
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): October 21, 2005

Meta Financial Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

0-22140
(Commission File)
Number

42-1406262
(IRS Employer
Identification No.)

121 East Fifth Street, Storm Lake, IA 50588
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: (712) 732-4117

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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))

Section 2 - Financial Information.

Item 2.02. Results of Operations and Financial Condition.

On October 21, 2005, the Registrant issued a news release announcing earnings for the quarter and fiscal year ended September 30, 2005. 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 Form 8-K, including the exhibits, relating to this Item 2.02 shall not be deemed to be "filed" for purposes 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, except to the extent specifically provided in any such filing.

Section 9 - Financial Statements and Exhibits.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

The following Exhibit is being furnished herewith:

99.1 Press Release of Meta Financial Group, Inc., dated October 21,

2005.

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.

By: /s/ Ronald J. Walters

*Ronald J. Walters,
Senior Vice President, Secretary, Treasurer
and Chief Financial Officer*

Dated: October 21, 2005

Exhibit Index

Exhibit
Number

Description of Exhibit

99.1	Press Release of Meta Financial Group, Inc. dated October 21, 2005
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FOR IMMEDIATE RELEASE

Contact: Investor Relations

Telephone: 712.732.4117

**META FINANCIAL GROUP, INC. REPORTS RESULTS FOR THE QUARTER
AND THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

Storm Lake, Iowa - (October 21, 2005) Meta Financial Group, Inc. (NASDAQNM:CASH) today reported a net loss of \$924,000, or a negative \$0.38 per diluted share, for the 2005 fiscal year ended September 30, 2005, compared to net income of \$3,987,000, or \$1.57 per diluted share, for fiscal 2004. This represents a decrease of \$4.9 million in earnings from fiscal 2004 to fiscal 2005. Boosting the 2004 fiscal year's results was a net gain, after income taxes, of \$699,000, or \$0.28 per diluted share, on the January 2004 sale of a branch office. For the quarter ended September 30, 2005, the Company recorded net income of \$546,000, or \$0.22 per diluted share, compared to net income of \$498,000, or \$0.20 per diluted share, for the quarter ended September 30, 2004. This represents an increase of \$48,000, or 9.6%, in earnings from the 2004 quarter to 2005 quarter.

The net loss for fiscal 2005 was primarily the result of recording, during the third quarter ended June 30, 2005, an additional provision for loan losses totaling \$4.8 million. Net of the effect of income taxes, this additional provision reduced earnings per diluted share by \$1.25 for the fiscal year. The additional provision related to \$9.8 million of loans which was the Company's share of a total of approximately \$32.0 million of loans to three affiliated companies involved in automobile sales, service and financing, and to the owners thereof. The amount of the provision was based on a detailed analysis of the value of the underlying assets collateralizing the loans. Prior to the end of the June quarter, two of the affiliated companies filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. In the fourth quarter, the Company took possession of the assets of one of the companies that had filed bankruptcy and the assets of the third company. The net loan balances of two of the companies were transferred to either real estate owned or repossessed assets during the fourth fiscal quarter. The remaining company is still, at this date, in Chapter 11 bankruptcy. The loans of the company still in bankruptcy remain on the books as loans.

The process of liquidation of the assets of all three companies has been underway since that time. During the fourth quarter, the Company incurred costs related to the liquidation totaling approximately \$330,000, or \$218,000, net of tax benefits. The \$218,000 decreased earnings per share by approximately \$.09 per share for both the quarter and the fiscal year ended September 30, 2005. While the Company believes it correctly identified the size of the provision, no assurance can be given that additional adjustments will not occur.

The net results for the fiscal year and quarter ended September 30, 2005 include the net results for the payment systems division (Meta Payment Systems) of MetaBank, of a loss of \$808,000, or \$0.32 per diluted share, for the year, and net income of \$59,000, or \$0.02 per diluted share, for the quarter, respectively. This compares to net losses of \$490,000, or \$.20 per diluted share, and \$349,000, or \$.14 per diluted share, for the year and the quarter ended September 30, 2004, respectively. The 2005 loss for Meta Payment Systems represents a continuation of costs for the recently started division, which was formed in May 2004. During fiscal 2005, Meta Payment Systems launched a number of programs, began to generate revenue as a result of these programs, and has continued to increase its revenue, resulting in its first profitable quarter. As the Company anticipated, Meta Payment Systems recorded a profit in the fourth quarter of fiscal 2005, ahead of original projections. In addition, during fiscal 2005, the Company incurred one-time costs resulting from activities related to the name changes of the Company and its subsidiaries, net of income taxes, totaling \$428,000, or \$0.17 per diluted share.

Excluding the additional provision for loan losses, the liquidation costs, the payment systems results and the costs related to the Company's recent name change, net income would have been \$705,000, or \$0.28 per diluted share, for the fourth quarter and \$3.7 million, or \$1.46 per diluted share, for the year ended September 30, 2005. In addition, during the fourth quarter, the Company incurred additional expenses related to the two new Sioux Falls offices discussed below which also reduced earnings. This compares to net income of \$0.34 per diluted share for the three month period ended September 30, 2004, and net income of \$1.49 per diluted share, excluding the profit from the branch sale, for the year ended September 30, 2004. Although excluding the impact of the above items is a non-GAAP measure, we believe that it may be useful to provide such information due to the nature of the expenses in order to more accurately compare the results of the periods presented.

Net interest income increased \$81,000, or 1.9 percent, and \$1.5 million, or 8.3 percent, for the quarter and year ended September 30, 2005, respectively, compared to the same periods last year. This was due, in part, to the Company's growth in both loans and deposits, which increased \$36.1 million, or 8.9 percent, and \$79.2 million, or 17.2 percent, respectively, during fiscal 2005. This growth, plus an improvement in interest rate spreads, contributed to the increase in net interest income in both the quarter and the year.

During the quarter, the Company moved ahead with previously disclosed plans for two additional branch offices in Sioux Falls, South Dakota. The third office in Sioux Falls opened in August, and the fourth office will open late in October 2005.

The Company had recoveries for the fiscal year totaling \$147,000, and losses of \$3.8 million, resulting in net charge offs of \$3.6 million. Almost all of the losses were related to the loans discussed earlier. At September

30, 2005, non-performing assets totaled \$5.4 million (\$4.7 million of which is associated with the credit discussed above) and the ratio of non-performing assets to total assets was 0.69 percent, compared to \$729,000 and 0.09 percent, respectively, at September 30, 2004. The Company had \$1.91 million of 30-day past due loans (0.43 percent of total loans) as of September 30, 2005, compared to \$1.89 million of 30-day past due loans (.45 percent of total loans) at September 30, 2004.

Shareholders of record on September 15, 2005, received a quarterly cash dividend of 13 cents per share. This dividend was paid on October 1, 2005.

At September 30, 2005, assets of Meta Financial Group totaled \$776.3 million. Shareholders' equity totaled \$43.0 million, or \$17.16 per common share outstanding. Meta Financial Group is the holding company for MetaBank and MetaBank West Central. At June 30, 2005, as a result of the additional provision for loan losses, MetaBank's Tier II capital level decreased to 9.98%, two basis points below the level at which the Bank would have continued to qualify as well-capitalized at that date. During the fourth fiscal quarter the Tier II capital level of MetaBank increased to 10.33%. As of September 30, 2005, the holding company and its two subsidiary banks all had capital ratios in excess of regulatory requirements and are once again considered well-capitalized under regulatory guidelines.

During the quarter ended September 30, 2005, Meta Financial Group shares traded between \$16.51 and \$19.89.

Corporate Profile: Meta Financial Group, Inc. (doing business as Meta Financial Group) is the holding company for MetaBank, MetaBank West Central, and Meta Trust Company. MetaBank is a federally-chartered savings bank with four market areas: Northwest Iowa, Brookings, Central Iowa, and Sioux Empire; and the Meta Payment Systems division. MetaBank West Central is a state-chartered commercial bank located in West Central Iowa. Seventeen offices support customers throughout northwest and central Iowa, and in Brookings and Sioux Falls, South Dakota.

The Company, and its wholly-owned subsidiaries, MetaBank, MetaBank WC and Meta Trust, may from time to time make written or oral "forward-looking statements," including statements contained in its filings with the Securities and Exchange Commission, in its reports to shareholders, and in other communications by the Company, which are made in good faith by the Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include statements with respect to the Company's beliefs, expectations, estimates and intentions that 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 statements address the following subjects: future operating results; customer growth and retention; loan and other product demand; earnings growth and expectations; new products and services, such as those offered by the Meta Payment Systems Division; credit quality and adequacy of reserves; technology; and our employees. The following factors, among others, could cause the Company's financial performance to differ materially from the expectations, estimates, and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary, and fiscal policies and laws, including interest rate policies of the Federal Reserve Board; inflation, interest rate, market, and monetary fluctuations; the timely development of and acceptance of new products and services of the Company and the perceived overall value of these products and services by users; the impact of changes in financial services' laws and regulations; technological changes; acquisitions; changes in consumer spending and saving habits; and the success of the Company at managing and collecting assets of borrowers in default and managing the risks involved in the foregoing.

The foregoing list of factors is not exclusive. Additional discussion of factors affecting the Company's business and prospects is contained in the Company's periodic filings with the SEC. The Company does not undertake, and expressly disclaims any intent or obligation, to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

(More)

Financial Highlights

Consolidated Statement of Financial Condition

(In Thousands)		September 30,	
Assets		2005	2004
Cash and Cash Equivalents		\$ 14,370	\$ 8,937
Investments & Mortgage-backed Securities		268,406	322,524
Loans, net		440,190	404,051
Other Assets		53,383	45,287
Total Assets		\$ 776,349	\$ 780,799
Liabilities			
Deposits		\$ 540,770	\$ 461,581
Borrowed Money		190,522	269,109
Other Liabilities		2,098	2,835
Total Liabilities		733,390	733,525
Shareholders' Equity		42,959	47,274
Total Liabilities and Shareholders' Equity		\$ 776,349	\$ 780,799

Consolidated Statements of Income

(Dollars In Thousands except per share data)	For the 3 Months Ended September 30,		For the Year Ended September 30,	
	2005	2004	2005	2004
Interest Income	\$ 10,123	\$ 9,193	\$ 41,093	\$ 36,180
Interest Expense	5,675	4,826	21,854	18,411
Net Interest Income	4,448	4,367	19,239	17,769
Provision for Loan Losses	92	164	5,482	488
Net Interest Income After Provision for Loan Losses	4,356	4,203	13,757	17,281
Other Income	1,496	591	3,731	3,596
Other Expenses	5,082	4,076	19,097	14,831
Income (Loss) Before Income Tax	770	718	(1,609)	6,046
Income Tax Expense (Benefit)	224	220	(685)	2,059
Net Income (Loss)	\$ 546	\$ 498	\$ (924)	\$ 3,987
Earnings (Loss) Per Common Share (Basic):	\$ 0.22	\$ 0.20	\$ (0.38)	\$ 1.61
Earnings (Loss) Per Common Share (Diluted):	\$ 0.22	\$ 0.20	\$ (0.38)	\$ 1.57

Selected Financial Information

For the Year Ended September 30,	2005	2004
Return on Average Assets	-0.12%	0.51%
Return on Average Equity	-2.05%	8.69%
Average Shares Outstanding for Diluted Earnings per Share	2,507,520	2,534,423
As of September 30,	2005	2004
Equity to Total Assets	5.53%	6.06%
Book Value per Common Share Outstanding	\$ 17.16	\$ 18.98
Tangible Book Value per Common Share Outstanding	\$ 15.80	\$ 17.61
Common Shares Outstanding	2,503,655	2,491,025
Non-Performing Assets to Total Assets	0.69%	0.09%

Meta Financial Group \ 121 East Fifth Street \ P.O. Box 1307 \ Storm Lake, Iowa 50588