META FINANCIAL GROUP INC

FORM 8-K
(Unscheduled Material Events)

Filed 8/15/2005 For Period Ending 8/12/2005

Address	121 EAST FIFTH STREET P O BOX 1307
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Telephone	712-732-4117
CIK	0000907471
Industry	S&Ls/Savings Banks
Sector	Financial
Fiscal Year	09/30

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): August 15, 2005

Meta Financial Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware	0-22140	42-1406262
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(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 August 15, 2005, the Registrant issued a news release announcing earnings for the quarter and nine month periods ended June 30, 2005. A copy of the news 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.

Item 2.06. Material Impairments

On June 24, 2005, the Registrant filed a Form 8-K, under Section 2, Item 2.06(a), disclosing that the Registrant and its principal operating subsidiaries, MetaBank and MetaBank West Central, on June 20, 2005, determined that a material amount of its assets were impaired under generally accepted accounting principles. At that time, the Registrant was unable to estimate under Section 2, Item 2.06(b) the amount or range of amounts of the impairment charge, and was unable to estimate under Section 2, Item 2.06(c) the amount or range of amounts of future cash expenditures that will result from the impairment charge. The range of possible loss is estimated to be between $1.90 million and $4.88 million, and the range of future cash expenditures is estimated to be between $250,000 and $500,000.

Section 9 - Financial Statements and Exhibits.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

The following Exhibit is being furnished herewith:

99.1 News Release of Meta Financial Group, Inc., dated August 15, 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: August 15, 2005

Exhibit Index

Exhibit Number	Description of Exhibit
99.1	News Release of Meta Financial Group, Inc. dated August 15, 2005

Exhibit 99.1

FOR IMMEDIATE RELEASE
Contact: Investor Relations
Telephone: 712.732.4117

META FINANCIAL GROUP, INC. REPORTS THIRD QUARTER RESULTS

Storm Lake, Iowa - (August 15, 2005) Meta Financial Group, Inc. (NASDAQNM:CASH) today reported a net loss of $2.3 million, or a negative $0.94 per diluted share, for the 2005 fiscal year third quarter ended June 30, 2005, compared to net income of $837,000, or $0.33 per diluted share, for the same period last year. As a result of the net loss in the third quarter, the results for the first nine months of the 2005 fiscal year were a net loss of $1.5 million, or a negative $0.60 per diluted share, compared to net income of $3.5 million, or $1.38 per diluted share, for the same period last year. The Company results for the nine month period of fiscal 2004 included a net gain, after income taxes, of $699,000, or $0.27 per diluted share, from the January 2004 sale of a branch office. The fiscal 2005 net loss reflects decreases of $3.1 million and $5.0 million for the three and nine month periods ended June 30, 2005, respectively, compared to the same periods in 2004.

The net losses for the three and nine months periods of fiscal 2005 were the result of recording an additional provision for loan losses totaling $4.8 million during the third quarter. Of this total, $4.1 million was recorded by MetaBank and the remaining $700,000 was recorded by MetaBank West Central. Net of the effect of income taxes, the additional provision reduced earnings per diluted share by $1.25 for both the quarter and the nine months. The additional provision relates to 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 Company estimates that losses could range between approximately $1.90 million and approximately $4.88 million. Based on this estimate of loss the Company took the additional $4.8 million provision for loan losses. In addition, collection and related costs are estimated between $250,000 and $500,000. During the evening of June 20, 2005, as disclosed in a Form 8-K filed with the Securities and Exchange Commission on June 24, 2005, two of the companies filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. On July 8, 2005, the Company took possession of the assets of one of the companies, while the other company remains in Chapter 11 bankruptcy. The process of liquidation of the assets of all three companies is underway. The amount of the additional provision was determined through extensive review and evaluation of the net realizable value of the assets. One loan totaling $1.3 million was written off as of June 30, 2005. While the Company believes it has correctly identified the size of the provision taken for the period ended June 30, 2005, no assurance can be given that additional adjustments will not occur.

In addition to the provision, the net loss for the period ended June 30, 2005 includes net losses for the payment systems division (Meta Payment Systems) of $156,000, or $0.06 per diluted share, and $867,000, or $0.34 per diluted share for the quarter and nine month periods ended June 30, 2005, respectively. This compares to a net loss of $141,000, or $.06 per diluted share, for both the quarter and nine-month periods of the prior year. The loss for Meta Payment Systems represents a continuation of costs for the recently started division, which was formed in May 2004. The Company anticipates that Meta Payment Systems will become profitable ahead of projections. In addition, 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 $40,000, or $0.02 per diluted share, and $428,000, or $0.17 per diluted share, for the quarter and nine month period, respectively.

Excluding the provision for loan losses, the payment systems loss and the costs related to the Company's recent name change, net income would have been $1.0 million, or $0.41 per diluted share, for the third quarter and $3.0 million, or $1.18 per diluted share, for the nine month period ended June 30, 2005. This compares to net income of $0.33 per diluted share for the three month period ended June 30, 2004, and net income of $1.11 per diluted share, excluding the profit from the branch sale, for the nine month period ended June 30, 2004, and to net income (excluding the Meta Payment System loss and the name change costs) of $.43 per diluted share for the three months ended March 31, 2005. During the first nine months of 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. Although excluding the impact of the above items is a non-GAAP measure, we believe that it is important to provide such information due to the nature of the expenses and to more accurately compare the results of the periods presented.

Net interest income increased $596,000, or 13.2 percent, and $1.4 million, or 10.4 percent, for the three and nine month periods ended June 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 $56.0 million, or 13.8 percent, and $32.3 million, or 7.0 percent, respectively, during the first nine months of fiscal 2005. This growth, plus an improvement in interest rate spreads, contributed to the increase in net interest income in both the three and nine month periods.

During the quarter, the Company moved ahead with previously disclosed plans for two additional branch offices in Sioux Falls, South Dakota. The offices in Sioux Falls are expected to be open prior to the end of calendar 2005. When these offices have opened, the Company will have four offices in Sioux Falls, South Dakota.

The Company had recoveries for the fiscal year totaling $116,000, that when coupled with the $1.3 million write-off noted above, resulted in net charge offs of $1.2 million. At June 30, 2005, non-performing assets totaled $8.2 million (almost all associated with the credit discussed above) and the ratio of non-performing assets to total assets was 1.06 percent, compared to $729,000 and 0.09 percent, respectively, at September 30, 2004. The Company had $6.6 million of 30-day past due loans (1.39 percent of total loans) as of June 30, 2005, including approximately $4.2 million related to the credit discussed above, compared to $1.1 million of 30-day past due loans (.56 percent of total loans) at September 30, 2004.

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

At June 30, 2005, assets of Meta Financial Group totaled $768.7 million. Shareholders' equity totaled $43.1 million, or $17.20 per common share outstanding. Meta Financial Group is the holding company for MetaBank and MetaBank West Central. Though no longer well-capitalized under federal banking guidelines due to the provision taken this quarter, MetaBank had a capital ratio well in excess of minimum regulatory requirements at June 30, 2005, with Tier I and Tier II capital ratios of 6.37 percent and 9.98 percent, respectively. The Company and MetaBank West Central remain well-capitalized.

During the quarter ended June 30, 2005, Meta Financial Group shares traded between $18.15 and $24.09.

Corporate Profile: Meta Financial Group, Inc. (doing business as Meta Financial Group) is the holding company for MetaBank and MetaBank West Central. MetaBank is a federally-chartered savings bank with four market areas: Northwest Iowa Market, Brookings Market, Central Iowa Market, Sioux Empire Market; and the Meta Payment Systems prepaid debit card division. MetaBank West Central is a state-chartered commercial bank in the West Central Iowa Market. 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 and MetaBank WC, 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)		
Assets	June 30, 2005	Sept. 30, 2004
Cash and Cash Equivalents	$ 7,913	$ 8,937
Investments & Mortgage-backed Securities	250,802	322,524
Loans, net	459,690	404,051
Other Assets	50,272	45,287
Total Assets	$ 768,677	$ 780,799
Liabilities		
Deposits	$ 493,870	$ 461,581
Borrowed Money	229,279	269,109
Other Liabilities	2,477	2,835
Total Liabilities	$ 725,626	$ 733,525
Shareholders' Equity	$ 43,051	$ 47,274
Total Liabilities and Shareholders' Equity	$ 768,677	$ 780,799

Consolidated Statements of Income

	For the 3 Months Ended June 30:		For the 9 Months Ended June 30:	
(Dollars In Thousands except per share data)	2005	2004	2005	2004
Interest Income	$ 10,813	$ 9,043	$ 30,970	$ 26,988
Interest Expense	5,697	4,523	16,178	13,585
Net Interest Income	5,116	4,520	14,792	13,403
Provision for Loan Losses	4,956	168	5,391	325
Net Interest Income After Provision for Loan Losses	160	4,352	9,401	13,078
Other Income	949	640	2,234	3,005
Other Expenses	4,666	3,731	14,014	10,755
Income (Loss) Before Income Tax	(3,557)	1,261	(2,379)	5,328
Income Tax Expense (Benefit)	(1,245)	424	(908)	1,839
Net Income (Loss)	$ (2,312)	$ 837	$ (1,471)	$ 3,489
Earnings (Loss) Per Common Share (Basic):	$ (0.94)	$ 0.34	$ (0.60)	$ 1.41
Earnings (Loss) Per Common Share (Diluted):	$ (0.94)	$ 0.33	$ (0.60)	$ 1.38

Selected Financial Information

For the 9 Months Ended June 30,	2005	2004
Return on Average Assets	-0.24%	0.60%
Return on Average Equity	-4.28%	10.13%
Average Shares Outstanding for Diluted Earnings per Share	2,513,928	2,536,863
At Period Ended:	June 30, 2005	Sept. 30, 2004
Equity to Total Assets	5.60%	6.05%
Book Value per Common Share Outstanding	$ 17.20	$ 18.98
Tangible Book Value per Common Share Outstanding	$ 15.84	$ 17.61
Common Shares Outstanding	2,503,655	2,491,025
Non-Performing Assets to Total Assets	1.06%	0.09%

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