms 10-K and 10-Q, this information includes selected financial and operational information through the third quarter of fiscal year 2020 and does not represent a complete set of financial statement and related notes prepared in conformity with GAAP. The Company's annual financial statements are subject to independent audit. The Investor Update slide presentation is dated July 22, 2020 and the Company does not undertake to update the materials after that date.

The information in this Item 7.01, including Exhibit 99.2, shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities thereof, nor shall it be deemed to be incorporated by reference in any filing under the Exchange Act or under the Securities Act, except to the extent specifically provided in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
99.1	Press Release of Meta Financial Group, Inc., dated July 22, 2020 regarding the results of operations and financial condition.
99.2	Investor Update slide presentation for the Third Quarter of Fiscal Year 2020, dated July 22, 2020, prepared for use with the Press Release.

SIGNATURE

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

META FINANCIAL GROUP, INC.

Date: July 22, 2020

By: /s/ Glen W. Herrick
Glen W. Herrick
Executive Vice President and Chief Financial Officer

Exhibit 99.1

META FINANCIAL GROUP, INC.® ANNOUNCES RESULTS FOR 2020 FISCAL THIRD QUARTER

- 2020 Fiscal Third Quarter Net Income of $18.2 Million, or $0.53 Per Diluted Share -

Sioux Falls, S.D., July 22, 2020 (GLOBE NEWSWIRE) -- Meta Financial Group, Inc.® (Nasdaq: CASH) ("Meta" or the "Company") reported net income of $18.2 million, or $0.53 per diluted share, for the three months ended June 30, 2020, compared to net income of $29.3 million, or $0.75 per diluted share, for the three months ended June 30, 2019.

"I am proud of our performance to date during these unique and volatile times, both operationally and financially. While credit metrics remain sound, we have taken additional provision related to the uncertainty of the COVID-19 pandemic allowing us to build our allowance and strengthen our capital position," said President and CEO Brad Hanson. "We are keeping the health and safety of our employees at the forefront as we continue serving customers, aligning for growth, and keeping our eyes on the long game, bringing sustainable value to shareholders."

Business Developments

- On May 15, 2020, MetaBank, National Association (the "Bank"), a wholly owned subsidiary of the Company entered into a letter of intent ("LOI") with Emerald Financial Services, LLC ("EFS"), a wholly owned indirect subsidiary of H&R Block, Inc. ("H&R Block"). Under the LOI and subject to the negotiation and execution of a multi-year program management agreement ("PMA"), Meta will offer selected financial products to H&R Block clients, and negotiate the transition of certain financial products under an existing program manager agreement between H&R Block and a third party.
- On June 23, 2020, Brett Pharr was promoted to Co-President and Chief Operating Officer of MetaBank to better align business lines with Meta's strategic initiatives. Brad Hanson remains Co-President and Chief Executive Officer of MetaBank and President and Chief Executive Officer of the Company.
- During the fiscal 2020 third quarter, the Company extended its agreement with Blackhawk Network, Inc. ("BlackHawk") through 2040. Blackhawk is a leading prepaid and payments company, which supports the program management and distribution of gift cards, prepaid telecom products and financial service products in a number of different retail, digital and incentive channels.
- The Company supported various COVID-19 relief efforts to include the Economic Impact Payment ("EIP") program and the Paycheck Protection Program ("PPP"), which are further described below.

Financial Highlights for the 2020 Fiscal Third Quarter Ended June 30, 2020

- Total gross loans and leases at June 30, 2020 decreased $129.3 million, or 4%, to $3.50 billion, compared to June 30, 2019 and decreased $114.1 million, or 3% when compared to March 31, 2020.
- Average deposits from the payments divisions for the fiscal 2020 third quarter increased nearly 131% to $6.32 billion when compared to the same quarter in fiscal 2019. A significant portion of the year-over-year increase reflected the Company's participation in the EIP program, as described further below. Excluding the balances on the EIP cards, average payments deposits for the fiscal 2020 third quarter were approximately $3.99 billion, representing an increase of 46% compared to the same quarter in fiscal 2019.
- Total revenue for the fiscal 2020 third quarter was $103.2 million, compared to $110.8 million for the same quarter in fiscal 2019.
- Net interest income for the fiscal 2020 third quarter was $62.1 million, compared to $67.0 million in the comparable quarter in fiscal 2019.

- Net interest margin ("NIM") decreased to 3.28% for the fiscal 2020 third quarter from 5.07% over the same period of the prior fiscal year, while the tax-equivalent net interest margin ("NIM, TE") decreased to 3.31% from 5.15% for that same period in fiscal 2019. The decrease in NIM during the fiscal 2020 third quarter was primarily driven by excess cash associated with the Company's participation in the Economic Impact Payment program, as described further below.

COVID-19 Business Update

The Company continues to focus on the well-being of its employees, partners and customers. Preventative health measures remain in place to protect employees and customers including mandating remote work options and social distancing measures where possible, restricting non-essential business travel and enhancing preventative cleaning services at all office locations. The Company's COVID-19 Crisis Command Center consisting of leadership and business continuity planning resources throughout the organization continues to effectively monitor possible interruptions related to the pandemic and to ensure business continuity.

The Company is participating in the PPP which is being administered by the Small Business Administration ("SBA"). As of June 30, 2020, the Company had 686 loans outstanding with a total of $215.5 million in loan balances that were originated as part of the program.

From a credit perspective, the Company continues to monitor each of its lending portfolios through these unprecedented times. Significant focus has been placed on the Company's hospitality loans and its small ticket equipment finance relationships. The credit management team has increased the monitoring of these relationships and has been in regular contact with these borrowers.

The Company's community bank hospitality loan balances increased to $169.0 million as of June 30, 2020 from $160.1 million as of March 31, 2020 and the average loan-to-value ratio on those loans improved to 60% at June 30, 2020 from 61% at March 31, 2020. 67% of the loan balances for these hotel relationships received PPP loans and 51% received some form of payment deferral modifications.

As of June 30, 2020, the Company had $245.9 million in small ticket equipment finance balances, of which $217.3 million were categorized within term lending and $28.6 million were categorized within lease financing. 27% of the balances on these small ticket equipment finance relationships received some form of payment deferral or other modifications.

The Company has granted deferral payments on a total of $352.1 million of loan and lease balances through June 30, 2020 as a result of interagency guidance issued on March 22, 2020 encouraging companies to work with customers impacted by COVID-19. As of June 30, 2020, loans and lease totaling $292.2 million were still in their deferment period. In addition, the Company has made other COVID-19 related modifications on a total of $52.9 million, of which $34.6 million are still active as of June 30, 2020. The majority of the other modifications were related to adjusting the type or amount of the customer's payments.

The Company increased its allowance for loan and lease losses during the fiscal third quarter primarily as a result of the ongoing economic uncertainty related to COVID-19 pandemic. The Company will continue to diligently monitor the allowance for loan and lease losses and adjust as necessary in future periods to maintain an appropriate and supportable level.

The Company's capital position remained strong as of June 30, 2020, even while absorbing the temporary impact from the EIP program, as described further below. As of June 30, 2020, the Bank's capital leverage ratio based on average assets was 6.89%. In addition, the Company has options available that can be used to effectively manage capital levels through these turbulent times, including a very strong and flexible balance sheet. The Company's capital leverage ratio was impacted by approximately 278 basis points due to the increase in total asset balances as a result of the EIP program.

Economic Impact Payment Program ("EIP") Update

On April 29, 2020, the Bank entered into an amendment of its existing agreement with the U.S. Department of the Treasury's Bureau of the Fiscal Service ("Fiscal Service") to provide debit card services to support the distribution of a segment of the Economic Impact Payments payable by the Internal Revenue Service under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

Under the EIP program, 3.6 million cards were delivered with total loads of $6.42 billion. As a result of the program, the Company saw a quick influx of deposits to its balance sheet in mid-May 2020 with limited visibility into the duration of those deposits. While this program's impact to earnings was negligible, it did have a significant impact on cash and deposit balances, leading to a net drag on the net interest margin along with pressuring the Company's leverage capital ratios.

The total balances remaining on the EIP cards as of June 30, 2020 were $2.68 billion and $2.08 billion as of July 19, 2020. The funds on these cards increased the Company's quarterly average noninterest deposit balances by $2.32 billion, leading to an overall improvement in cost of deposits. This short term influx of deposits also led to excess cash balances held at the Federal Reserve during the current period, which yielded approximately 10 basis points in interest income, and increased the quarterly average of interest-earning assets compared to previous periods. This increase of lower yielding cash balances resulted in a drag to the overall yield on total interest-earning assets during the current period. The net impact to NIM was approximately 140 basis points.

Net Interest Income

Net interest income for the fiscal 2020 third quarter was $62.1 million, a decrease of 7%, from the same quarter in fiscal 2019. The decrease was primarily driven by lower overall balances and yields realized on the loan and lease portfolios along with a decrease in investment securities balances, partially offset by a reduction in total interest expense.

During the third quarter of fiscal year 2020, loan and lease interest income decreased $9.8 million and investment securities interest income decreased $4.4 million, when compared to the same quarter in fiscal 2019, while interest expense decreased $9.4 million over that same period. The quarterly average outstanding balance of loans and leases as a percentage of interest-earning assets for the quarter ended June 30, 2020 decreased to 48%, from 68% for the quarter ended June 30, 2019, while the quarterly average balance of total investments as a percentage of interest-earning assets decreased to 17% from 31% over that same period. These decreases were primarily due to the increase in interest-earning cash balances related to the EIP program. The Company's average interest-earning assets for the fiscal 2020 third quarter increased by $2.31 billion, to $7.61 billion from the comparable quarter in fiscal 2019, primarily due to the effects of the EIP program.

NIM decreased to 3.28% for the fiscal 2020 third quarter from 5.07% for the comparable quarter in fiscal 2019, primarily due to the effects of the EIP program. The net effect of purchase accounting accretion contributed two basis points to NIM for the fiscal 2020 third quarter as compared to three basis points and 25 basis points for the quarters ended March 31, 2020 and June 30, 2019, respectively.

The overall reported tax-equivalent yield ("TEY") on average earning asset yields decreased by 267 basis points to 3.59% for the fiscal 2020 third quarter compared to the fiscal 2019 third quarter, driven primarily by excess low-yielding cash held at the Federal Reserve, along with a lower interest rate environment. The fiscal 2020 third quarter TEY on the securities portfolio was 2.22% compared to 3.09% for the same period of the prior fiscal year.

The Company's cost of funds for all deposits and borrowings averaged 0.28% during the fiscal 2020 third quarter, compared to 1.14% for the fiscal 2019 third quarter. This decrease was primarily due to a decrease in overnight borrowings rates as well as an increase in the average balance of the Company's noninterest-bearing deposits, mainly due to the EIP program noted above. The Company's overall cost of deposits was 0.17% in the fiscal third quarter of 2020, compared to 0.90% in the same quarter of fiscal 2019.

Noninterest Income

Fiscal 2020 third quarter noninterest income was $41.0 million, compared to $43.8 million for the same period of the prior year. This year-over-year decrease was primarily due to lower total tax product fee income and a reduction in gains on loan sales, partially offset by an increase in rental income.

Noninterest Expense

Noninterest expense decreased 2% to $71.2 million for the fiscal 2020 third quarter, from $72.5 million for the same quarter of fiscal 2019, primarily driven by lower compensation and benefits, intangible amortization, total tax product expense, and occupancy and equipment expenses, partially offset by higher card processing expenses and operating lease equipment depreciation.

Income Tax Expense

The Company recorded an income tax benefit of $2.4 million, representing an effective tax rate of (14.4%), for the fiscal 2020 third quarter, compared to an income tax benefit of $1.2 million, representing an effective tax rate of (4.0)%, for the fiscal 2019 third quarter. The recorded income tax benefit during the current quarter was primarily due to ratably recognized investment tax credits and lower forecast earnings due to COVID-19.

The Company originated $1.3 million in solar leases during the fiscal 2020 third quarter, compared to $49.1 million during the fiscal 2019 third quarter. Investment tax credits related to solar leases are recognized ratably based on income throughout each fiscal year. The timing and impact of future solar tax credits are expected to vary from period to period, and Meta intends to undertake only those tax credit opportunities that meet the Company's underwriting and return criteria.

Investments, Loans and Leases

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Total investments	$ 1,268,416	$ 1,310,476	$ 1,337,840	$ 1,407,257	$ 1,502,640
Loans held for sale					
Consumer credit products	391	—	—	122,299	45,582
SBA/USDA	31,438	13,610	13,883	26,478	17,257
Community Bank[1]	48,076	—	250,383	—	—
Total loans held for sale	**79,905**	**13,610**	**264,266**	**148,777**	**62,839**
National Lending					
Term lending[2]	738,454	725,581	695,347	641,742	562,557
Asset based lending[2]	181,130	250,211	250,633	250,465	229,573
Factoring	206,361	285,495	285,776	296,507	320,344
Lease financing[2]	264,988	238,788	223,715	177,915	165,136
Insurance premium finance	359,147	332,800	349,299	361,105	358,772
SBA/USDA	308,611	92,000	90,269	88,831	99,791
Other commercial finance	100,214	101,472	99,617	99,665	99,677
Commercial Finance	**2,158,905**	**2,026,347**	**1,994,656**	**1,916,230**	**1,835,850**
Consumer credit products	102,808	113,544	115,843	106,794	155,539
Other consumer finance	138,777	144,895	154,772	161,404	164,727
Consumer Finance	**241,585**	**258,439**	**270,615**	**268,198**	**320,266**
Tax Services	**19,168**	**95,936**	**101,739**	**2,240**	**24,410**
Warehouse Finance	**277,614**	**333,829**	**272,522**	**262,924**	**250,003**
Total National Lending loans and leases	**2,697,272**	**2,714,551**	**2,639,532**	**2,449,592**	**2,430,529**
Community Banking					
Commercial real estate and operating	608,303	654,429	682,399	883,932	877,412
Consumer one-to-four family real estate and other	166,479	205,046	220,588	259,425	256,853
Agricultural real estate and operating	24,655	36,759	40,778	58,464	61,169
Total Community Banking loans	**799,437**	**896,234**	**943,765**	**1,201,821**	**1,195,434**
Total gross loans and leases	**3,496,709**	**3,610,785**	**3,583,297**	**3,651,413**	**3,625,963**
Allowance for loan and lease losses	(65,747)	(65,355)	(30,176)	(29,149)	(43,505)
Net deferred loan and lease origination fees	5,937	8,139	7,177	7,434	5,068
Total loans and leases, net of allowance[3]	**$ 3,436,899**	**$ 3,553,569**	**$ 3,560,298**	**$ 3,629,698**	**$ 3,587,526**

[(1)] The June 30, 2020 balance included approximately $28.7 million of commercial real estate and operating loans, $11.3 million of consumer one-to-four family real estate and other loans, and $8.1 million of agricultural real estate and operating loans. The December 31, 2019 balance included approximately $197.5 million of commercial real estate and operating loans, $40.4 million of consumer one-to-four family real estate and other loans, and $12.7 million of agricultural real estate and operating loans.

[(2)] The Company updated the presentation of its loan and lease table beginning in the fiscal 2020 first quarter. The new presentation includes a new category called term lending. Certain balances previously included in the asset based lending and lease financing categories were reclassified into the new term lending category during the fiscal 2020 first quarter. Prior period balances have been conformed to the new presentation.

[(3)] As of June 30, 2020, the remaining balance of acquired loans and leases from the acquisition of Crestmark Bancorp, Inc. ("Crestmark") and its bank subsidiary, Crestmark Bank (the "Crestmark Acquisition") was $188.3 million and the remaining balances of the credit and interest rate mark discounts related to the acquired loans and leases held for investment were $3.4 million and $2.9 million, respectively. On August 1, 2018, the Company acquired loans and leases from the Crestmark Acquisition totaling $1.06 billion and recorded related credit and interest rate mark discounts of $12.3 million and $6.0 million, respectively.

The Company's investment security balances continued to decline at June 30, 2020 to a total of $1.27 billion, as compared to $1.50 billion at June 30, 2019.

Total gross loans and leases decreased $129.3 million, or 4%, to $3.50 billion at June 30, 2020, from $3.63 billion at June 30, 2019, with most of the decline attributable to the sale of community bank loan balances during the second quarter of fiscal 2020 along with a decrease in the consumer finance portfolio, partially offset by growth in the commercial finance portfolio.

At June 30, 2020, commercial finance loans, which comprised 62% of the Company's gross loan and lease portfolio, totaled $2.16 billion, reflecting growth of $132.6 million, or 7%, from March 31, 2020. SBA/USDA loans at June 30, 2020 increased by $216.6 million compared to March 31, 2020, with $215.5 million of the sequential increase related to PPP loans. Warehouse finance loans totaled $277.6 million at June 30, 2020, a 17% decrease from March 31, 2020.

Community bank loans totaled $799.4 million as of June 30, 2020, as compared to $896.2 million at March 31, 2020 and $1.20 billion at June 30, 2019. As of June 30, 2020, the Company had $48.1 million of community bank loans classified as held for sale and expects to sell those loans during the fourth quarter of fiscal 2020.

Asset Quality

The Company’s allowance for loan and lease losses was $65.7 million at June 30, 2020, compared to $43.5 million at June 30, 2019, driven primarily by increases in the allowance of $17.1 million in commercial finance and $12.0 million in the community banking portfolio, partially offset by decreases in the tax services and consumer lending portfolios of $4.0 million and $2.9 million, respectively.

The following table presents the Company's allowance for loan and lease losses as a percentage of its total loans and leases.

	As of the Period Ended		
(Unaudited)	June 30, 2020	March 31, 2020	June 30, 2019
Commercial finance	1.36 %	1.28 %	0.67 %
Consumer finance	1.75 %	1.74 %	2.22 %
Tax services	59.67 %	22.22 %	63.19 %
Warehouse finance	0.10 %	0.10 %	0.10 %
National Lending	1.68 %	1.92 %	1.44 %
Community Bank	2.55 %	1.49 %	0.70 %
Total loans and leases	1.88 %	1.81 %	1.20 %

The Company continued to assess each of its loan and lease portfolios during the fiscal third quarter and increased its allowance for loan and lease losses as a percentage of total loans and leases in the community bank and commercial finance portfolios primarily as a result of the on-going COVID-19 pandemic. Tax services coverage rates were driven by typical seasonal activity and have not been materially impacted by COVID-19 as the tax-lending season is now complete. Warehouse finance remained largely unchanged due to the structure of the credit protections in place. The Company expects to continue to diligently monitor the allowance for loan and lease losses and adjust as necessary in future periods to maintain an appropriate and supportable level. When adding the $3.4 million balance of the credit mark to the allowance for loan and lease losses, the commercial finance coverage ratio increases to 1.52% and the total loans and leases coverage ratio increases to 1.98%, as of June 30, 2020. Within commercial finance, the coverage ratio on Crestmark division loans and leases was 1.52% at June 30, 2020, as compared to 1.41% at March 31, 2020 and 0.77% at June 30, 2019, and the coverage ratio on the insurance premium finance portfolio over those same periods were 0.66%, 0.64%, and 0.28%, respectively.

Activity in the allowance for loan and lease losses for the periods presented were as follows.

(Unaudited)	Three Months Ended			Nine Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
(Dollars in thousands)					
Beginning balance	$ 65,355	$ 30,176	$ 48,672	$ 29,149	$ 13,040
Provision - tax services loans	(100)	19,596	914	20,407	24,883
Provision - all other loans and leases	15,193	17,700	8,198	35,390	26,646
Charge-offs - tax services loans	(9,797)	—	(9,627)	(9,797)	(9,670)
Charge-offs - all other loans and leases	(5,808)	(3,187)	(5,124)	(12,912)	(14,407)
Recoveries - tax services loans	15	74	36	827	212
Recoveries - all other loans and leases	889	996	436	2,684	2,801
Ending balance	$ 65,747	$ 65,355	$ 43,505	$ 65,747	$ 43,505

Provision for loan and lease losses was $15.1 million for the quarter ended June 30, 2020, compared to $9.1 million for the comparable period in the prior fiscal year. The increase in provision was primarily within the remaining community banking and commercial finance portfolios, partially offset by decreases in the consumer finance and tax services portfolios. Provision increases in the community banking and commercial finance portfolios was primarily attributable to the increased stress that the hospitality loans and its small ticket equipment finance relationships have experienced stemming from the ongoing economic uncertainty related to the COVID-19 pandemic. Loans and leases that received short-term payment deferrals were also analyzed and additional provision was applied as appropriate. Management believes that given the structure of the credit protections put in place for the consumer and warehouse finance lending lines, the coverage ratio for those loan portfolios was adequate as of June 30, 2020. Net charge-offs were $14.7 million for the quarter ended June 30, 2020 compared to $14.3 million for the quarter ended June 30, 2019. Total net charge-offs for the quarter ended June 30, 2020 consisted primarily of seasonal net charge-offs of $9.8 million in the tax services loan portfolio. The overall increase in total net charge-offs from the comparable quarter of the prior fiscal year was primarily within the commercial finance portfolio, offset partially by a decrease in the consumer finance portfolio.

The Company's past due loans and leases were as follows for the periods presented.

As of June 30, 2020	Accruing and Nonaccruing Loans and Leases						Nonperforming Loans and Leases		
(Dollars in Thousands)	30-59 Days Past Due	60-89 Days Past Due	> 89 Days Past Due	Total Past Due	Current	Total Loans and Leases Receivable	> 89 Days Past Due and Accruing	Non-accrual balance	Total
Commercial finance	$ 13,865	$ 16,005	$ 27,150	$ 57,020	$ 2,101,885	$ 2,158,905	$ 8,635	$ 22,285	$ 30,920
Consumer finance	650	623	909	2,182	239,403	241,585	909	—	909
Tax services	—	19,168	—	19,168	—	19,168	—	—	—
Warehouse finance	—	—	—	—	277,614	277,614	—	—	—
Total National Lending	14,515	35,796	28,059	78,370	2,618,902	2,697,272	9,544	22,285	31,829
Total Community Banking	4,910	625	6,885	12,420	787,017	799,437	4,995	2,470	7,465
Total loans and leases held for investment	$ 19,425	$ 36,421	$ 34,944	$ 90,790	$ 3,405,919	$ 3,496,709	$ 14,539	$ 24,755	$ 39,294

As of March 31, 2020	Accruing and Nonaccruing Loans and Leases						Nonperforming Loans and Leases		
(Dollars in Thousands)	30-59 Days Past Due	60-89 Days Past Due	> 89 Days Past Due	Total Past Due	Current	Total Loans and Leases Receivable	> 89 Days Past Due and Accruing	Non-accrual balance	Total
Commercial finance	$ 35,810	$ 7,487	$ 18,721	$ 62,018	$ 1,964,329	$ 2,026,347	$ 9,372	$ 16,024	$ 25,396
Consumer finance	1,781	1,078	1,345	4,204	254,235	258,439	1,345	—	1,345
Tax services	668	—	—	668	95,268	95,936	—	—	—
Warehouse finance	—	—	—	—	333,829	333,829	—	—	—
Total National Lending	38,259	8,565	20,066	66,890	2,647,661	2,714,551	10,717	16,024	26,741
Total Community Banking	1,012	2,735	4,723	8,470	887,764	896,234	2,905	1,818	4,723
Total loans and leases held for investment	$ 39,271	$ 11,300	$ 24,789	$ 75,360	$ 3,535,425	$ 3,610,785	$ 13,622	$ 17,842	$ 31,464

The Company's nonperforming assets at June 30, 2020, were $56.1 million, representing 0.64% of total assets, compared to $39.4 million, or 0.67% of total assets at March 31, 2020 and $51.0 million, or 0.84% of total assets at June 30, 2019. The increase in nonperforming assets on a linked quarter basis was primarily driven by an increase in commercial finance and community banking nonperforming loans and leases, as well as an increase in nonperforming operating leases. The year-over-year increase in nonperforming assets was primarily driven by an increase in commercial finance nonperforming loans and leases and an increase in nonperforming operating leases, mostly offset by a reduction in foreclosed and repossessed assets. The decrease in nonperforming assets as a percentage of total assets was primarily due to higher period-end assets at June 30, 2020 related to excess cash held at the Federal Reserve stemming from the additional EIP deposit balances.

The Company's nonperforming loans and leases at June 30, 2020, were $39.3 million, representing 1.10% of total gross loans and leases, compared to $31.5 million, or 0.87% of total gross loans and leases at March 31, 2020 and $20.8 million, or 0.57% of total gross loans and leases at June 30, 2019.

Deposits, Borrowings and Other Liabilities

Total average deposits for the fiscal 2020 third quarter increased by $2.61 billion to $7.22 billion compared to the same period in fiscal 2019, primarily due to the effects of the EIP program. Average noninterest-bearing deposits increased $3.35 billion, or 123%, for the fiscal 2020 third quarter when compared to the same period in fiscal 2019, while average wholesale deposits decreased $704.2 million, or 46%. Average deposits from the payments divisions increased 131% to $6.32 billion for the fiscal 2020 third quarter when compared to the same period in fiscal 2019. Excluding the balances on the EIP cards, average payments deposits for the fiscal 2020 third quarter were $3.99 billion, representing an increase of 46% compared to the same period of the prior year, which was largely driven by various stimulus payments loaded on partner cards along with lower levels of consumer spending.

The average balance of total deposits and interest-bearing liabilities was $7.49 billion for the three-month period ended June 30, 2020, compared to $5.14 billion for the same period in the prior fiscal year, representing an increase of 46%.

Total end-of-period deposits increased 59% to $7.59 billion at June 30, 2020, compared to $4.78 billion at June 30, 2019. The increase in end-of-period deposits was primarily driven by an increase in noninterest bearing deposits of $4.18 billion, of which $2.68 billion was attributable to the balances on the EIP cards. The increase in total end-of-period deposits was partially offset by a decrease of $884.2 million in wholesale deposits, as well as the sale of $290.5 million of community bank deposits during the second quarter of fiscal 2020.

Regulatory Capital

The Company and MetaBank, remained above the federal regulatory minimum capital requirements at June 30, 2020 and continued to be classified as well-capitalized institutions. Regulatory capital ratios of the Company and the Bank are stated in the table below.

The tables below include certain non-GAAP financial measures that are used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies. Management reviews these measures along with other measures of capital as part of its financial analysis.

As of the dates indicated	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Company					
Tier 1 leverage capital ratio	5.91 %	7.28 %	8.28 %	8.33 %	8.05 %
Common equity Tier 1 capital ratio	11.51 %	10.27 %	10.10 %	10.35 %	10.19 %
Tier 1 capital ratio	11.90 %	10.63 %	10.46 %	10.71 %	10.55 %
Total capital ratio	14.99 %	13.61 %	12.74 %	13.01 %	13.22 %
MetaBank					
Tier 1 leverage capital ratio	6.89 %	8.52 %	9.70 %	9.65 %	9.37 %
Common equity Tier 1 capital ratio	13.82 %	12.39 %	12.18 %	12.31 %	12.22 %
Tier 1 capital ratio	13.86 %	12.44 %	12.24 %	12.37 %	12.27 %
Total capital ratio	15.12 %	13.69 %	12.90 %	13.02 %	13.26 %

The following table provides the non-GAAP financial measures used to compute certain of the ratios included in the table above, as well as a reconciliation of such non-GAAP financial measures to the most directly comparable financial measure in accordance with GAAP:

Standardized Approach[1]	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
(Dollars in Thousands)					
Total stockholders' equity	$ 829,909	$ 805,074	$ 837,068	$ 843,958	$ 822,901
Adjustments:					
LESS: Goodwill, net of associated deferred tax liabilities	302,814	303,625	304,020	304,020	302,850
LESS: Certain other intangible assets	42,865	44,909	47,855	50,501	53,249
LESS: Net deferred tax assets from operating loss and tax credit carry-forwards	10,360	11,589	16,876	15,569	13,858
LESS: Net unrealized gains (losses) on available-for-sale securities	8,382	2,337	3,897	6,458	2,329
LESS: Non-controlling interest	3,787	3,762	4,305	4,047	3,508
Common Equity Tier 1[1]	461,701	438,852	460,115	463,363	447,107
Long-term borrowings and other instruments qualifying as Tier 1	13,661	13,661	13,661	13,661	13,661
Tier 1 minority interest not included in common equity tier 1 capital	1,894	2,036	2,372	2,350	2,119
Total Tier 1 Capital	477,256	454,549	476,148	479,374	462,887
Allowance for loan and lease losses	50,338	53,580	30,239	29,272	43,641
Subordinated debentures (net of issuance costs)	73,765	73,724	73,684	73,644	73,605
Total qualifying capital	$ 601,359	$ 581,853	$ 580,071	$ 582,290	$ 580,133

[1] Capital ratios were determined using the Basel III capital rules that became effective on January 1, 2015. Basel III revised the definition of capital, increased minimum capital ratios, and introduced a minimum CET1 ratio; those changes are being fully phased in through the end of 2021.

The following table provides a reconciliation of tangible common equity and tangible common equity excluding accumulated other comprehensive income ("AOCI"), each of which is used in calculating tangible book value data, to Total Stockholders' Equity. Each of tangible common equity and tangible common equity excluding AOCI is a non-GAAP financial measure that is commonly used within the banking industry.

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
(Dollars in Thousands)					
Total Stockholders' Equity	$ 829,909	$ 805,074	$ 837,068	$ 843,958	$ 822,901
Less: Goodwill	309,505	309,505	309,505	309,505	307,941
Less: Intangible assets	43,974	46,766	50,151	52,810	56,153
Tangible common equity	476,430	448,803	477,412	481,643	458,807
Less: Accumulated other comprehensive income (loss) ("AOCI")	7,995	1,654	3,895	6,339	2,308
Tangible common equity excluding AOCI	$ 468,435	$ 447,149	$ 473,517	$ 475,304	$ 456,499

Conference Call

The Company will host a conference call and earnings webcast at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) on Wednesday, July 22, 2020. The live webcast of the call can be accessed from Meta's Investor Relations website at www.metafinancialgroup.com. Telephone participants may access the live conference call by dialing (844) 461-9934 beginning approximately 10 minutes prior to start time. Please ask to join the Meta Financial conference call, and provide conference ID 8468707 upon request. International callers should dial (636) 812-6634. A webcast replay will also be archived at www.metafinancialgroup.com for one year.

Forward-Looking Statements

The Company and MetaBank, N.A. ("MetaBank") may from time to time make written or oral “forward-looking statements,” including statements contained in this press release, the Company’s filings with the SEC, the Company’s reports to stockholders, and in other communications by the Company and MetaBank, which are made in good faith by the Company pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995.

You can identify forward-looking statements by words such as “may,” “hope,” “will,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” “continue,” “could,” “future,” or the negative of those terms, or other words of similar meaning or similar expressions. You should carefully read statements that contain these words because they discuss our future expectations or state other “forward-looking” information. These forward-looking statements are based on information currently available to us and assumptions about future events, and include statements with respect to the Company’s beliefs, expectations, estimates, and intentions, which are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond the Company’s control. Such risks, uncertainties and other factors may cause our actual growth, results of operations, financial condition, cash flows, performance and business prospects and opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Such statements address, among others, the following subjects: future operating results; expectations in connection with the impact of the ongoing COVID-19 pandemic and related government actions on our business, our industry and the capital markets; customer retention; loan and other product demand; expectations concerning the acquisitions and divestitures; new products and services, including those offered by Meta Payment Systems, Refund Advantage, EPS Financial and Specialty Consumer Services divisions; credit quality and adequacy of reserves; technology; and the Company's employees. The following factors, among others, could cause the Company's financial performance and results of operations to differ materially from the expectations, estimates, and intentions expressed in such forward-looking statements: maintaining our executive management team; expected growth opportunities may not be realized or may take longer to realize than expected; the potential adverse effects of the ongoing COVID-19 pandemic and any governmental or societal responses thereto, or other unusual and infrequently occurring events; actual changes in interest rates and the Fed Funds rate; additional changes in tax laws; the strength of the United States' economy, in general, and the strength of the local economies in which the Company conducts operations; changes in, trade, monetary, and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System (the “Federal Reserve”); inflation, market, and monetary fluctuations; the timely and efficient development of, and acceptance of, new products and services offered by the Company or its strategic partners, as well as risks (including reputational and litigation) attendant thereto, and the perceived overall value of these products and services by users; the Company's ability to finalize a definitive program management agreement with H&R Block and the terms thereof; the risks of dealing with or utilizing third parties, including, in connection with the Company’s refund advance business, the risk of reduced volume of refund advance loans as a result of reduced customer demand for or usage of Meta’s strategic partners’ refund advance products; our relationship with, and any actions which may be initiated by, our regulators; the impact of changes in financial services laws and regulations, including, but not limited to, laws and regulations relating to the tax refund industry and the insurance premium finance industry and recent and potential changes in response to the COVID-19 pandemic such as the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and the rules and regulations that may be promulgated thereunder; technological changes, including, but not limited to, the protection of our electronic systems and information; the impact of acquisitions and divestitures; litigation risk; the growth of the Company’s business, as well as expenses related thereto; continued maintenance by MetaBank of its status as a well-capitalized institution, particularly in light of our deposit base, a portion of which has been characterized as “brokered;” changes in consumer spending and saving habits; and the success of the Company at maintaining its high quality asset level and managing and collecting assets of borrowers in default should problem assets increase.

The foregoing list of factors is not exclusive. We caution you not to place undue reliance on these forward-looking statements. The forward-looking statements included in this press release speak only as of the date hereof. Additional discussions of factors affecting the Company’s business and prospects are reflected under the caption “Risk Factors” and in other sections of the Company’s Annual Report on Form 10-K for the Company’s fiscal year ended September 30, 2019, and in other filings made with the SEC. The Company expressly disclaims any intent or obligation to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Company or its subsidiaries, whether as a result of new information, changed circumstances, or future events or for any other reason.

Condensed Consolidated Statements of Financial Condition (Unaudited)

(Dollars in Thousands, Except Share Data)

ASSETS	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Cash and cash equivalents	$ 3,108,141	$ 108,733	$ 152,189	$ 126,545	$ 100,732
Investment securities available for sale, at fair value	825,579	840,525	852,603	889,947	961,897
Mortgage-backed securities available for sale, at fair value	338,250	355,094	362,120	382,546	395,201
Investment securities held to maturity, at cost	98,205	108,105	116,313	127,582	138,128
Mortgage-backed securities held to maturity, at cost	6,382	6,752	6,804	7,182	7,414
Loans held for sale	79,905	13,610	264,266	148,777	62,839
Loans and leases	3,502,646	3,618,924	3,590,474	3,658,847	3,631,031
Allowance for loan and lease losses	(65,747)	(65,355)	(30,176)	(29,149)	(43,505)
Federal Reserve Bank and Federal Home Loan Bank stocks, at cost	31,836	29,944	13,796	30,916	17,236
Accrued interest receivable	17,545	16,958	18,687	20,400	19,722
Premises, furniture, and equipment, net	40,361	38,871	38,671	45,932	46,360
Rental equipment, net	216,336	200,837	211,673	208,537	184,732
Bank-owned life insurance	91,697	91,081	90,458	89,827	89,193
Foreclosed real estate and repossessed assets	6,784	7,249	1,328	29,494	29,514
Goodwill	309,505	309,505	309,505	309,505	307,941
Intangible assets	43,974	46,766	50,151	52,810	56,153
Prepaid assets	6,806	9,727	14,813	9,476	22,023
Deferred taxes	15,944	20,887	19,752	18,884	21,630
Other assets	104,877	85,652	97,499	54,832	52,831
Total assets	$ 8,779,026	$ 5,843,865	$ 6,180,926	6,182,890	$ 6,101,072
LIABILITIES AND STOCKHOLDERS' EQUITY					
LIABILITIES					
Deposits held for sale	$ —	$ —	$ 288,975	$ —	$ —
Deposits:					
Noninterest-bearing checking	6,537,809	2,900,484	2,927,967	2,358,010	2,751,931
Interest-bearing checking	187,003	152,504	67,642	185,768	157,802
Savings deposits	55,896	37,615	17,436	49,773	52,179
Money market deposits	40,811	37,266	42,286	76,911	68,604
Time certificates of deposit	25,000	25,492	23,454	109,275	116,698
Wholesale deposits	743,806	809,043	1,438,820	1,557,268	1,628,000
Total deposits	7,590,325	3,962,404	4,517,605	4,337,005	4,775,214
Short-term borrowings	—	717,000	194,000	646,019	146,613
Long-term borrowings	209,781	211,353	213,070	215,838	209,765
Accrued interest payable	4,332	3,607	6,620	9,414	12,350
Accrued expenses and other liabilities	144,679	144,427	123,588	130,656	134,229
Total liabilities	7,949,117	5,038,791	5,343,858	5,338,932	5,278,171
STOCKHOLDERS' EQUITY					
Preferred stock	—	—	—	—	—
Common stock, $.01 par value	346	346	372	378	379
Common stock, Nonvoting, $.01 par value	—	—	—	—	—
Additional paid-in capital	592,693	590,682	587,678	580,826	578,715
Retained earnings	228,500	212,027	244,005	252,813	238,004
Accumulated other comprehensive income	7,995	1,654	3,895	6,339	2,308
Treasury stock, at cost	(3,412)	(3,397)	(3,187)	(445)	(13)
Total equity attributable to parent	826,122	801,312	832,763	839,911	819,393
Noncontrolling interest	3,787	3,762	4,305	4,047	3,508
Total stockholders' equity	829,909	805,074	837,068	843,958	822,901
Total liabilities and stockholders' equity	$ 8,779,026	$ 5,843,865	$ 6,180,926	$ 6,182,890	$ 6,101,072

Consolidated Statements of Operations (Unaudited)
(Dollars in Thousands, Except Share and Per Share Data)

	Three Months Ended			Nine Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Interest and dividend income:					
Loans and leases, including fees	$ 59,911	$ 70,493	$ 69,732	$ 199,107	$ 203,900
Mortgage-backed securities	2,269	2,493	3,063	7,151	8,622
Other investments	5,226	6,417	8,837	18,176	32,380
	67,406	79,403	81,632	224,434	244,902
Interest expense:					
Deposits	3,130	8,242	10,395	20,712	35,731
FHLB advances and other borrowings	2,139	3,424	4,269	9,197	10,581
	5,269	11,666	14,664	29,909	46,312
Net interest income	62,137	67,737	66,968	194,525	198,590
Provision for loan for lease losses	15,093	37,296	9,112	55,796	51,529
Net interest income after provision for loan and lease losses	47,044	30,441	57,856	138,729	147,061
Noninterest income:					
Refund transfer product fees	4,595	28,939	6,697	33,726	38,559
Tax advance product fees	28	29,536	34	31,840	34,757
Payments card and deposit fees	21,302	23,156	21,377	65,957	66,855
Other bank and deposit fees	214	381	495	1,083	1,449
Rental income	11,231	11,100	9,386	34,682	30,167
Gain on sale of securities available-for-sale, net	—	—	440	—	649
Gain on divestitures	—	19,275	—	19,275	—
Gain (loss) on sale of other	1,214	2,325	2,620	969	6,117
Other income	2,464	5,801	2,741	11,512	8,012
Total noninterest income	41,048	120,513	43,790	199,044	186,565
Noninterest expense:					
Compensation and benefits	32,102	34,260	35,176	100,631	117,350
Refund transfer product expense	(139)	7,449	287	7,482	7,478
Tax advance product expense	(11)	1,698	425	2,820	3,101
Card processing	7,128	6,696	4,613	19,432	18,670
Occupancy and equipment expense	6,502	7,013	7,136	20,169	20,806
Operating lease equipment depreciation	8,536	8,421	6,029	25,237	18,280
Legal and consulting	4,660	5,909	4,065	15,242	12,341
Intangible amortization	2,636	3,402	4,374	8,714	14,352
Impairment expense	—	507	—	750	9,660
Other expense	9,827	16,374	10,363	38,291	34,978
Total noninterest expense	71,241	91,729	72,468	238,768	257,016
Income before income tax expense	16,851	59,225	29,178	99,005	76,610
Income tax expense (benefit)	(2,426)	5,617	(1,158)	3,870	(3,244)
Net income before noncontrolling interest	19,277	53,608	30,336	95,135	79,854
Net income attributable to noncontrolling interest	1,087	1,304	1,045	3,573	3,045
Net income attributable to parent	$ 18,190	$ 52,304	$ 29,291	$ 91,562	$ 76,809
Earnings per common share					
Basic	$ 0.53	$ 1.45	$ 0.75	$ 2.54	$ 1.96
Diluted	$ 0.53	$ 1.45	$ 0.75	$ 2.54	$ 1.95
Shares used in computing earnings per share					
Basic	34,616,038	35,948,799	38,903,266	36,004,877	39,220,793
Diluted	34,623,114	35,970,296	38,977,690	36,016,037	39,289,011

Average Balances, Interest Rates and Yields

The following table presents, for the periods indicated, the total dollar amount of interest income from average interest-earning assets and the resulting yields, as well as the interest expense on average interest-bearing liabilities, expressed both in dollars and in rates. Only the yield/rate reflects tax-equivalent adjustments. Non-accruing loans and leases have been included in the table as loans carrying a zero yield.

Three Months Ended June 30,	2020			2019		
(Dollars in Thousands)	Average Outstanding Balance	Interest Earned / Paid	Yield / Rate[1]	Average Outstanding Balance	Interest Earned / Paid	Yield / Rate[1]
Interest-earning assets:						
Cash and fed funds sold	$ 2,692,270	$ 783	0.12 %	$ 80,100	$ 521	2.61 %
Mortgage-backed securities	342,174	2,269	2.67 %	421,725	3,063	2.91 %
Tax exempt investment securities	417,042	1,658	2.02 %	690,732	4,058	2.98 %
Asset-backed securities	336,562	1,770	2.11 %	307,581	2,701	3.52 %
Other investment securities	197,643	1,014	2.06 %	199,681	1,557	3.13 %
Total investments	1,293,420	6,711	2.22 %	1,619,719	11,379	3.09 %
Commercial finance loans and leases	2,160,175	40,375	7.52 %	1,775,905	44,332	10.01 %
Consumer finance loans	247,824	4,635	7.52 %	364,633	8,178	9.00 %
Tax services loans	39,845	—	— %	45,142	—	— %
Warehouse finance loans	304,839	4,582	6.05 %	223,546	3,491	6.26 %
National lending loans and leases	2,752,683	49,592	7.25 %	2,409,226	56,001	9.32 %
Community banking loans	870,245	10,319	4.77 %	1,189,912	13,731	4.63 %
Total loans and leases	3,622,928	59,911	6.65 %	3,599,138	69,732	7.77 %
Total interest-earning assets	**$ 7,608,618**	**$ 67,406**	**3.59 %**	**$ 5,298,957**	**$ 81,632**	**6.26 %**
Non-interest-earning assets	830,589			820,474		
Total assets	**$ 8,439,206**			**$ 6,119,431**		
Interest-bearing liabilities:						
Interest-bearing checking[2]	$ 226,382	$ —	— %	$ 137,950	$ 85	0.25 %
Savings	55,572	1	0.01 %	54,247	9	0.07 %
Money markets	40,091	33	0.33 %	58,782	107	0.73 %
Time deposits	25,392	113	1.78 %	128,165	633	1.98 %
Wholesale deposits	817,414	2,983	1.47 %	1,521,594	9,561	2.52 %
Total interest-bearing deposits	1,164,852	3,130	1.08 %	1,900,738	10,395	2.19 %
Overnight fed funds purchased	59,055	48	0.33 %	363,857	2,368	2.61 %
FHLB advances	110,000	670	2.45 %	54,341	324	2.39 %
Subordinated debentures	73,738	1,153	6.29 %	73,583	1,163	6.34 %
Other borrowings	27,032	268	3.98 %	40,653	414	4.08 %
Total borrowings	269,825	2,139	3.19 %	532,434	4,269	3.22 %
Total interest-bearing liabilities	**1,434,677**	**5,269**	**1.48 %**	**2,443,172**	**14,664**	**2.42 %**
Noninterest-bearing deposits	6,057,314	—	— %	2,710,288	—	— %
Total deposits and interest-bearing liabilities	**$ 7,491,991**	**$ 5,269**	**0.28 %**	**$ 5,143,460**	**$ 14,664**	**1.14 %**
Other noninterest-bearing liabilities	122,940			149,207		
Total liabilities	**7,614,931**			**5,292,667**		
Shareholders' equity	824,276			826,764		
Total liabilities and shareholders' equity	**$ 8,439,206**			**$ 6,119,431**		
Net interest income and net interest rate spread including noninterest-bearing deposits		**$ 62,137**	**3.30 %**		**$ 66,968**	**5.12 %**
Net interest margin			**3.28 %**			**5.07 %**
Tax-equivalent effect			**0.02 %**			**0.08 %**
Net interest margin, tax-equivalent[3]			**3.31 %**			**5.15 %**

(1) Tax rate used to arrive at the TEY for the three months ended June 30, 2020 and 2019 was 21%.
(2) Of the total balance, $226.1 million are interest-bearing deposits where interest expense is paid by a third party and not by the Company.
(3) Net interest margin expressed on a fully-taxable-equivalent basis ("net interest margin, tax-equivalent") is a non-GAAP financial measure. The tax-equivalent adjustment to net interest income recognizes the estimated income tax savings when comparing taxable and tax-exempt assets and adjusting for federal and state exemption of interest income. The Company believes that it is a standard practice in the banking industry to present net interest margin expressed on a fully taxable equivalent basis and, accordingly, believes the presentation of this non-GAAP financial measure may be useful for peer comparison purposes.

Selected Financial Information

As of and For the Three Months Ended	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Equity to total assets	9.45 %	13.78 %	13.54 %	13.65 %	13.49 %
Book value per common share outstanding	$ 23.96	$ 23.26	$ 22.52	$ 22.32	$ 21.72
Tangible book value per common share outstanding	$ 13.76	$ 12.97	$ 12.84	$ 12.74	$ 12.11
Tangible book value per common share outstanding excluding AOCI	$ 13.53	$ 12.92	$ 12.74	$ 12.57	$ 12.05
Common shares outstanding	34,631,160	34,607,962	37,172,081	37,807,064	37,878,205
Non-performing assets to total assets	0.64 %	0.67 %	0.48 %	0.91 %	0.84 %
Non-performing loans and leases to total loans and leases	1.10 %	0.87 %	0.62 %	0.70 %	0.57 %
Net interest margin	3.28 %	4.78 %	4.94 %	4.95 %	5.07 %
Net interest margin, tax-equivalent	3.31 %	4.82 %	4.99 %	5.00 %	5.15 %
Return on average assets	0.86 %	3.16 %	1.38 %	1.32 %	1.91 %
Return on average equity	8.83 %	25.15 %	10.04 %	9.69 %	14.17 %
Full-time equivalent employees	999	992	1,088	1,186	1,218

Quarterly Amortization of Intangibles Expense

(Dollars in Thousands)	Actual	Anticipated							
For the Three Months Ended	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022
Amortization of intangibles(1)	$ 2,636	$ 2,265	$ 2,013	$ 2,757	$ 2,013	$ 1,761	$ 1,488	$ 2,170	$ 1,176

(1) These amounts are based upon the current reporting period's intangible assets only. This table makes no assumption for expenses related to future acquired intangible assets.

About Meta Financial Group®

Meta Financial Group, Inc.® (Nasdaq: CASH) is a South Dakota-based financial holding company. Meta Financial Group's banking subsidiary, MetaBank®, N.A., ("Meta"), is a leader in providing innovative financial solutions to consumers and businesses in under-served niche markets and believes in financial inclusion for all. Meta's commercial lending division works with high-value niche industries, rapid-growth companies and technology adopters to grow their businesses and build more profitable customer relationships nationwide. Meta is one of the largest issuers of prepaid cards in the U.S., having issued more than a billion cards in partnership with banks, program managers, payments providers and other businesses, and offers a total payments services solution that includes ACH origination, wire transfers, and more. For more information, visit the Meta Financial Group website.

Investor Relations Contact:

Brittany Kelley Elsasser

Director of Investor Relations

605-362-2423

bkelley@metabank.com

Media Relations:

mediarelations@metabank.com

Quarterly Investor Update

Third Quarter Fiscal Year 2020

Meta Financial Group®

Forward-Looking Statements

This investor update contains "forward-looking statements" which are made in good faith by the Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by words such as "may," "hope," "will," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential," "continue," "could," "future," or the negative of those terms, or other words of similar meaning or similar expressions.

These forward-looking statements are based on information currently available to us and assumptions about future events, and include statements with respect to the Company's beliefs, expectations, estimates, and intentions, which are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond the Company's control. Factors that could cause the Company's financial performance and results of operations to differ materially from the expectations, estimates, and intentions expressed in such forward-looking statements include, among others: maintaining our executive management team; expected growth opportunities may not be realized or may take longer to realize than expected; the potential adverse effects of the ongoing COVID-19 pandemic and any governmental or societal responses thereto, or other unusual and infrequently occurring events; actual changes in interest rates and the Fed Funds rate; additional changes in tax laws; the strength of the United States' economy, in general, and the strength of the local economies in which the Company conducts operations; changes in, trade, monetary, and fiscal policies and laws, including interest rate policies of the Federal Reserve); inflation, market, and monetary fluctuations; the timely and efficient development of, and acceptance of, new products and services offered by the Company or its strategic partners, as well as risks (including reputational and litigation) attendant thereto, and the perceived overall value of these products and services by users; the Company's ability to finalize a definitive program management agreement with H&R Block and the terms thereof; the risks of dealing with or utilizing third parties, including, in connection with the Company's refund advance business, the risk of reduced volume of refund advance loans as a result of reduced customer demand for or usage of the Company's strategic partners' refund advance products; our relationship with, and any actions which may be initiated by, our regulators; the impact of changes in financial services laws and regulations, including, but not limited to, laws and regulations relating to the tax refund industry and the insurance premium finance industry and recent and potential changes in response to the COVID-19 pandemic such as the CARES Act and the rules and regulations that may be promulgated thereunder; technological changes, including, but not limited to, the protection of our electronic systems and information; the impact of acquisitions and divestitures; litigation risk; the growth of the Company's business, as well as expenses related thereto; continued maintenance by MetaBank of its status as a well-capitalized institution, particularly in light of our growing deposit base, a portion of which has been characterized as "brokered;" changes in consumer spending and saving habits; the success of the Company at maintaining its high quality asset level and managing and collecting assets of borrowers in default should problem assets increase; and the other factors described under the caption "Risk Factors" and in other sections of the Company's Annual Report on Form 10-K for the Company's fiscal year ended September 30, 2019 and in other filings made by the Company with the Securities and Exchange Commission ("SEC").

The forward-looking statements included herein speak only as of the date of this investor update. The Company expressly disclaims any intent or obligation to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Company or its subsidiaries, whether as a result of new information, changed circumstances or future events or for any other reason.

Business Developments

Third Quarter Ended June 30, 2020

- **Signed letter of intent with Emerald Financial Services, LLC, a wholly owned indirect subsidiary of H&R Block, to enter into a multi-year program management agreement to offer certain financial products to H&R Block clients.**
- **Renewed and extended relationship with Blackhawk Network for 20 years.**
- **Promoted Brett Pharr to Co-President and Chief Operating Officer of MetaBank to better align business lines with Meta's strategic initiatives.**
- **Meta "CARES"**
  - Selected as the prepaid debit card issuer for Economic Impact Payments ("EIP Cards") as Treasury's financial agent.
    - Issued 3.6 million cards representing $6.42 billion in funding.
    - As of July 19, 2020, $2.08 billion in balances remained outstanding.
  - Through June 30, 2020, funded 686 loan requests totaling $215.5 million for the Paycheck Protection Program ("PPP").

Selected Financial Highlights

Third Quarter Ended June 30, 2020

INCOME STATEMENT

($ in thousands, except per share data)	3Q20	2Q20	3Q19
Net interest income	62,137	67,737	66,968
Provision for loan and lease losses	15,093	37,296	9,112
Payments card & deposit fees	21,302	23,156	21,377
Total noninterest income	41,048	120,513	43,790
Total noninterest expense	71,241	91,729	72,468
Net income before taxes	16,851	59,225	29,178
Income tax expense (benefit)	(2,426)	5,617	(1,158)
Net income before non-controlling interest	**19,277**	**53,608**	**30,336**
Net income attributable to non-controlling interest	1,087	1,304	1,045
Net income attributable to parent	**$ 18,190**	**$ 52,304**	**$ 29,291**
Earnings per share, diluted	**$ 0.53**	**$ 1.45**	**$ 0.75**
Average diluted shares	34,623,114	35,970,296	38,977,690

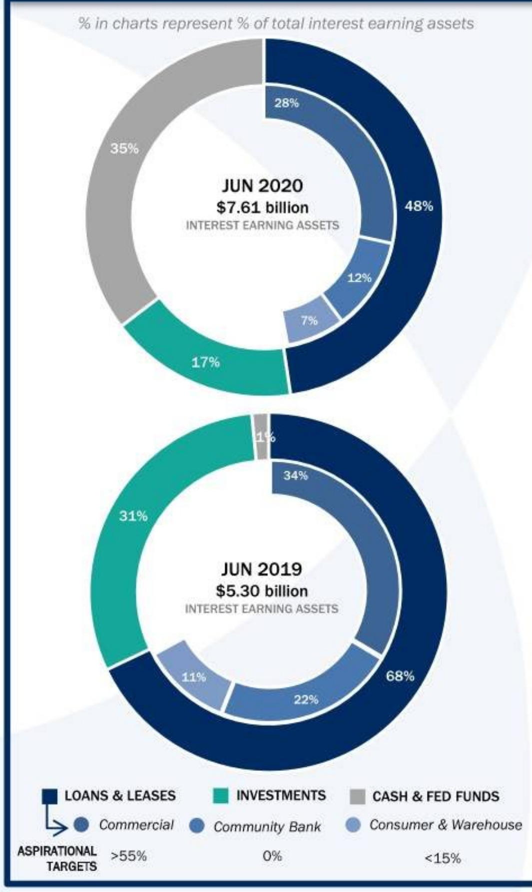
BALANCE SHEET

($ in thousands)	3Q20	2Q20	3Q19
Loans and leases	3,502,646	3,618,924	3,631,031
Allowance for loan and lease losses	(65,747)	(65,355)	(43,505)
Total assets	**$ 8,779,026**	**$ 5,843,865**	**$ 6,101,072**
Noninterest-bearing checking	6,537,809	2,900,484	2,751,931
Total deposits	7,590,325	3,962,404	4,775,214
Total liabilities	**7,949,117**	**5,038,791**	**5,278,171**
Total stockholders' equity	**829,909**	**805,074**	**822,901**
Total liabilities and stockholders equity	**$ 8,779,026**	**$ 5,843,865**	**$ 6,101,072**
Average loans and leases	**3,622,928**	**4,195,772**	**3,599,138**
Average assets	**8,439,206**	**6,610,899**	**6,119,431**
Average payments deposits	**6,317,514**	**3,309,899**	**2,733,711**

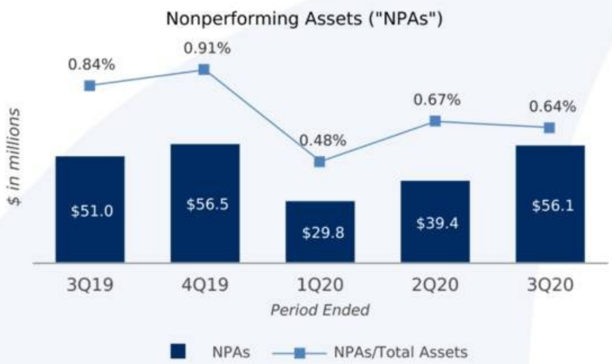
Diversified Earning Asset Portfolio

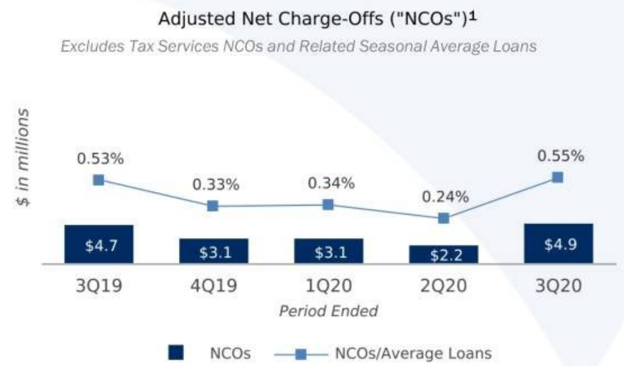
($ in thousands)	At the Quarter Ended June 30, 2020 3Q20	 June 30, 2019 3Q19	Y/Y Δ
COMMERCIAL FINANCE	**2,158,905**	**1,835,850**	**18 %**
Term lending	738,454	562,557	31 %
Asset-based lending	181,130	229,573	(21) %
Factoring	206,361	320,344	(36) %
Lease financing	264,988	165,136	60 %
Insurance premium finance	359,147	358,772	— %
SBA/USDA	308,611	99,791	209 %
Other commercial finance	100,214	99,677	1 %
CONSUMER FINANCE	**241,585**	**320,266**	**(25) %**
Consumer credit programs	102,808	155,539	(34) %
Other consumer finance	138,777	164,727	(16) %
TAX SERVICES	**19,168**	**24,410**	**(21) %**
WAREHOUSE FINANCE	**277,614**	**250,003**	**11 %**
NATIONAL LENDING	**2,697,272**	**2,430,529**	**11 %**
COMMUNITY BANKING	**799,437**	**1,195,434**	**(33) %**
TOTAL GROSS LOANS & LEASES	**$ 3,496,709**	**$ 3,625,963**	**(4) %**
CASH & INVESTMENTS	**$ 4,303,341**	**$ 1,552,379**	**177 %**
TOTAL EARNING ASSETS	**$ 7,800,050**	**$ 5,178,342**	**51 %**

QUARTERLY AVERAGE EARNING ASSET MIX



Asset Quality





Tax Services NCOs and related seasonal average loans are excluded to adjust for the cyclicality of activity related to the overall economics of the tax services business line.

Allowance for loan and lease losses ("ALLL") $65.7 million, or 1.88% of total loans and leases.

- *ALLL 167% of nonperforming loans*
- *Small ticket equipment finance ALLL coverage of 3.76%*

As of June 30, 2020, nonperforming loans increased $7.8 million, or 25%, to $39.3 million, on a linked-quarter basis, primarily related to:

- *Legacy community bank portfolio nonperforming loans increased 58% compared to March 31, 2020 – agricultural loans accounted for $2.1 million of the increase from the linked-quarter.*
- *Commercial finance portfolio nonperforming loans increased 22% compared to March 31, 2020 – small ticket equipment finance[3] accounted for $4.1 million of the increase from the linked-quarter.*

Cumulative net charge-offs during the Great Recession[2] were 2.59%, for Crestmark Bank and 0.01%, for the legacy community bank portfolio.

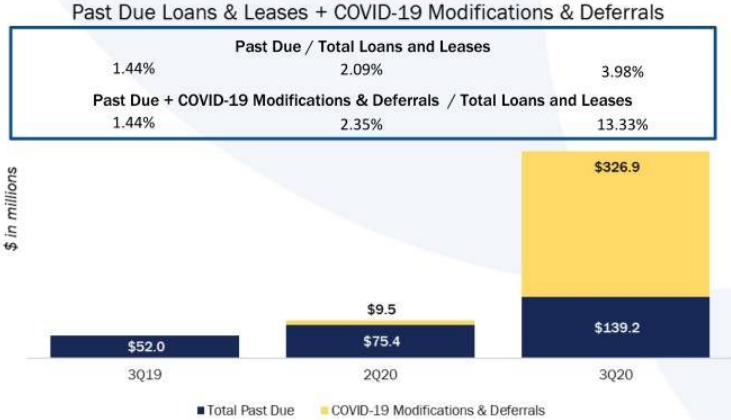
[1] *Non-GAAP measures, see appendix for reconciliations.*
[2] *Source: S&P Global Market Intelligence for data prior to acquisition on August 1, 2018.*
[3] *Small ticket equipment finance NPLs change from the March 2020 quarter include $4.2 million in term lending and ($175) thousand in lease financing.*

Asset Quality

Continue to Build Allowance

COVID-19 LOAN AND LEASE MODIFICATIONS AND DEFERRALS June 30, 2020	TOTAL MODIFICATIONS & DEFERRALS		ACTIVE MODIFICATIONS & DEFERRALS	
	COUNT	$ BALANCE	COUNT	$ BALANCE
COMMUNITY BANK	**59**	**$151.4**	**59**	**$151.4**
Hospitality relationships	*30*	*$86.5*	*30*	*$86.5*
COMMERCIAL FINANCE	**1,283**	**$237.6**	**1,198**	**$168.2**
Insurance premium finance	*76*	*$5.9*	*70*	*$5.5*
Small ticket equipment finance[1]	*773*	*$67.0*	*773*	*$67.0*
CONSUMER	**1,035**	**$16.1**	**303**	**$7.3**
TOTAL	**2,377**	**$405.0**	**1,560**	**$326.9**

Past Due Loans & Leases + COVID-19 Modifications & Deferrals



As of June 30, 2020, $292.2 million of outstanding balances had active short-term payment deferrals and $34.6 million of outstanding balances had other COVID-19 related modifications, representing 9% of total loans and leases.

Allowance build as a result of COVID-19 modifications and deferrals as well as economic uncertainty.

- *Monitoring and placing limits on originations to higher risk industries and customers.*
- *Tightened underwriting standards.*
- *Working with customers to assess credit situations and needs.*

[1] *Small ticket equipment finance includes balances of $60.5 million in term lending and $6.5 million in lease receivables.*

Commercial Finance & Community Bank Portfolios

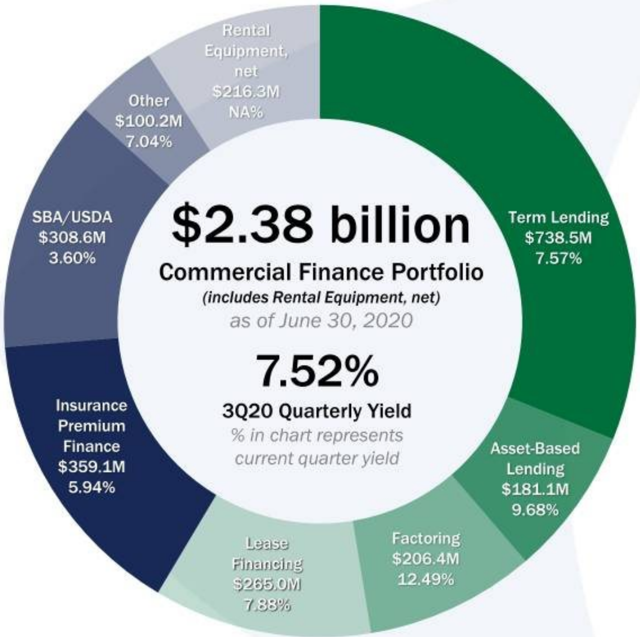
Limited Total Exposure to COVID-19 High Impact Industries

HIGH IMPACT INDUSTRY EXPOSURES				
($ in millions)	COMMUNITY BANK	COMMERCIAL FINANCE	TOTAL	% OF TOTAL[1]
HOSPITALITY	$169.0	$43.6	$212.6	5.7%
RETAIL *(excl. consumer staples[2])*	$56.0	$38.2	$94.2	2.5%
FITNESS AND RECREATIONAL CENTERS	$0.7	$21.7	$22.4	0.6%
THEATERS	$17.2	$0.9	$18.1	0.5%
RESTAURANTS	$1.0	$13.9	$14.9	0.4%
TOTAL	$243.9	$118.3	$362.2	9.8%

[1] *Total includes total gross loans & leases of $3.50 billion and rental equipment, net of $216.3M, as of June 30, 2020, exposures are based on current outstanding balances as of June 30, 2020*

[2] *Consumer staples incudes grocery, pharmacy, gas stations, and convenience stores*

Commercial Finance Loan and Lease Portfolio



Top geographic state concentrations[1] by %

1.	California	18.0%
2.	Texas	12.3%
3.	Florida	7.9%
4.	Michigan	7.4%
5.	New York	5.2%
6.	North Carolina	5.0%
7.	Illinois	3.3%
8.	Missouri	3.2%

TERM LENDING. Collateralized conventional term loans and notes receivable, weighted average life of 53 months. Exposure is concentrated in solar/alternative energy, most of which are construction projects that will convert to longer term government guaranteed facilities upon completion. Small ticket equipment financing relationships, through equipment finance agreements and installment purchase agreements, make up $217.3 million or 29% of term lending portfolio. *Average loan size approximately $180 thousand; small ticket equipment finance approximately $70 thousand*

ASSET-BASED LENDING. Asset-based loans secured by accounts receivable, inventory, machinery & equipment, work-in-process and other assets. Approximately 70% backed by accounts receivable, generally 85% advance rates. Exposure managed within a collateral borrowing base. Well diversified in terms of industry and geographic concentrations. *Average loan size approximately $1.35 million.*

FACTORING. Factoring services where clients provide detailed inventory, accounts receivable, and work-in-process reports for lending arrangements. Bank secures dominion of funds which secures repayment when applicable accounts receivables or invoices are paid. Approximately 95% backed by accounts receivable, generally 85% advance rates. *Average loan size approximately $225 thousand.*

LEASE FINANCING. Leasing solutions for technology, capital equipment and select transportation assets like tractors, trailers and construction equipment. Majority of portfolio relationships are to Fortune 1000 clients. *Average lease size approximately $130 thousand.*

INSURANCE PREMIUM FINANCE. Short-term, primarily collateralized financing to facilitate the purchase of commercial insurance for various forms of risk. Over 90% of insurance company partners have an investment grade rating through AM Best as well as an internal risk rating system. *Average loan size approximately $30 thousand.*

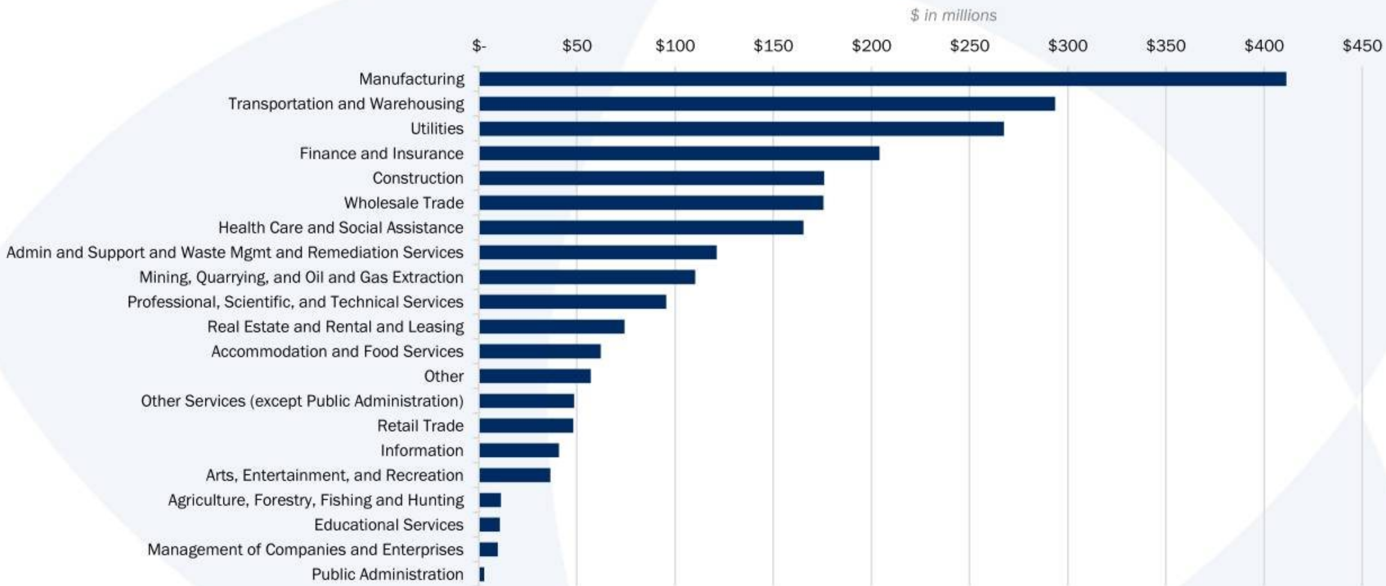
SBA/USDA. Originate loans through programs partially guaranteed by the SBA or USDA. Includes $215.5 million of PPP loans. *Average loan size approximately $450 thousand.*

OTHER COMMERCIAL FINANCE. Includes healthcare receivables loan portfolio primarily comprised of loans to individuals for medical services received. Majority of these loans are guaranteed by the referring hospital.

RENTAL EQUIPMENT. Leased assets related to operating leases generated from the commercial finance business line. Primarily consists of solar panels, motor vehicles, and computers and IT networking equipment.

[1] *Excludes certain joint ventures; percentages calculated based on aggregate principal amount of commercial finance loans and leases includes operating lease rental equipment of $216.3M*

Distribution of Commercial Finance Portfolio by Industry[1]



MANUFACTURING

25%	Term lending
20%	Asset-based lending
18%	Lease financing
14%	SBA/USDA
10%	Rental equipment, net

TRANSPORTATION & WAREHOUSING

38%	Factoring
27%	Insurance premium finance
26%	Term lending

UTILITIES

47%	Term lending
27%	Rental equipment, net
19%	SBA/USDA

OIL & GAS

45%	Term lending
19%	SBA/USDA
10%	Lease financing
10%	Insurance premium finance

[1] Distribution by NAICS codes; excludes certain joint ventures; percentages calculated based on aggregate principal amount of commercial finance loans and leases includes operating lease rental equipment of $216.3M

Commercial Finance Mix[1]

MANUFACTURING

Total Exposure	$411.4 million	% of Total[2]	11.1%

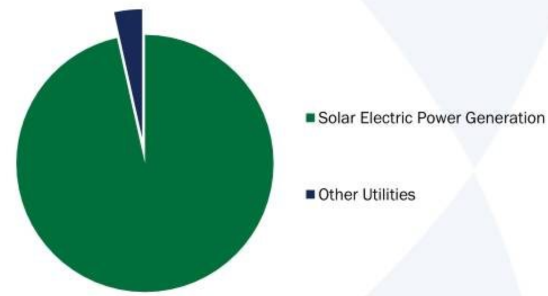
- Limited exposure to single borrowers
- Diversified across multiple subsectors – greatest concentration of subsectors is 1.6% of total[2]

	Outstanding Balance	% of Total[2]
Manufacturing	**$411.4**	**11.1%**
Computer and Electronic Product Manufacturing	59.3	1.6%
Fabricated Metal Product Manufacturing	43.4	1.2%
Transportation Equipment Manufacturing	39.9	1.1%
Primary Metal Manufacturing	37.6	1.0%
Electrical Equipment, Appliance, and Component Manufacturing	29.7	0.8%
Machinery Manufacturing	29.7	0.8%
Chemical Manufacturing	29.4	0.8%
Plastics and Rubber Products Manufacturing	24.9	0.7%
Nonmetallic Mineral Product Manufacturing	22.3	0.6%
Printing and Related Support Activities	22.1	0.6%
Food Manufacturing	18.9	0.5%
Other[3]	54.2	1.4%

UTILITIES

Total Exposure	$267.6 million	% of Total[2]	7.2%

- 97% of Utilities exposure is to Solar Electric Power Generation, majority of which is related to permanent solar generators.
- Well collateralized, majority backed by power purchase agreements with highly rated, large public utilities



TRANSPORTATION & WAREHOUSING

Total Exposure	$293.7 million	% of Total[2]	7.3%

- $187.9 million exposure to truck transportation, over 90% in general freight trucking.
- **Less than $6.1 million exposure to passenger air transportation and support activities.**
- Receive invoices and back-up, verify a portion of the purchases and monitor these accounts under a Dominion of Funds to ensure that our balances are covered by collateral

OIL & GAS

Total Exposure	$54.6 million	% of Total[2]	1.5%

- $50.7 million exposure related to support activities for Oil & Gas Operations
  - Approximately half of outstandings are in working capital lines, primarily collateralized by accounts receivable, remaining collateralized by machinery and equipment

[1] Excludes certain joint ventures; percentages calculated based on aggregate principal amount of loans includes operating lease rental equipment of $216.3M

[2] Total includes total gross loans & leases of $3.50 billion and rental equipment, net of $216.3M, as of June 30, 2020, exposures are based on current outstanding balances as of June 30, 2020

[3] Other includes manufacturing subsectors comprised of less than 0.5% of total[2]

Legacy Community Bank Portfolio Breakdown

As of June 30, 2020 | Serviced by Central Bank

($ in millions)	Outstanding Balance	% of Total[1]
Commercial Real Estate	$592.8	16.0%
1-4 Family Real Estate	162.5	4.4%
Agricultural	24.7	0.7%
Commercial Operating	15.5	0.4%
Consumer	3.9	0.1%
Total	**$799.4**	**21.6%**

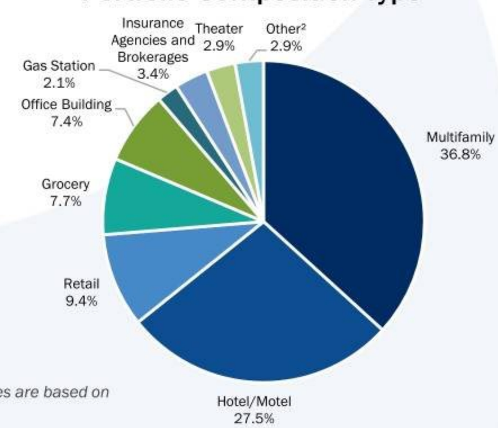
1-4 FAMILY REAL ESTATE

- Majority first mortgages for owner-occupied homes
- Vast majority of loans are originated with loan-to-values below 80%
- 98% residential mortgage, 2% construction
- ALLL coverage of 1.77% of total 1-4 family real estate loans
- Minimal past due 1-4 family real estate balances past due, 0.58%, as of June 30, 2020
- $80 thousand in nonperforming loans as of June 30, 2020

COMMERCIAL REAL ESTATE

- As a result of COVID-19, tightened focus on directly impacted industries
  - *Diversified hotel/motel portfolio*
  - *Minimal restaurant loans in portfolio*
  - *Frequent discussions with impacted borrowers, short-term planning (90-day deferrals)*
  - *57% of active community bank COVID-related modifications and deferrals tied to hospitality portfolio*
- 84% commercial mortgage, 16% commercial construction
- ALLL coverage of 2.72% of total commercial real estate loans
  - *Low historical charge-offs (2bps 5-year average NCO/average loans)*
- Past due commercial real estate balances were 0.31%, as of June 30, 2020
- No nonperforming loans as of June 30, 2020

Portfolio Composition Type



[1] Total includes total gross loans & leases of $3.50 billion and rental equipment, net of $216.3M, as of June 30, 2020, exposures are based on current outstanding balances as of June 30, 2020
[2] Other includes subsectors comprised of less than 1% of total commercial real estate as of June 30, 2020 ($592.8 million)

Legacy Community Bank | Hotel Portfolio

As of June 30, 2020 | Serviced by Central Bank

$169.0 million outstanding, total exposure of $204.1 million including unfunded commitments

$162.9 million in commercial real estate and $6.1 million in C&I

- Portfolio comprised of 30 relationships representing 33 individual hotels and 3,146 total rooms
- Five borrowers, or $7.5 million outstanding, currently property improvement projects ("PIP") in place, $35.1 million related to construction
- 10% of current outstanding are participation loans
- 98% flagged hotel relationships (i.e. Holiday Inn Express, Hampton Inn, Hyatt Place, etc.); 100% limited-service
- 28% of balances located in the Community Bank division's footprint of South Dakota and Iowa – majority of the remaining balances through developers headquartered in the Community Bank division footprint
  - *Lower unemployment rate in Sioux Falls & Des Moines MSA, relative to National rates sign of stronger local economies*
- Majority of loans have guarantors by individuals with a strong combined net worth
- Average loan-to-value of 60% at June 30, 2020, compared to 61% at March 31, 2020
- No nonperforming loans as of June 30, 2020

COVID-19 Response and Monitoring

- 67% of hotel relationships received PPP loans
- Completed COVID-related deferrals and modifications on $86.5 million in balances outstanding
  - *Payment deferrals in process of being extended to October 2020 on 51% of outstanding balances, considering additional concessions*
- Focusing efforts on increased monitoring and contact with borrowers

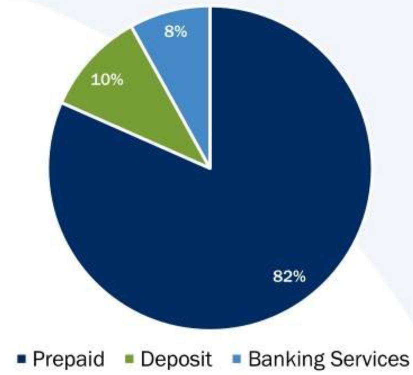
Payments

Payments Business Update

- Increased monitoring of our partners due to COVID-19; providing payment modifications and deferrals where necessary, immaterial impact to date.
- Prepaid card distribution based on balance as of June 30, 2020:
  - *70% General Purpose (48% excl. EIP card balances)*
  - *12% Payroll (21% excl. EIP card balances)*
  - *10% Gift (18% excl. EIP card balances)*
  - *8% Loyalty, Award, Promotion (13% excl. EIP card balances)*
- Payments business line provides primary deposit source which generates stable, core deposits.
- Payments deposits, excluding EIP Cards, represented 82% of total average deposits for the fiscal 2020 third quarter.

Payments Card and Deposit Fee Income Breakout

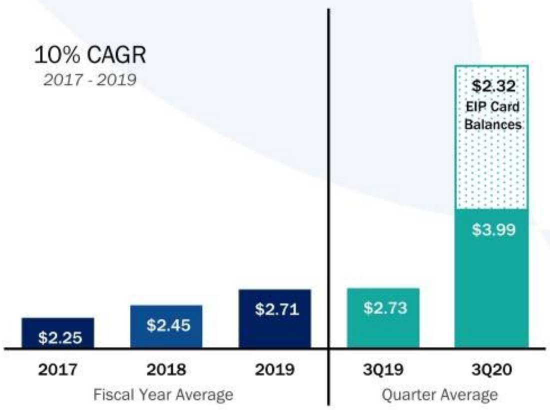
Third Quarter Fiscal 2020



Banking Services includes ATM, ACH/Faster Payments, Merchant Acquiring

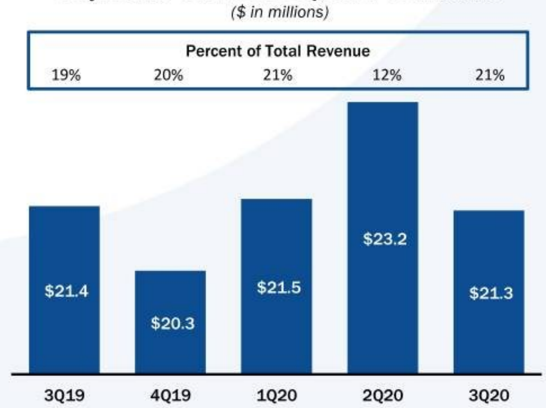
Average Payments Deposits

($ in billions)



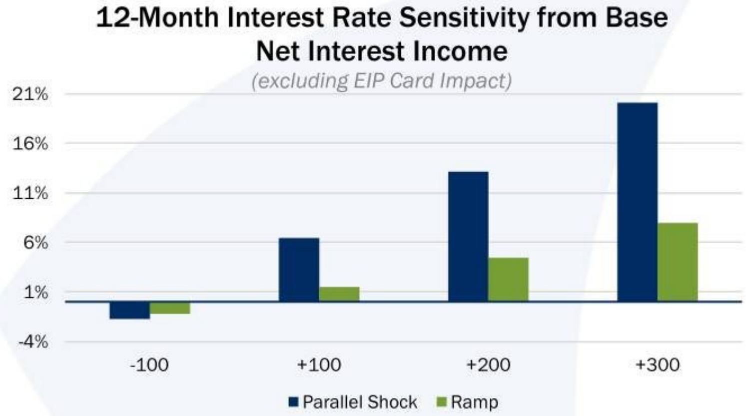
Payments Card and Deposit Fee Income

($ in millions)

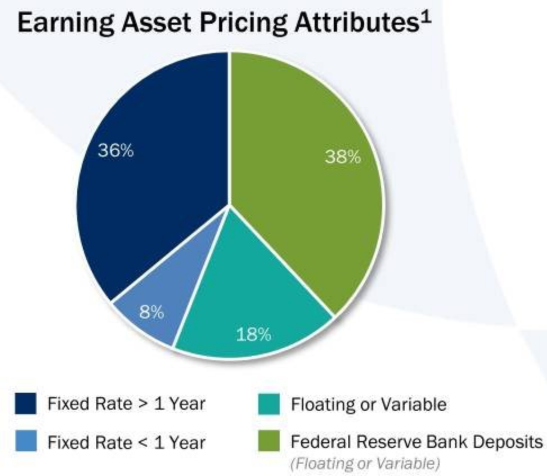


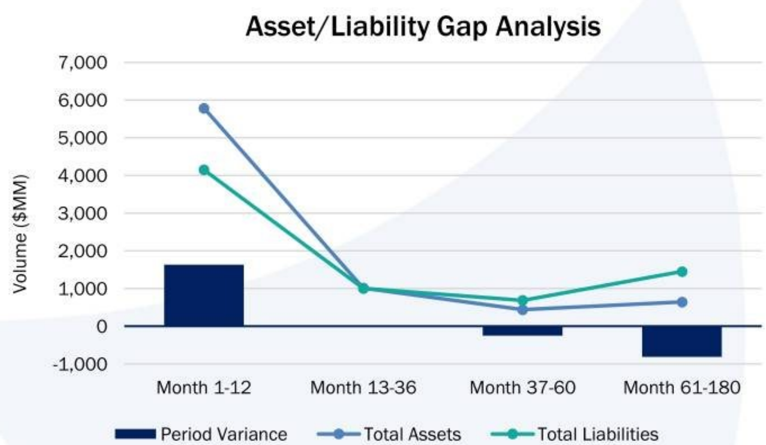
Interest Rate Risk and Capital

Interest Rate Risk Management as of June 30, 2020



- Lower for longer rate environment -- focus is on reducing wholesale deposits and redeploying deposits and assets into positive carry opportunities.
- Interest rate risk shows asset sensitive balance sheet - net interest income modeled under an instantaneous, parallel rate shock and a gradual parallel ramp.
- Management also employs rigorous modeling techniques under a variety of yield curve shapes, twists and ramps.





[1] *Fixed rate securities, loans and leases are shown for contractual periods less than 12 months and greater than 12 months.*

Strong Capital and Sources of Liquidity

Regulatory Capital as of June 30, 2020

At June 30, 2020	Meta Financial Group, Inc.	MetaBank
Tier 1 Leverage	5.91%	6.89%
Tier 1 Leverage – Adjusted[1]	N/A	9.67%
Common Equity Tier 1	11.51%	13.82%
Tier 1 Capital	11.90%	13.86%
Total Capital	14.99%	15.12%

- MetaBank adjusted Tier 1 Leverage of 9.67% better reflects the go-forward balance sheet removing the impact from the temporary EIP Cards.
- Strong capital position post-tax season, which also benefited from the gain on sale from the divesture of the community bank division.

Primary & Secondary Liquidity Sources ($ in millions)	
Cash and Cash Equivalents	$425
EIP Card Related Cash and Cash Equivalents	$2,675
Unpledged Investment Securities	$170
FHLB Borrowing Capacity	$1,150
Funds Available through Fed Discount Window	$355
PPP Loan Collateral	$215
Unsecured Lines of Credit	$1,240 - $1,510

Capital Ratio Trends

[1] *Non-GAAP measure, see appendix for reconciliations.*

Appendix

Long-Term Strategy to Drive Shareholder Value

	1	2	3
KEY INITIATIVES	**Increase Percentage of Funding from Core Deposits**	**Optimize Interest-Earning Asset Mix**	**Improve Operating Efficiencies**
STRATEGY	Leverage payments division growth opportunities Explore and develop new niche deposit opportunities	Replace lower-yielding loans and securities with higher-yielding and higher-return loans Expand net interest margin with focus on the commercial finance line of business	Expense discipline by improving collaboration and productivity between business lines Concentrated focus on optimization and utilization of existing business platforms Pause on material mergers and acquisitions
FOCUS	Gain greater share of deposits from existing relationships Develop additional products and services to deepen relationships Add new strategic relationships	Continue to enhance interest-earning asset mix with focus on commercial finance business lines	Driving 2x operating leverage in each business line (i.e., growing revenue two times the rate of expense growth)
PROGRESS	Excluding EIP Cards, average deposits from payments divisions increased nearly 46% in third quarter fiscal 2020 when compared to the same period of fiscal 2019	Closed sale of community bank division on February 29, 2020 Remaining community bank loans not included in the pending sale will run-off over time	For the last twelve months ended June 30, 2020, improved efficiency ratio to 63.6%, compared to 70.6% in the same period as of June 30, 2019

Differentiated Portfolio of Business Lines

Last Twelve Months Ended June 30, 2020

($ in thousands)	Commercial Finance	Payments	Tax	Consumer Finance	Community Bank	Corporate & Eliminations	Total
Net interest income (expense)	151,827	65,416	(1,112)	36,503	38,646	(31,138)	260,142
Non-interest income	58,239	82,196	70,786	2,238	16,759	4,806	235,024
Revenue	**210,066**	**147,612**	**69,674**	**38,741**	**55,405**	**(26,332)**	**495,166**
Provision for loan and lease losses	28,101	-	20,398	(612)	12,030	-	59,917
Net revenue[1]	**181,965**	**147,612**	**49,276**	**39,353**	**43,375**	**(26,332)**	**435,249**
% of total net revenue	41%	34%	11%	9%	10%	-5%	100%
Average earning assets	1,993,379	21,233	150,553	494,566	1,084,921	2,199,130	5,943,782

Payments: Primary deposit source which generates stable, core deposits

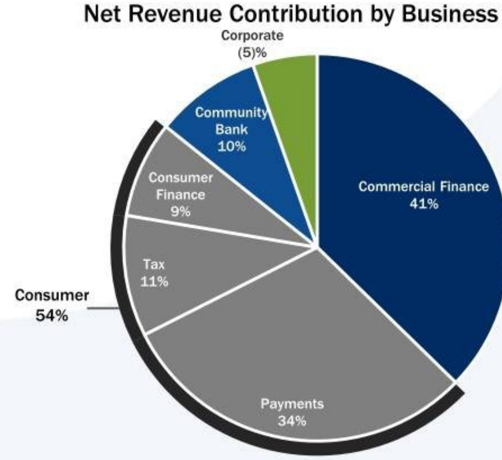
Community Bank: Remaining legacy portfolio from the sale of the Community Bank division closed on February 29, 2020

Consumer Finance: Includes warehouse finance, consumer credit products, student loan and ClearBalance portfolios
(includes $8.8 million of net revenue related to the student loan portfolio which is reported under the Corporate segment for SEC segment reporting)

Corporate: Includes certain shared services such as funds transfer pricing and eliminations as well as treasury related functions such as the securities portfolio

- *Securities portfolio comprised primarily of government related securities with over 92% of the portfolio exposure directly related to government agency or instrumentalities*

Net Revenue Contribution by Business Line



[1] *Net Revenue is a non-GAAP financial measure.*

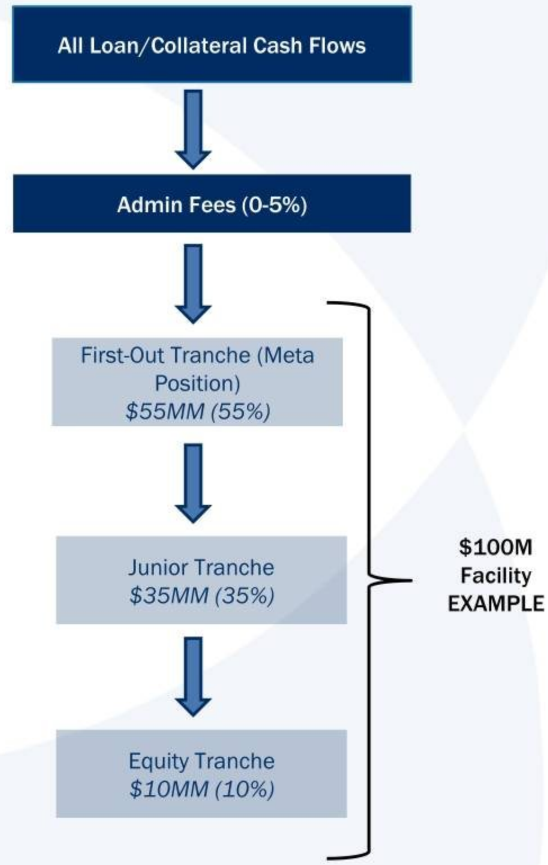
Warehouse Finance

Total Exposure	$277.6 million	% of Total[1]	7.5%

Asset-backed warehouse lines of credit used to support strategic initiatives.

- Lines are primarily secured by consumer receivables, whereby Meta is in a senior, secured position as the first out participant.
- Have never had a charge off or loss.
- Agreements trigger waterfall protection for the "First Out" participant:
  - *The waterfall could be "triggered" due to items such as: collateral underperformance, collateral days past due, covenant breaches, concentration limit breaches, missed payments, regulatory events, material adverse effects, etc.*

EXAMPLE
In the example $100M scenario, all cash flows of the outstanding facility are used to pay the First Out Tranche's (i.e. – Meta's) outstanding principal and interest. The First Out's position must be paid down in full prior to the junior and equity tranches receiving any cash flow. Effectively, the First Out receives the benefit of $100M of loans/collateral to pay down its $55M full principal and interest position.



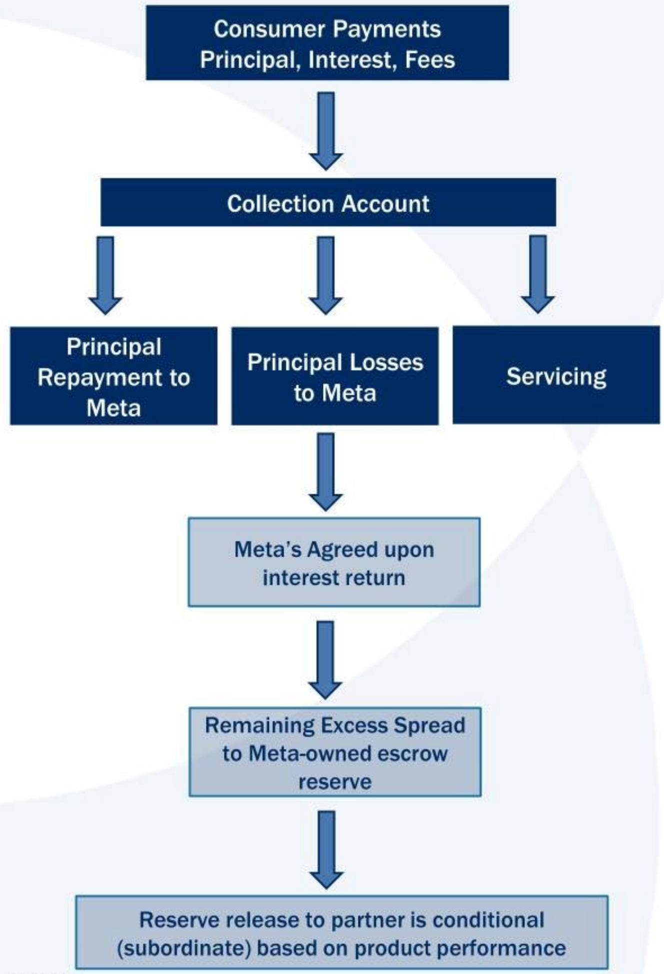
[1] *Total includes total gross loans & leases of $3.50 billion and rental equipment, net of $216.3M, as of June 30, 2020*

Consumer Credit Programs

Total Exposure	$102.8 million	% of Total[1]	2.8%

Consumer credit programs offer Meta a risk adjusted return, protected by certain layers of credit support and balance sheet flexibility. Programs are offered to strategic partners with payments distribution potential.

- Agreements typically provide for "excess spread" build-up and protection through a priority of payment within a waterfall
- Consumer interest rate and fees flow through a waterfall:
  - *Covers principal losses and Meta's required rate of interest. Meta's interest rate is substantially less than the consumer's APR*
  - *Structure provides for a build up of excess spread to allow protection from loan losses and ensure Meta's contractual rate of interest is covered*
  - *Structure provides for ALLL on a portfolio basis rather than loan level basis*
  - *Excess spread in the escrow account only released to partner when certain conditions are satisfied*
  - *Escrow account balance has increased since program inception*



[1] *Total includes total gross loans & leases of $3.50 billion and rental equipment, net of $216.3M, as of June 30, 2020*

Financial Measure Reconciliations

Efficiency Ratio

($ in thousands)	For the last twelve months ended				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Noninterest Expense - GAAP	314,911	316,138	334,663	333,160	323,657
Net Interest Income	260,142	264,973	268,586	264,207	247,127
Noninterest Income	235,024	237,766	222,278	222,545	211,179
Total Revenue: GAAP	495,166	502,739	490,864	486,752	458,306
Efficiency Ratio, LTM	63.60 %	62.88 %	68.18 %	68.45 %	70.62 %

Non-GAAP Reconciliation

Adjusted Annualized NCOs and Adjusted Average Loans and Leases

($ in thousands)	For the quarter ended				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Net Charge-offs	14,700	2,117	2,380	18,476	14,279
Less: Tax services net charge-offs	9,782	(74)	(739)	15,416	9,592
Adjusted Net Charge-offs	$ 4,918	$ 2,191	$ 3,119	$ 3,060	$ 4,687
Quarterly Average Loans and Leases	3,622,928	4,195,772	3,735,196	3,729,545	3,599,138
Less: Quarterly Average Tax Services Loans	39,845	516,491	24,429	21,445	45,142
Adjusted Quarterly Loans and Leases	$ 3,583,083	$ 3,679,281	$ 3,710,767	$ 3,708,100	$ 3,553,996
Annualized NCOs/Average Loans and Leases	1.62 %	0.20 %	0.25 %	1.98 %	1.59 %
Adjusted Annualized NCOs/Adjusted Average Loans and Leases[1]	0.55 %	0.24 %	0.34 %	0.33 %	0.53 %

[1] Tax Services NCOs and average loans are excluded to adjust for the cyclicality of activity related to the overall economics of the Company's tax services business line.

Non-GAAP Reconciliations

MetaBank Period-end Tier 1 Leverage

	June 30, 2020
Total stockholder's equity	$ 919,733
ADJUSTMENTS:	
LESS: Goodwill, net of associated deferred tax liabilities	302,815
LESS: Certain other intangible assets	42,865
LESS: Net deferred tax assets from operating loss and tax credit carry-forwards	10,360
LESS: Net unrealized gains (losses) on available-for-sale securities	8,382
Common Equity Tier 1 Capital ("CET1") (1)	555,311
Tier 1 minority interest not included in common equity tier 1 capital	1,894
Total Tier 1 capital	557,205
Total Assets (Quarter Average)	$ 8,446,393
ADD: Available for sale securities amortized cost	(8,420)
ADD: Deferred tax	2,104
LESS: Deductions from CET1	356,040
Adjusted total assets	$ 8,084,037
MetaBank Regulatory Tier 1 Leverage	**6.89 %**
Total Adjusted Assets (Quarter Average)	$ 8,084,037
LESS: EIP Card Related Assets (Cash)	2,323,425
Adjusted total assets	$ 5,760,612
MetaBank Adjusted Tier 1 Leverage	**9.67 %**

Adjusted Net Interest Margin

	Three Months Ended June 30, 2020
Average interest-earning assets	7,608,618
Net interest income	62,137
Net interest margin	**3.28 %**
ADJUSTMENTS FOR EIP CARDS	
Interest-earning assets	7,608,618
LESS: Cash adjustment	2,323,425
Adjusted average interest-earning assets	5,285,193
Net Interest Income	62,137
LESS: Cash interest adjustment	578
Adjusted net interest income	61,559
Adjusted net interest margin	**4.68 %**