
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): **May 5, 2014**

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.)

5501 South Broadband Lane, Sioux Falls, SD 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 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))
-
-
-

TABLE OF CONTENTS

Section 2	Financial Information
Item 2.02	Results of Operations and Financial Condition.
Section 7	Regulation FD
Item 7.01	Regulation FD Disclosure
Section 9	Financial Statements and Exhibits
Item 9.01	Financial Statements and Exhibits.
Signatures	
Exhibit Index	
Exhibit 99.1	
Exhibit 99.2	

Section 2 Financial Information**Item 2.02 Results of Operations and Financial Condition**

On May 5, 2014, the Registrant issued a press release announcing its results of operations and financial condition as of and for the three and six months ended March 31, 2014. 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 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 of 1933, as amended, except to the extent specifically provided in any such filing.

Section 7 Regulation FD**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. This information includes selected financial and operational information through the first quarter of fiscal year 2014 and does not represent a complete set of financial statements and related notes prepared in conformity with generally accepted accounting principles (“GAAP”). Most, but not all, of the selected financial information furnished herein is derived from the Company’s consolidated financial statements and related notes prepared in accordance with GAAP and management’s discussion and analysis included in the Company’s reports on Forms 10-K and 10-Q. The Company’s annual financial statements are subject to independent audit. These materials are dated February 4, 2014 and the Company does not undertake to update the materials after that date.

The information in this Form 8-K, including the exhibits, relating to this Item 7.01 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 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**

(d) Exhibits

The following Exhibit is being furnished herewith:

99.1 Press Release of Meta Financial Group, Inc., dated May 5, 2014 regarding the results of operations and financial condition.

99.2 Investor Update slide presentation for the Second Quarter of Fiscal Year 2014, dated May 5, 2014, prepared for use with the Earnings 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.

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

Dated: May 5, 2014

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
99.1	Press Release of Meta Financial Group, Inc., dated May 5, 2014 regarding the results of operations and financial condition
99.2	Investor Update slide presentation for the Second Quarter of Fiscal Year 2014, dated May 5, 2014, prepared for use with the Earnings Release.



Investor Relations
605.782.1767

Meta Financial Group, Inc. ® Reports Results for Fiscal 2014 Second Quarter

Net income of \$4.1 million for the quarter, up 32% over the prior year

Sioux Falls, South Dakota – May 5, 2014, Meta Financial Group, Inc. ® (“MFG” or the “Company”)

Highlights for the second quarter of fiscal 2014 ended March 31, 2014

- MFG’s fiscal 2014 second quarter net income totaled \$4.1 million versus \$3.1 million in the 2013 second quarter and \$4.0 million in the 2014 first quarter, even with a higher provision due to loan growth and new business development expenses, as well as higher than usual health insurance costs and certain non-recurring consulting expenses related to compliance functions during this quarter.
- Second quarter average assets grew to \$1.94 billion compared to \$1.78 billion last fiscal year, an increase of 9% primarily driven by Meta Payment Systems (“MPS”) deposit growth and the Traditional Bank (“Retail Bank”) loan growth.
- Net interest income was \$11.5 million in the second quarter of fiscal 2014, an improvement of \$2.6 million when compared to \$8.9 million in the second quarter of 2013. The increase was primarily driven by higher average earning assets and improved net interest margin (“NIM”).
- The Retail Bank segment recorded 2014 fiscal second quarter earnings of \$2.3 million compared to \$1.0 million for 2013 second quarter.
- Retail Bank loans increased by \$48.9 million during fiscal 2014, or 13% compared to September 30, 2013, and by \$97.8 million, or 30%, compared to March 31, 2013.
- The MPS segment recorded 2014 fiscal second quarter earnings of \$2.0 million compared to \$2.4 million for the same 2013 period due to reduction in tax-related prepaid card volume, new business development expenses, and the previously mentioned consulting expenses.
- Non-performing assets (“NPA”) remained very low, and were 0.04% of total assets at March 31, 2014 compared to 0.05% at September 30, 2013.
- Tangible book value per common share increased by \$1.82, or 7.9%, from \$23.17 at September 30, 2013 to \$24.99 per share at March 31, 2014, partially due to a sizable increase in fair market value of available-for-sale (“AFS”) securities, particularly municipal securities, which positively affected other comprehensive income. The tangible book value per common share excluding accumulated other comprehensive income was \$27.52 as of March 31, 2014, compared to \$26.51 as of September 30, 2013.
- Overall cost of funds at MetaBank was 0.12% during the fiscal 2014 second quarter compared to 0.20% for the same quarter last year.

Meta Financial Group, Inc. (NASDAQ: “CASH” – NEWS) reported net income for the 2014 fiscal second quarter of \$4.1 million, or 67 cents per diluted share, compared to \$3.1 million, or 57 cents per diluted share, for the prior year period. Fiscal year-to-date net income for the six months ended March 31, 2014 was \$8.1 million, or \$1.32 per diluted share, compared to \$6.3 million, or \$1.14 per diluted share, for the comparable prior year period.

Chairman and CEO J. Tyler Haahr commented, “Meta continued its strong results in the second quarter. The Retail Bank had another quarter of robust growth, and our credit quality remains strong, with NPAs at 0.04% of total assets. Our loan portfolio showed continued remarkable growth, which contributed to increased earnings and NIM. In addition, our loan pipeline remains active and we expect loan originations to accelerate further in the third quarter. We were able to significantly increase earnings over the prior year, despite higher than normal health insurance expenses, increased expenditures related to product and business development, and nonrecurring compliance-related consulting expenses. In addition, we incurred a provision for loan losses solely as a result of our strong loan growth. We believe our growth prospects remain strong.

During the last two quarters, we continued to invest in compliance and control measures and have successfully implemented several systems and added key personnel to help complete all major compliance initiatives. We believe the pace of investments for compliance and control measures should decrease, while at the same time providing a strong platform for growth and a competitive advantage for the Company going forward. We believe we are well-positioned with current staff and systems to take advantage of new growth opportunities, both via organic growth and through acquisitions.

The investment securities portfolio generally performed as expected during the 2014 fiscal second quarter with the taxable equivalent yield (“TEY”) up 32 basis points over the same period in the prior year, with additional improvement expected based on the current interest rate environment. In addition, increasing MPS deposits helped reduce the overall cost of funds by 8 basis points from the same quarter of 2013. The increase in the Company’s net interest margin highlights the competitive advantage our deposit base provides in a rising interest rate environment.”

Summary Financial Data *	Three Months Ended			Six Months Ended	
	3/31/2014	12/31/2013	3/31/2013	3/31/2014	3/31/2013
Net Interest Income - millions	\$ 11.5	\$ 10.5	\$ 8.9	\$ 22.0	\$ 17.7
Non Interest Income - millions	13.1	13.6	15.1	26.7	28.5
Net Income - millions	4.1	4.0	3.1	8.1	6.2
Diluted Earnings per Share	0.67	0.65	0.57	1.32	1.14
Net Interest Margin	2.76%	2.71%	2.41%	2.75%	2.45%
Non-Performing Assets - % of Total Assets	0.04%	0.04%	0.11%		

* See a more detailed Financial Highlights table at the end of this earnings release.

Financial Summary

Revenue

Total revenue (net interest income plus non-interest income) for the 2014 fiscal second quarter was \$24.6 million compared to \$24.0 million for the same quarter last year. Total revenue for the six months ended March 31, 2014 was \$48.7 million compared to \$46.2 million for the same period in 2013, an increase of \$2.5 million, or 5%, due primarily to the increase in volume of other investments, improved mortgage-backed securities ("MBS") income and amplified income from loan growth.

Net Interest Income

Net interest income for the fiscal 2014 second quarter was \$11.5 million, up \$2.6 million, or 29.4%, from the same quarter last year partially due to increased volume of other investments and increasing interest yield on MBS as a result of lower premium amortization on slower prepayment speeds. Additionally, significant growth in lending by the Retail Bank contributed to increased loan interest income when compared to 2013. Also, interest expense decreased from the comparable 2013 quarter.

Net interest margin increased from 2.41% in the fiscal 2013 second quarter to 2.76% in the second quarter of 2014. Overall, when using TEY, average earning asset yields increased by 28 basis points due to increased yield provided within the securities portfolio and increased volume within the loan portfolio. The yield on non-MBS investment securities increased by 3 basis points on a TEY basis. The yield on MBS increased 50 basis points. Average quarterly TEY on the securities portfolio increased by 32 basis points in the second quarter of 2014 compared to the same quarter of the prior year, even with the Company adding lower yielding variable rate securities during the quarter. These components more than offset the decrease of 5 basis points in the yield on the Retail Bank loan portfolio. It should be noted that loan growth and related higher mix of loans to investments has improved yields.

The Company's average interest-earning assets for the fiscal 2014 second quarter grew by \$180.2 million, or 10.6%, to \$1.9 billion from the same quarter last year. This increase primarily reflects the average balance growth in the securities and loan portfolios of \$87.5 million and \$92.7 million, respectively. Also contributing to the increase in net interest margin in the most recent quarter was the decrease of 34 basis points in the cost of interest-bearing liabilities. We expect, based on the current interest rate environment, that the overall yield on the securities portfolio will continue to improve based on prepayment speeds slowing and reduced premium amortization levels on MBS. In addition, improved investment opportunities from increasing non-interest bearing deposits and existing securities portfolio paydowns will increase yields.

Overall, the cost of funds for all deposits and borrowings decreased by 8 basis points to 0.12% during the fiscal 2014 second quarter from 0.20% in the 2013 second quarter. This reduction resulted primarily from ongoing growth in non-interest bearing deposits generated by MPS programs. The Company believes our lower cost of funds and more stable cost of funds as rates rise are significant competitive advantages going forward based on expected continuing rising rates. Thus, we believe that during a rising rate environment, the Company's cost of funds will likely remain low and increase far less than other banks, providing potential for more rapid and sustainable net interest margin increases when compared to other banks.

The Company's average total deposits and interest-bearing liabilities for the second quarter of fiscal 2014 increased \$154.2 million, or 9.5% from the same quarter last year, to \$1.8 billion. This increase was generated primarily from an increase in MPS related non-interest bearing deposits. MPS average quarterly deposits increased \$149.8 million, or 11.6%, from the same period last year.

Net interest income for the six months ended March 31, 2014 was \$22.0 million, up \$4.3 million, or 24%, from the same period in fiscal 2013. Contributing to this increase was a 22 basis point increase in asset yields, an increased allocation to loans as a percentage of total interest earning assets, and increased volume in the loan and securities portfolio. Also included was a 34 basis point decrease in the average rate paid on interest-bearing liabilities. Average earning assets have increased 11% from the prior year period while interest bearing liabilities increased by 10%. The tax-equivalent yield of MBS and other investments was 2.56% for the six months ended March 31, 2014 and 2.25% for the same period in 2013.

Non-Interest Income

Fiscal 2014 second quarter non-interest income of \$13.1 million decreased approximately 13.5% from \$15.1 million in the same quarter in 2013. Card fee income decreased \$1.9 million, or 13.7%, primarily due to reduced income tax-related prepaid card volume. Additionally, there was a decrease in gain on sale of foreclosed real estate of \$0.1 million and a decrease in gain on sale of securities available for sale of \$0.2 million.

Non-interest income for the six months ended March 31, 2014 decreased \$1.8 million, or 6.5%, from \$28.5 million in the same period in the prior fiscal year due primarily to a decrease in gain on sale of securities available for sale. MPS fee income decreased by \$0.6 million, or 2.1%, due to the aforementioned income tax-related reduction, which was mostly offset by growth in other MPS programs.

Non-Interest Expense

Non-interest expense decreased \$0.9 million, or 4.1%, to \$19.7 million for the fiscal 2014 second quarter as compared to \$20.6 million for the same period in 2013. Compensation expense increased \$0.9 million, or 9.9%, in the 2014 second quarter compared to the same quarter in 2013 as a result of the Company's investments in resources to support regulatory, operational and growth initiatives, as well as elevated health insurance expenses due to larger than normal claims. Card processing expense declined by \$1.4 million in the 2014 second quarter versus the same 2013 quarter primarily due to tax-related programs. Also noteworthy was an increase in occupancy and equipment related expenses of \$0.5 million for the same noted periods related to compliance system investments being implemented over the last year and \$0.3 million of consulting expenses related to compliance functions.

Fiscal year-to-date 2014 non-interest expense increased by \$0.1 million, or 0.4%, to \$38.8 million from \$38.7 million for the same period in year 2013. Compensation expense increased \$1.6 million year-to-date versus the same period last year due primarily to a 1% increase in overall staffing, and card processing expense decreased \$0.9 million for the same noted periods.

Income tax expense for the second quarter of fiscal year 2014 was \$0.4 million, or an effective tax rate of 8.7%, compared to income tax expense of \$0.6 million, or an effective tax rate of 15.3%, for the same period in the prior fiscal year. The decrease in the effective tax rate is mainly the result of an increase in the volume of tax exempt municipal bonds owned by the Company combined with a large volume of disqualifying dispositions of employee incentive stock option exercises. For the first six months of fiscal year 2014, the effective tax rate was 15%. The Company's effective tax rate, with quarterly variations, should trend closer to, or slightly higher than, the most recent six month average over the next year.

Loans

Total loans, net of allowance for loan losses, increased \$45.6 million, or 12.0%, to \$426.0 million at March 31, 2014 compared to September 30, 2013, and by \$95.1 million, or 28.7%, compared to March 31, 2013. This increase from the prior fiscal year primarily relates to increases in commercial and multi-family real estate loans and residential real estate loans of \$37.1 and \$34.0 million, respectively. Other than consumer loans, which decreased, these categories, as well as agricultural loans, have also risen significantly over the last year. The Company expects loan growth to further accelerate in the next quarter.

The Company recorded a provision for loan losses of \$0.3 million during the six months ended March 31, 2014, entirely due to continued loan growth. The allowance for loan losses increased to \$4.6 million, or 1.1% of outstanding loans, at March 31, 2014 compared to an allowance of \$3.9 million, or 1.0% of total loans, at September 30, 2013.

Credit Quality

The Retail Bank's non-performing assets at March 31, 2014 were \$0.7 million representing 0.04% of total assets compared to \$0.8 million and 0.05% of total assets at September 30, 2013. As had been the case at September 30, 2013, there were no non-performing assets within the MPS segment at March 31, 2014.

The Retail Bank non-performing loans totaled \$0.6 million at March 31, 2014, representing 0.1% of total loans, compared to \$0.7 million, or 0.2%, of total loans at September 30, 2013. The Retail Bank's level of foreclosed real estate and repossessed assets remained unchanged from September 30, 2013 at \$0.1 million.

Investments

Total investments and MBS increased by \$86.6 million, or 7.0%, to \$1.3 billion at March 31, 2014 as compared to March 31, 2013. Investment securities increased \$112.2 million primarily resulting from purchases of non-bank qualified ("NBQ") municipal securities. MBS decreased \$25.6 million as paydowns exceeded purchases. Average TEY on the securities portfolio increased by 32 basis points in the second quarter of fiscal year 2014 over the same quarter of fiscal year 2013.

Total investments and MBS increased by \$154.7 million, or 13.2%, to \$1.3 billion at March 31, 2014 as compared to September 30, 2013. Investment securities increased \$123.1 million primarily resulting from purchases of NBQ municipal securities. MBS increased \$31.5 million. Average TEY on the securities portfolio increased by 31 basis points in the first six months of fiscal 2014 when compared to the same period in the prior year. The yield on MBS increased by 40 basis point and investment securities increased by 14 basis points.

The Bank continues to execute its investment strategy of primarily purchasing NBQ municipal bonds and MBS. The NBQ municipal bonds are tax exempt and as such have a tax equivalent yield higher than their book yield. The tax equivalent yield calculation for NBQ municipal bonds uses the Company's cost of funds as one of its components. With the Company's large volume of non-interest bearing deposits, the tax equivalent yield for these NBQ bonds is higher than a similar term investment in other investment categories of similar risk and higher than most other banks can realize on the same instruments. The Company has also added variable-rate securities to its portfolio during the quarter. This strategy sacrifices some short-term yield, but better positions the Company for future interest rate increases.

Deposits and Other Liabilities

Total average deposits for the 2014 fiscal second quarter increased by \$152.8 million, or 10.3%, as compared to the same period in 2013. Total deposits increased \$179.9 million, or 13.7%, to \$1.5 billion at March 31, 2014 as compared to \$1.3 billion at September 30, 2013. Average non-interest bearing checking deposits for the 2014 second quarter were up \$154.0 million compared to the same period in 2013. Non-interest bearing checking was up \$223.5 million on March 31, 2014 from September 30, 2013. CDs decreased by \$58.6 million during this period primarily related to scheduled maturities in local market public funds that were planned to balance the seasonal increase in MPS-related deposits. The average balance of total deposits and interest-bearing liabilities was \$1.8 billion for the three month period ended March 31, 2014 compared to \$1.6 billion for the same period in the prior year.

Business Segment Performance

Meta Payment Systems

For the fiscal 2014 second quarter, MPS recorded earnings of \$2.0 million, compared to \$2.4 million for the same period last year. Total second quarter average MPS-generated deposits increased by \$149.8 million, or 11.6%, from growth in other prepaid card programs, compared to the same 2013 quarter. MPS income was impacted by lower fee income, higher product and business development costs, higher than usual health care expenses and consulting expenses related to compliance functions. Increased expenditures for product and business development are expected to continue, but the Company expects them to translate into higher income over time.

Traditional Bank

The Retail Bank segment recorded earnings of \$2.3 million for the second quarter of fiscal 2014, compared to earnings of \$1.0 million in the comparable quarter of 2013. The increase was primarily due to an increase of \$1.3 million in investment securities portfolio interest income and \$1.0 million in loan interest income offset by an increase of \$0.6 million in provision for loan losses. The increase in provision for loan losses includes a \$0.3 million provision in the current quarter and a negative loan loss provision of \$0.3 million in the prior year quarter. Retail Bank loan balances were up \$48.9 million during 2014, or 13% compared to September 30, 2013, and by \$97.8 million, or 30%, compared to March 31, 2013. Securities gains were also down \$0.2 million from the prior year.

Capital Ratios

At March 31, 2014, MetaBank exceeded federal regulatory capital requirements to remain classified as a well-capitalized institution. In that respect, MetaBank's Tier 1 (core) capital to adjusted total assets was 8.88% compared to a well-capitalized requirement of 5.0%, its total capital to risk-weighted assets ratio was 22.93% which exceeds the well-capitalized requirement of 10.0%, and MetaBank's Tier 1 (core) capital to risk-weighted assets ratio was 22.33% compared to the well-capitalized requirement of 6.0%. MetaBank's Tier 1 (core) capital to average adjusted total assets ratio was 8.65%.

This press release and other important information about the Company are available at [http:// www.metafinancialgroup.com](http://www.metafinancialgroup.com).

Meta Financial Group, Inc.®, ("Meta Financial" or "the Company" or "us") and its wholly-owned subsidiary, MetaBank™ (the "Bank" or "MetaBank"), may from time to time make written or oral "forward-looking statements," including this earnings release, statements contained in its filings with the Securities and Exchange Commission ("SEC"), in its reports to stockholders, 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.

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. You should read statements that contain these words carefully because they discuss our future expectations or state other “forward-looking” information. 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, among others, the following subjects: future operating results; customer retention; loan and other product demand; important components of the Company’s balance sheet and income statements; growth and expansion; new products and services, such as those offered by MetaBank™ (the “Bank”) or Meta Payment Systems® (“MPS”), a division of the Bank; credit quality and adequacy of reserves; technology; and the Company’s 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 Board of Governors of the Federal Reserve System (the “Federal Reserve”), as well as efforts of the United States Treasury in conjunction with bank regulatory agencies to stimulate the economy and protect the financial system; inflation, interest rate, market, and monetary fluctuations; the timely development of and acceptance of new products and services offered by the Company as well as risks (including reputational and litigation) attendant thereto and the perceived overall value of these products and services by users; the risks of dealing with or utilizing third party vendors; the scope of restrictions and compliance requirements imposed by the supervisory directives and/or the Consent Orders entered into by the Company and the Bank with the Office of Thrift Supervision (the functions of which were transferred to the Office of the Comptroller of the Currency (“OCC”) and the Federal Reserve) and any other such actions which may be initiated; the impact of changes in financial services’ laws and regulations, including but not limited to our relationship with our regulators, the OCC and the Federal Reserve; technological changes, including but not limited to the protection of electronic files or databases; acquisitions; litigation risk in general, including but not limited to those risks involving the MPS division; the growth of the Company’s business as well as expenses related thereto; changes in consumer spending and saving habits; and the success of the Company at managing and collecting assets of borrowers in default.

The foregoing list of factors is not exclusive. Additional discussions of factors affecting the Company’s business and prospects are contained in the Company’s periodic filings with the SEC. The Company 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 or its subsidiaries.

Financial Highlights

Consolidated Statements of Financial Condition

(Dollars In Thousands)

	<u>March 31, 2014</u>	<u>September 30, 2013</u>
Assets		
Cash and cash equivalents	\$ 38,930	\$ 40,063
Investments and mortgage-backed securities	1,323,915	1,169,219
Loans receivable, net	426,015	380,428
Other assets	101,697	102,279
Total assets	\$ 1,890,557	\$ 1,691,989
Liabilities		
Deposits	\$ 1,495,160	\$ 1,315,283
Other borrowings	227,836	216,456
Other liabilities	11,901	17,266
Total liabilities	1,734,897	1,549,005
Stockholders' equity	155,660	142,984
Total liabilities and stockholders' equity	\$ 1,890,557	\$ 1,691,989

Consolidated Statements of Operations

(Dollars In Thousands, Except Share and Per Share Data)

	<u>For the Three Months Ended March 31:</u>		<u>For the Six Months Ended March 31:</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest income	\$ 12,063	\$ 9,718	\$ 23,225	\$ 19,348
Interest expense	544	813	1,193	1,646
Net interest income	11,519	8,905	22,032	17,702
Provision for loan losses	300	(300)	300	(300)
Net interest income after provision for loan losses	11,219	9,205	21,732	18,002
Non-interest income	13,063	15,095	26,650	28,505
Non-interest expense	19,743	20,585	38,804	38,663
Income before income tax expense	4,539	3,715	9,578	7,844
Income tax expense	395	568	1,432	1,572
Net income	\$ 4,144	\$ 3,147	\$ 8,146	\$ 6,272
Earnings per common share				
Basic	\$ 0.68	\$ 0.57	\$ 1.34	\$ 1.15
Diluted	\$ 0.67	\$ 0.57	\$ 1.32	\$ 1.14

Selected Financial Information

For the Six Months Ended March 31,	<u>2014</u>	<u>2013</u>
Return on average assets	0.87%	0.74%
Return on average equity	11.00%	8.64%
Average shares outstanding for diluted earnings per share	6,191,573	5,510,831

At Period Ended:	<u>March 31, 2014</u>	<u>September 30, 2013</u>
Equity to total assets	8.23%	8.45%
Book value per common share outstanding	\$ 25.40	\$ 23.55
Tangible book value per common share outstanding	\$ 24.99	\$ 23.17
Tangible book value per common share outstanding excluding AOCI	\$ 27.52	\$ 26.51
Common shares outstanding	6,129,299	6,070,654
Non-performing assets to total assets	0.04%	0.05%



2Q14 Investor Update
May 2014

Forward Looking Statements



Corporate Profile: Meta Financial Group, Inc.[®], ("Meta Financial" or the "Company") and its wholly-owned subsidiary, MetaBank[™] (the "Bank" or "MetaBank"), may from time to time make written or oral "forward-looking statements," including statements contained in its filings with the Securities and Exchange Commission ("SEC"), in its reports to stockholders, 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.

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. You should read statements that contain these words carefully because they discuss our future expectations or state other "forward-looking" information. 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, among others, the following subjects: future operating results; customer retention; loan and other product demand; important components of the Company's balance sheet and income statements; growth and expansion; new products and services, such as those offered by the Bank or Meta Payment Systems[®] ("MPS"), a division of the Bank; credit quality and adequacy of reserves; technology; and the Company's 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 Board of Governors of the Federal Reserve System (the "Federal Reserve"), as well as efforts of the United States Treasury in conjunction with bank regulatory agencies to stimulate the economy and protect the financial system; inflation, interest rate, market, and monetary fluctuations; the timely development of and acceptance of new products and services offered by the Company as well as risks (including reputational and litigation) attendant thereto and the perceived overall value of these products and services by users; the risks of dealing with or utilizing third parties; the scope of restrictions and compliance requirements imposed by the supervisory directives and/or the Consent Orders entered into by the Company and the Bank with the Office of Thrift Supervision (the functions of which were transferred to the Office of the Comptroller of the Currency ("OCC") and the Federal Reserve) and any other such regulatory actions which may be initiated; the impact of changes in financial services' laws and regulations, including but not limited to our relationship with our regulators, the OCC and the Federal Reserve; technological changes, including, but not limited to, the protection of electronic files or databases; acquisitions; litigation risk in general, including, but not limited to, those risks involving the MPS division; the growth of the Company's business, as well as expenses related thereto; changes in consumer spending and saving habits; and the success of the Company at managing and collecting assets of borrowers in default.

The foregoing list of factors is not exclusive. Additional discussions of factors affecting the Company's business and prospects are contained in the Company's periodic filings with the SEC. The Company 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 or its subsidiaries.

Other important information about the Company is available at <http://www.metafinancialgroup.com>



J. Tyler Haahr

Chairman and Chief Executive Officer, Meta Financial Group

Tyler Haahr has been with Meta Financial Group since March 1997. Previously he was a partner with the law firm of Lewis and Roca LLP, Phoenix, Arizona. Tyler received his B.S. degree with honors at the University of South Dakota in Vermillion, SD. He graduated with honors from the Georgetown University Law Center, Washington, D.C.



Brad C. Hanson

President, Meta Financial Group and MetaBank

Brad Hanson founded Meta Payment Systems in May 2004. He has more than 20 years of experience in financial services, including numerous banking, card industry and technology-related capacities. During his career Brad has played a significant role in the development of the prepaid card industry. Brad graduated from the University of South Dakota in Vermillion, SD with a degree in Economics.



Glen W. Herrick

Chief Financial Officer, Meta Financial Group and MetaBank

Glen Herrick was appointed EVP & Chief Financial Officer in October 2013 after joining Meta in March 2013. Previously, he served in various finance and risk management roles at Wells Fargo, including as CFO of Wells Fargo's student loan division. Glen received his B.S. degree in Engineering Management from the United States Military Academy in West Point, N.Y. and MBA from the University of South Dakota. He also graduated from the Stonier Graduate School of Banking.

Who we are ...



Loans * ▪ \$415 M

▪ \$1,434 M

Deposits **

**Strong
Economy
and Local
Markets**

- Iowa
- South Dakota

- NetSpend
- Money Network
- Blackhawk
- Several Dozen Others

**Business
Partners**

* Quarter End – Net ALL

** Quarter Average

*** Quarter End March 31, 2014

Who we are ...

➔ **Meta Financial Group: (NASDAQ: CASH)**

- ⇒ Added to Russell 2000 Index in June 2013
- ⇒ Top 5 in *ABA Banking Journal's* annual Performance Ranking for \$1B-\$10B banks (May 2013)
- ⇒ #7 ranked U.S. bank for fee income per *Bank Director* magazine's 4th Quarter 2013 edition
- ⇒ Sandler O'Neill's Small-Cap All Star list (September 2012)
- ⇒ Added to NASDAQ's ABA Community Bank Index (ABQI) in December 2013
- ⇒ Unique and relatively fixed cost of funds advantage (<15 bps)

➔ **Retail Bank**

- ⇒ Growing community bank
- ⇒ Strong local economy
- ⇒ 11 branch locations in Iowa and South Dakota
- ⇒ 30% year-over-year loan growth

➔ **Meta Payment Systems (MPS)**

- ⇒ Dynamic payment systems division
- ⇒ A top prepaid card issuer in US
- ⇒ Strong deposit growth
- ⇒ Nationally focused

- ➔ Grow MPS Division
 - ⇒ Scalable operating infrastructure
 - ⇒ Leverage low/no cost funds
 - ⇒ Diverse product set: reloadable, payroll, gift, incentive, virtual, travel
 - ⇒ MPS “financial inclusion” programs for unbanked, underbanked
- ➔ Exercise “Early Adopter” advantage in regulatory compliance
- ➔ Maintain strong credit and investment quality
- ➔ Emphasize asset diversification, yield enhancement and strong, high quality loan growth
- ➔ Develop new product initiatives – payments, deposits and credit



- ➔ Early adopter of sophisticated compliance systems
- ➔ Investments in program design, training and technology
 - ⇒ Implemented enhanced BSA/AML technology
 - ⇒ Enhanced infrastructure to support growth with moderating expenses
 - ⇒ Shifting focus to business development opportunities
- ➔ High competitive barriers to entry
 - ⇒ Expertise, Capital, Compliance
 - ⇒ Operational infrastructure
 - ⇒ High start-up costs
- ➔ Substantial progress with OCC

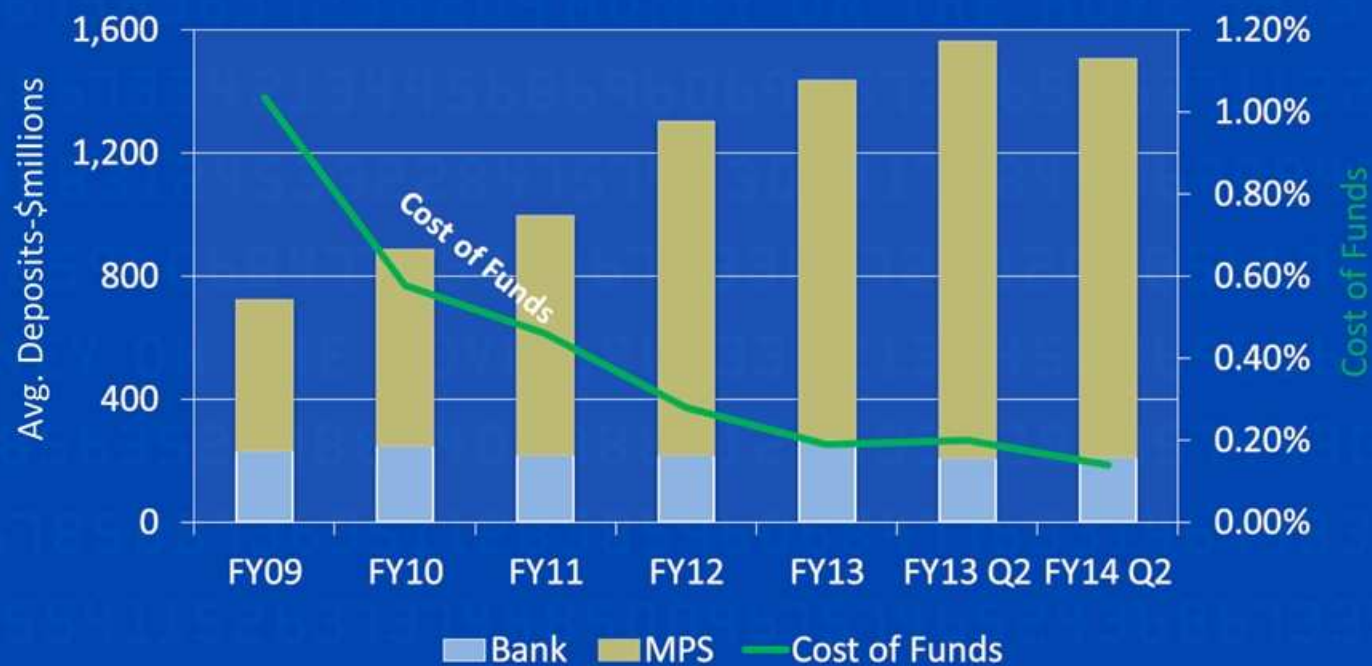


Growing our business

- ➔ Capitalizing on synergies: community banking, MPS
 - ⇒ MPS provides MFG over \$1.3 billion in no-cost funds
 - ⇒ High growth industry segment
 - ⇒ Expect material benefits as interest rates rise
- ➔ Leveraging MPS leadership in prepaid card segment
 - ⇒ High growth industry with Meta having large market share
 - ⇒ Meta sponsors ~70% of U.S. “white label” ATMs
 - ⇒ Emergent leader in “virtual cards” for electronic settlements
 - ⇒ 38 patents with over a dozen pending



Deposits and Cost of Funds

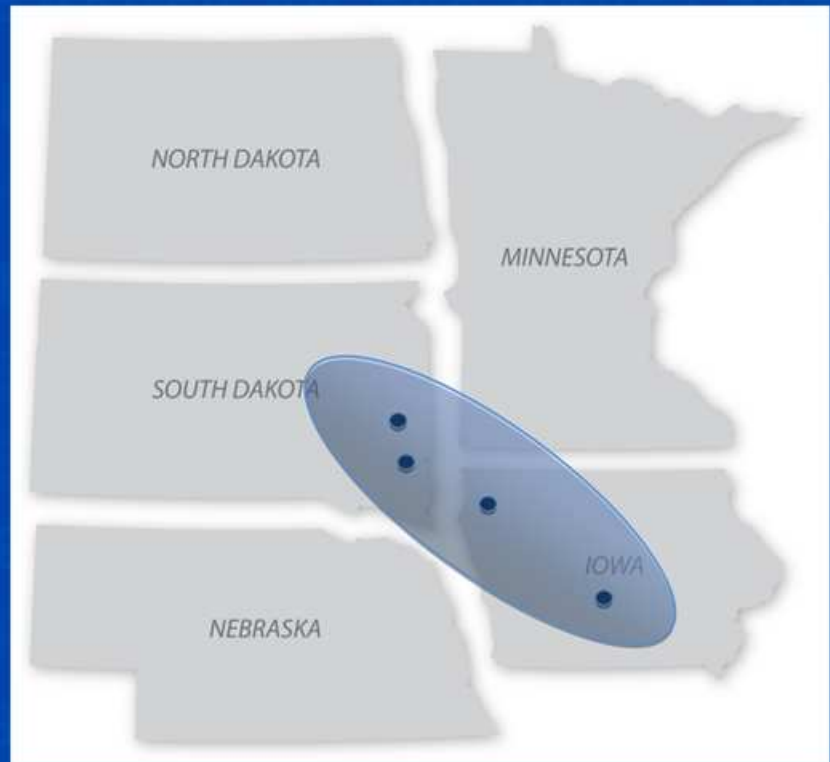


- ➔ Successful regional enterprise
 - ⇒ 60 years in business
 - ⇒ 11 locations in Iowa and S. Dakota
 - ⇒ Growing, profitable operations
 - ⇒ Strong, loyal customer base
- ➔ Diverse customer base
 - ⇒ Attractive combination of retail, commercial and agricultural
- ➔ Loan growth of 30% over the last year
- ➔ Expect loan growth to be robust and accelerate in the next year
- ➔ Very strong credit quality



Where MetaBank is located

- ➡ Brookings
- ➡ Sioux Falls
- ➡ Storm Lake
- ➡ Des Moines



Financial Highlights

➔ Net Income

⇒ \$8.15 million in fiscal 2014 YTD, +30% over prior year same period

➔ Strong earnings profile

⇒ Annualized ROAA of 1.03% and annualized ROAE of 13.04%

➔ Very Strong asset quality

⇒ NPAs markedly lower than peer group at 0.04% of total assets

➔ Increased market capitalization

➔ Capital management

⇒ Capital raise supports growth opportunities



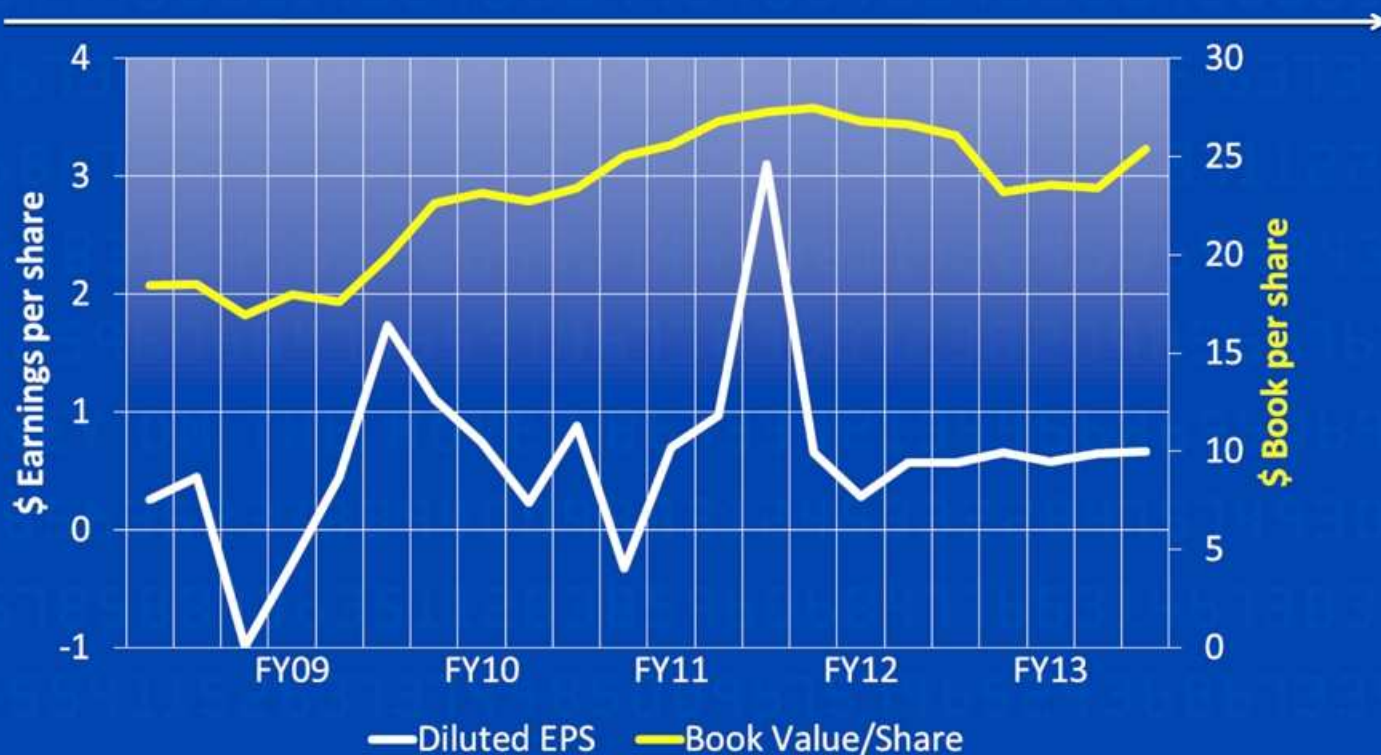
- ➡ Positively leveraged for higher rate environment
- ➡ OCI volatile relative to peers; GAAP does not capture balance sheet true value
 - ⇒ Meta mark includes ~80% of assets vs. typical “peer” at 20%
 - ⇒ Unrecognized value of low or zero cost deposits
- ➡ Expect securities portfolio yield and Net Interest Margin (NIM) to continue to increase given current interest rate environment
- ➡ Additional reinvestment opportunity in up environment
 - ⇒ \$9MM to \$11MM per month in MBS run-off
 - ⇒ New deposits generated by MPS deployed at higher rates
- ➡ NIM up 5 bps over the prior quarter and 35 bps in the last 6 mos with further expansion expected based on the current interest rate environment

Capital Management

- ➔ Successfully raised \$61.0 million in new capital in 2012-13 via private placements and an ATM offering
- ➔ Maintain strong capital ratios
 - ⇒ Common Equity Tier 1 capital at least 8%
 - ⇒ Risk-Based over 20%
- ➔ Support growth and acquisition opportunities
 - ⇒ Increase in share price gives additional acquisition capabilities



Earnings power while Growing equity



Fiscal year end of September 30

Balance Sheet (\$'000s)

	Sep10	Sep11	Sep12	Sep13	Mar13 *	Mar14*
Cash And Cash Equivalents	94,248	132,149	106,067	73,733	102,022	132,659
Investments and MBS	511,011	615,320	998,826	1,176,811	1,276,786	1,294,874
Loans Receivable Net	369,563	314,484	329,689	364,100	321,876	414,245
Other Assets	64,037	64,825	61,412	98,760	83,594	97,698
Assets	1,038,859	1,126,778	1,495,994	1,713,404	1,784,278	1,939,476
Liabilities	968,144	1,047,699	1,387,222	1,577,589	1,640,027	1,790,297
Shareholders' Equity	70,715	79,079	108,772	135,815	144,251	149,179
Liabilities and Equity	1,038,859	1,126,778	1,495,994	1,713,404	1,784,278	1,939,476

- Quarter Average
- Fiscal Year End of September 30

Income Statement (\$000s)

Meta Financial Group	2010	2011	*2012	2013	**2013 Q2	**2014 Q2
Net Interest Income After Provision	17,299	34,034	32,685	36,022	18,002	21,732
Total Non Interest Income	97,444	57,491	69,574	55,503	28,505	26,650
Compensation and Benefits	32,529	30,467	31,104	34,106	17,393	18,970
Card Processing Expense	38,242	23,286	17,373	15,584	4,007	4,549
All Other Expense	24,159	29,509	26,986	24,713	12,607	12,016
Net Income (Loss) Before Taxes	19,813	8,263	26,796	17,122	7,844	9,578
Income Tax Expense (Benefit)	7,420	3,623	9,682	3,704	1,572	1,432
Net Income (Loss)	12,393	4,640	17,114	13,418	6,272	8,146

* \$11.4M Gain on Sale of GNMA Securities

** Amounts are YTD

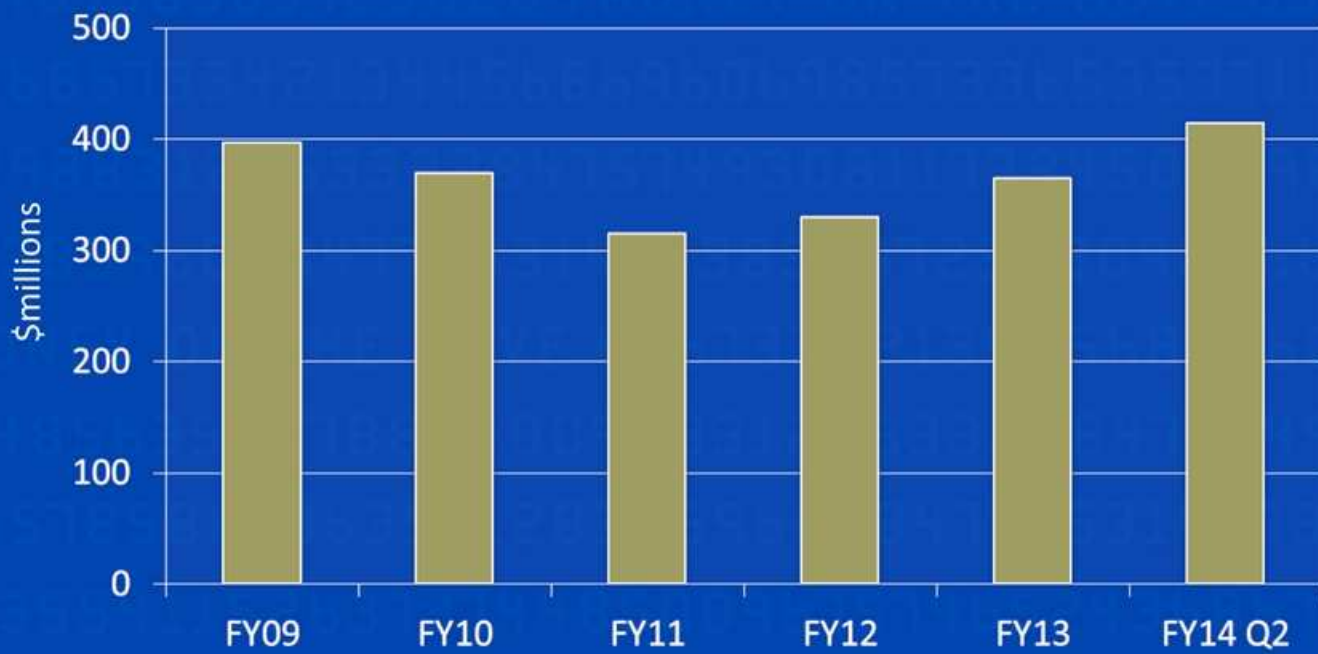
Fiscal Year End of September 30

Total Assets



- Quarter Average
- Fiscal Year End of September 30

Total Net Loans



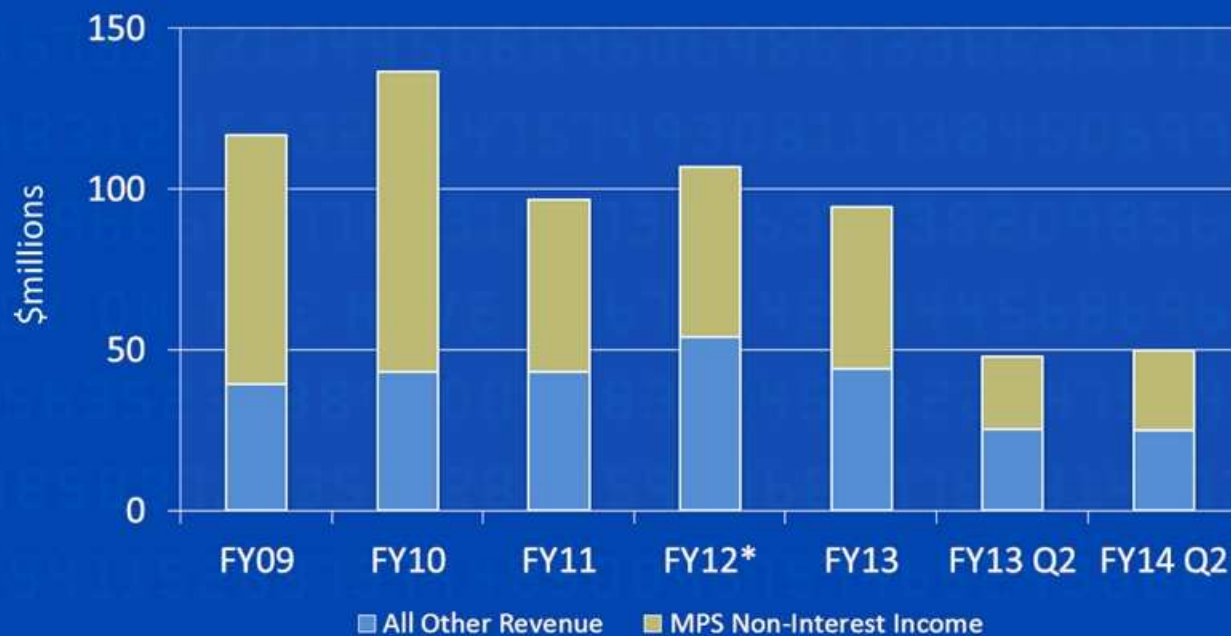
- Quarter Average
- Fiscal Year End of September 30

Non-Performing Assets



Fiscal Year End September 30

Total Revenue

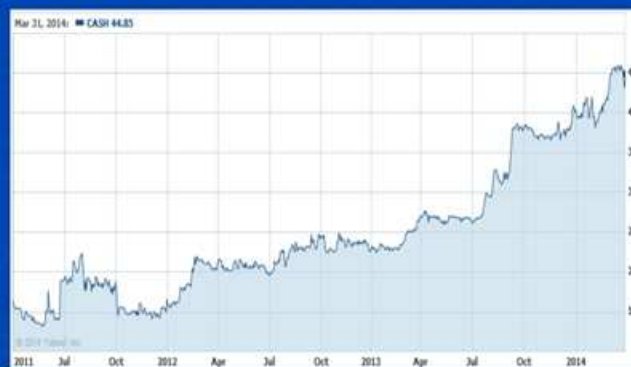


* \$11.4M Gain on Sale of GNMA Securities

Fiscal Year End September 30

Meta Value Proposition

- ➔ Leading issuer of prepaid debit cards
 - ⇒ Springboard into other products and services
- ➔ Strong capital position
 - ⇒ Capacity to fund our growth objectives
- ➔ Stable, low cost funding advantage
- ➔ Steady dividend policy
- ➔ Potential for upward trend in earnings
 - ⇒ Normalized interest rates
 - ⇒ Asset diversification
 - ⇒ ~85% of deposits are low or no-cost





NASDAQ: CASH