

META FINANCIAL GROUP INC

FORM 10-Q (Quarterly Report)

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Sector	Financial
Fiscal Year	09/30

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2005

**[] TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transaction period from _____ to _____

Commission File Number: 0-22140

META FINANCIAL GROUP, INC. (Formerly FIRST MIDWEST FINANCIAL, INC.)
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

42-1406262

(IRS Employer Identification No.)

121 East Fifth Street, Storm Lake, Iowa 50588
(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class:
Common Stock, \$.01 par value

Outstanding at May 10, 2005:
2,503,655 Common Shares

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**META FINANCIAL GROUP, INC.
AND SUBSIDIARIES
Consolidated Balance Sheets (Unaudited)**

ASSETS	March 31, 2005	September 30, 2004
Cash and due from banks	\$ 2,312,755	\$ 1,591,982
Interest-bearing deposits in other financial institutions - short-term (cost approximates market value)	5,788,479	7,344,587
Total cash and cash equivalents	8,101,234	8,936,569
Securities available for sale, amortized cost of \$300,966,016 at March 31, 2005 and \$324,500,510 at September 30, 2004	295,215,937	322,523,577
Loans receivable - net of allowance for loan losses of of \$5,797,007 at March 31, 2005 and \$5,370,994 at September 30, 2004	446,207,896	404,051,379
Loans held for sale	206,200	270,000
Federal Home Loan Bank stock, at cost	10,392,900	11,052,700
Accrued interest receivable	3,634,508	3,849,215
Premises and equipment, net	12,032,412	11,690,437
Foreclosed real estate, net	19,528	--
Bank owned life insurance	12,073,257	11,847,420
Other assets	7,876,845	6,577,227
Total assets	\$ 795,760,717	\$ 780,798,524
=====		
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Noninterest-bearing demand deposits	\$ 28,415,741	\$ 19,537,370
Savings, NOW and money market demand deposits	170,945,592	177,287,972
Time certificates of deposit	301,781,921	264,755,535
Total deposits	501,143,254	461,580,877
Advances from Federal Home Loan Bank	207,750,000	226,250,000
Securities sold under agreements to repurchase	28,805,953	32,549,377
Subordinated Debentures	10,310,000	10,310,000
Advances from borrowers for taxes and insurance	246,527	216,331
Accrued interest payable	925,286	473,426
Accrued expenses and other liabilities	1,642,507	2,144,248
Total liabilities	750,823,527	733,524,259
SHAREHOLDERS' EQUITY		
Preferred stock, 800,000 shares authorized, no shares issued or outstanding	--	--
Common stock, \$.01 par value; 5,200,000 shares authorized, 2,957,999 shares issued, 2,498,860 and 2,491,025 shares outstanding at March 31, 2005 and September 30, 2004, respectively	29,580	29,580
Additional paid-in capital	20,640,098	20,678,644
Retained earnings - substantially restricted	36,950,651	36,758,258
Accumulated other comprehensive loss	(3,609,494)	(1,240,338)
Unearned Employee Stock Ownership Plan shares	(696,149)	(394,766)
Treasury stock, 459,139 and 466,974 common shares, at cost, at March 31, 2005 and September 30, 2004 respectively	(8,377,496)	(8,557,113)
Total shareholders' equity	44,937,190	47,274,265
Total liabilities and shareholders' equity	\$ 795,760,717	\$ 780,798,524
=====		

See Notes to Consolidated Financial Statements.

**META FINANCIAL GROUP, INC.
AND SUBSIDIARIES**
Consolidated Statements of Income (Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2005	2004	2005	2004
Interest and Dividend Income:				
Loans receivable, including fees	\$ 7,338,529	\$ 5,708,553	\$14,099,364	\$ 11,527,310
Securities available for sale	2,957,207	3,146,976	5,898,319	6,298,717
Dividends on Federal Home Loan Bank stock	76,872	35,112	159,616	118,321
	-----	-----	-----	-----
Total interest and dividend income	10,372,608	8,890,641	20,157,299	17,944,348
Interest Expense:				
Deposits	2,902,732	2,339,588	5,587,904	4,753,885
FHLB advances and other borrowings	2,480,721	2,136,238	4,893,223	4,307,850
	-----	-----	-----	-----
Total interest expense	5,383,453	4,475,826	10,481,127	9,061,735
	-----	-----	-----	-----
Net interest income	4,989,155	4,414,815	9,676,172	8,882,613
Provision for loan losses	257,500	56,000	434,500	157,000
	-----	-----	-----	-----
Net interest income after provision for loan losses	4,731,655	4,358,815	9,241,672	8,725,613
Noninterest income:				
Deposit service charges and other fees	280,704	294,895	609,738	629,469
Gain on sales of loans, net	45,566	31,380	81,308	120,100
Bank owned life insurance	126,646	157,443	253,291	317,841
Gain on sale of branch office	--	1,113,230	--	1,113,230
Gain on sales of securities available for sale, net	1,079	--	1,079	--
Loss on sales of foreclosed real estate, net	--	(2,505)	--	(492)
Other income	220,175	96,138	340,338	185,231
	-----	-----	-----	-----
Total noninterest income	674,170	1,690,581	1,285,754	2,365,379
Noninterest expense:				
Employee compensation and benefits	2,781,661	2,162,385	5,692,050	4,425,122
Occupancy and equipment expense	1,030,493	588,828	1,762,103	1,123,679
Deposit insurance premium	16,453	15,220	36,074	31,446
Data processing expense	184,450	182,007	368,126	361,930
Other expense	850,430	515,843	1,490,897	1,082,034
	-----	-----	-----	-----
Total noninterest expense	4,863,487	3,464,283	9,349,250	7,024,211
	-----	-----	-----	-----
Income before income taxes	542,338	2,585,113	1,178,176	4,066,781
Income tax expense	142,964	909,716	336,860	1,414,442
	-----	-----	-----	-----
Net income	\$ 399,374	\$ 1,675,397	\$ 841,316	\$ 2,652,339
	=====	=====	=====	=====
Earnings per common share:				
Basic	\$ 0.16	\$ 0.67	\$ 0.34	\$ 1.07
	=====	=====	=====	=====
Diluted	\$ 0.16	\$ 0.66	\$ 0.33	\$ 1.05
	=====	=====	=====	=====
Dividends declared per common share	\$ 0.13	\$ 0.13	\$ 0.26	\$ 0.26
	=====	=====	=====	=====

See Notes to Consolidated Financial Statements.

**META FINANCIAL GROUP, INC.
AND SUBSIDIARIES**
Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2005	2004	2005	2004
Net income	\$ 399,374	\$1,675,397	\$ 841,316	\$2,652,339
Other comprehensive income (loss):				
Net change in net unrealized gains and losses on securities available for sale	(2,598,479)	2,838,499	(3,773,146)	5,100,560
Deferred income tax expense (benefit)	(966,896)	1,056,207	(1,403,990)	1,897,919
	-----	-----	-----	-----
Total other comprehensive income (loss)	(1,631,583)	1,782,292	(2,369,156)	3,202,641
	-----	-----	-----	-----
Total comprehensive income (loss)	\$(1,232,209)	\$3,457,689	\$(1,527,840)	\$5,854,980
	=====	=====	=====	=====

See Notes to Consolidated Financial Statements.

**META FINANCIAL GROUP, INC.
AND SUBSIDIARIES**

Consolidated Statement of Changes in Shareholders' Equity (Unaudited) For the Six Months Ended March 31, 2005

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Unearned Employee Stock Ownership Plan Shares
Balance, September 30, 2004	\$29,580	\$ 20,678,644	\$ 36,758,258	\$ (1,240,338)	\$ (394,766)
Cash dividends declared on common stock (\$.26 per share)	--	--	(648,923)	--	--
Purchase of 1,000 common shares of treasury stock	--	--	--	--	--
Issuance of 8,835 common shares from treasury stock due to exercise of stock options	--	(63,179)	--	--	--
Tax benefit from exercise of stock options	--	4,669	--	--	--
Purchase 19,100 common shares for ESOP	--	--	--	--	(437,080)
6,600 common shares committed to be released under the ESOP	--	19,964	--	--	135,697
Change in net unrealized gains and losses on securities available for sale, net of effect of income taxes of (\$1,403,990)	--	--	--	(2,369,156)	--
Net income for six months ended March 31, 2005	--	--	841,316	--	--
Balance, March 31, 2005	\$29,580	\$ 20,640,098	\$ 36,950,651	\$ (3,609,494)	\$ (696,149)
	Treasury Stock	Total Shareholders' Equity			
Balance, September 30, 2004	\$(8,557,113)	\$ 47,274,265			
Cash dividends declared on common stock (\$.26 per share)	--	(648,923)			
Purchase of 1,000 common shares of treasury stock	(25,655)	(25,655)			
Issuance of 8,835 common shares from treasury stock due to exercise of stock options	205,272	142,093			
Tax benefit from exercise of stock options	--	4,669			
Purchase 19,100 common shares for ESOP	--	(437,080)			
6,600 common shares committed to be released under the ESOP	--	155,661			
Change in net unrealized gains and losses on securities available for sale, net of effect of income taxes of (\$1,403,990)	--	(2,369,156)			
Net income for six months ended March 31, 2005	--	841,316			
Balance, March 31, 2005	\$(8,377,496)	\$ 44,937,190			

See Notes to Consolidated Financial Statements.

**META FINANCIAL GROUP, INC.
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows(Unaudited)

	Six Months Ended March 31, 2005	2004
<hr/>		
Cash Flows from operating activities:		
Net income	\$ 841,316	\$ 2,652,339
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation, amortization and accretion, net	1,863,437	2,373,575
Provision for loan losses	434,500	157,000
Gain on sales of foreclosed real estate, net	--	492
Gain on the sale of branch office	--	(1,113,230)
Proceeds from sales of loans held for sale	4,327,480	7,808,048
Originations of loans held for sale	(4,263,680)	(6,931,588)
Net change in accrued interest receivable	214,707	734,289
Net change in other assets	(121,465)	(363,199)
Net change in accrued interest payable	451,860	15,665
Net change in accrued expenses and other liabilities	(501,741)	717,563
	<hr/>	<hr/>
Net cash provided by operating activities	3,246,414	6,050,954
Cash flow from investing activities:		
Purchase of securities available for sale	(15,459,228)	(15,262,500)
Proceeds from maturities and principal repayments of securities available for sale	37,803,043	46,929,598
Net change in loans receivable	(29,784,282)	1,668,517
Loans purchased	(12,870,084)	(25,088,646)
Proceeds from sales of foreclosed real estate	2,500	228,441
Cash transferred to buyer on sale of branch	--	(14,154,359)
Purchase of shares by ESOP	(437,080)	--
Change in FHLB stock	659,800	1,871,900
Purchase of premises and equipment	(817,752)	(492,155)
	<hr/>	<hr/>
Net cash used in investing activities	(20,903,083)	(4,299,204)
Cash flows from financing activities:		
Net change in noninterest-bearing demand, savings, NOW, and money market demand deposits	2,535,991	43,127,340
Net change in other time deposits	37,026,386	20,590,465
Proceeds from advances from Federal Home Loan Bank	1,676,825,000	1,031,540,000
Repayments of advances from Federal Home Loan Bank	(1,695,325,000)	(1,073,767,027)
Net change in securities sold under agreements to repurchase	(3,743,424)	(23,873,566)
Net change in advances from borrowers for taxes and insurance	30,196	2,341
Cash dividends paid	(648,923)	(651,260)
Proceeds from exercise of stock options	146,763	582,555
Purchase of treasury stock	(25,655)	(764,865)
	<hr/>	<hr/>
Net cash provided by (used in) financing activities	16,821,334	(3,214,017)
	<hr/>	<hr/>
Net change in cash and cash equivalents	(835,335)	(1,462,267)
Cash and cash equivalents at beginning of period	8,936,569	9,756,815
	<hr/>	<hr/>
Cash and cash equivalents at end of period	\$ 8,101,234	\$ 8,294,548
	<hr/>	<hr/>
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest	\$ 10,029,267	\$ 9,756,815
Income taxes	265,011	641,000
Supplemental schedule of non-cash investing and financing activities:		
Loans transferred to foreclosed real estate	\$ 22,028	\$ 19,829
Sale of branch		
Assets disposed:		
Loans		\$ (730,704)
Accrued interest receivable		(5,518)
Premises and equipment		(110,818)
Liabilities assumed by buyer:		
Non-interest bearing demand, savings, NOW and money market demand accounts		6,314,066
Time deposits		9,788,688
Advances from borrowers for taxes and insurance		5,749
Other liabilities		6,126
Gain on sale of office property, net		(1,113,230)
		<hr/>
Cash paid		\$ 14,154,359

**META FINANCIAL GROUP, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements (Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by Meta Financial Group, Inc., formerly First Midwest Financial, Inc., ("Meta Group" or the "Company") and its consolidated subsidiaries, MetaBank, MetaBank West Central ("MetaBank WC"), Meta Trust Company ("Meta Trust"), First Services Financial Limited and Brookings Service Corporation, for interim reporting are consistent with the accounting policies followed for annual financial reporting. All adjustments that, in the opinion of management, are necessary for a fair presentation of the results for the periods reported have been included in the accompanying unaudited consolidated financial statements, and all such adjustments are of a normal recurring nature. The accompanying financial statements do not purport to contain all the necessary financial disclosures required by generally accepted accounting principles that might otherwise be necessary in the circumstances and should be read in conjunction with the Company's consolidated financial statements, and notes thereto, for the year ended September 30, 2004.

2. EARNINGS PER SHARE

Basic earnings per share is based on net income divided by the weighted average number of shares outstanding during the period. Diluted earnings per share shows the dilutive effect of additional common shares issuable under stock options.

A reconciliation of the numerators and denominators used in the basic earnings per common share and the diluted earnings per common share computations for the three months and six months ended March 31, 2005 and 2004 is presented below.

	Three Months Ended March 31, -----		Six Months Ended March 31, -----	
	2005 ----	2004 ----	2005 ----	2004 ----
Basic Earnings Per Common Share:				
Numerator:				
Net Income	\$ 399,374 =====	\$ 1,675,397 =====	\$ 841,316 =====	\$ 2,652,339 =====
Denominator:				
Weighted average common shares outstanding	2,494,060	2,502,255	2,492,788	2,502,049
Less: Weighted average unallocated ESOP shares	(35,129) -----	(17,763) -----	(33,484) -----	(20,025) -----
Weighted average common shares outstanding for basic earnings per share	2,458,931 =====	2,484,492 =====	2,459,304 =====	2,482,024 =====
Basic earnings per common share	\$ 0.16 =====	\$ 0.67 =====	\$ 0.34 =====	\$ 1.07 =====

	Three Months Ended March 31,		Six Months Ended March 31,	
	2005	2004	2005	2004
Diluted Earnings Per Common Share:				
Numerator:				
Net Income	\$ 399,374	\$1,675,397	\$ 841,316	\$2,652,339
	=====	=====	=====	=====
Denominator:				
Weighted average common shares outstanding for basic earnings per common share	2,458,931	2,484,492	2,459,304	2,482,024
Add: Dilutive effects of assumed exercise of stock options, net of tax benefits	57,160	51,668	59,939	53,684
	-----	-----	-----	-----
Weighted average common and dilutive potential common shares outstanding	2,516,091	2,536,160	2,519,243	2,535,708
	=====	=====	=====	=====
Diluted earnings per common share	\$ 0.16	\$ 0.66	\$ 0.33	\$ 1.05
	=====	=====	=====	=====

3. COMMITMENTS

At March 31, 2005 and September 30, 2004, the Company had outstanding commitments to originate and purchase loans totaling \$75.4 million and \$60.2 million, respectively, excluding undisbursed portions of loans in process. It is expected that outstanding loan commitments will be funded with existing liquid assets.

4. INTANGIBLE ASSETS

As of March 31, 2005 and September 30, 2004 the Company had intangible assets of \$3,403,019, all of which has been determined to be goodwill. There was no goodwill impairment loss or amortization related to goodwill during the three-month or six-month periods ended March 31, 2005 and 2004.

5. CURRENT ACCOUNTING DEVELOPMENTS

The Financial Accounting Standards Board ("FASB") issued Statement 123 (Revised), Share-Based Payment. This Statement establishes standards for accounting for transactions in which an entity engages its equity instruments for goods and services. It also addresses transactions in which an entity incurs liabilities in exchange for goods and services that are based on the fair value of the entity's equity instruments, or that may be settled by the issuance of those equity instruments. FAS 123(R) covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. FAS 123(R) replaces existing requirements under FAS 123, Accounting for Stock-Based Compensation and eliminates the ability to account for share-based compensation transactions using APB Opinion No. 25, Accounting for Stock Issued to Employees. For the Company, the Statement is effective for the quarter beginning January 1, 2006. The Company is currently assessing the impact that FAS 123(R) will have on its consolidated financial statements at the time of adoption.

6. STOCK OPTION PLAN

FASB Statement No. 123, Accounting for Stock-Based Compensation, establishes a fair value based method for financial accounting and reporting for stock-based employee compensation plans and for transactions in which an entity issues its equity instruments to acquire goods and services from nonemployees. However, the standard allows compensation to continue to be measured by using the intrinsic value based method of accounting prescribed by APB No. 25, Accounting for Stock Issued to Employees, but requires expanded disclosures. The Company has elected to apply the intrinsic value based method of accounting for stock options issued to employees. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company stock at the date of grant over the amount an employee must pay to acquire the stock.

Had compensation cost for the Plan been determined based on the grant date fair values of awards (the method described in FASB Statement No. 123), the approximate reported income and earnings per common share would have been decreased to the pro forma amounts shown below:

	Three Months Ended March 31, -----		Six Months Ended March 31, -----	
	2005 ----	2004 ----	2005 ----	2004 ----
Net income, as reported	\$ 399,374	\$ 1,675,397	\$ 841,316	\$ 2,652,339
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(23,810)	(5,814)	(47,620)	(11,528)
Pro forma net income	\$ 375,564 =====	\$ 1,669,583 =====	\$ 793,706 =====	\$ 2,640,711 =====
Earnings per common share - basic:				
As reported	\$.16	\$.67	\$.34	\$ 1.07
Pro forma	\$.15	\$.67	\$.32	\$ 1.07
Earnings per common share - diluted:				
As reported	\$.16	\$.66	\$.33	\$ 1.05
Pro forma	\$.15	\$.66	\$.32	\$ 1.04

Part I. Financial Information

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

META FINANCIAL GROUP, INC. AND SUBSIDIARIES

GENERAL

Meta Financial Group, Inc. ("Meta Financial" or the "Company") is a bank holding company whose primary assets are MetaBank, formerly First Federal Savings Bank of the Midwest ("First Federal"), and MetaBank West Central ("MetaBank WC"), formerly Security State Bank ("Security"). The Company was incorporated in 1993 as First Midwest Financial, Inc., a unitary non-diversified savings and loan holding company and, on September 20, 1993, acquired all of the capital stock of First Federal in connection with First Federal's conversion from mutual to stock form of ownership. On September 30, 1996, the Company became a bank holding company in conjunction with the acquisition of Security. Pursuant to requisite shareholder approvals, the Company and its banking subsidiaries changed their names as of the close of business on January 28, 2005.

The following discussion focuses on the consolidated financial condition of the Company and its subsidiaries, at March 31, 2005, compared to September 30, 2004, and the consolidated results of operations for the three months and six months ended March 31, 2005, compared to the same periods in 2004. This discussion should be read in conjunction with the Company's consolidated financial statements, and notes thereto, for the year ended September 30, 2004.

CORPORATE DEVELOPMENTS

In May of 2004, the Company announced that MetaBank was in the process of forming of a new operating division to position the Company to take advantage of opportunities in the growing area of prepaid debit cards and related systems and services. The division, Meta Payment Systems, is based in Sioux Falls, South Dakota. During the first nine months of operations, through March 31, 2005, the division has generated a net operating loss of approximately \$1.2 million, \$490,000 in fiscal 2004 and \$711,000 to date in fiscal 2005. The cumulative operating loss for the division is slightly higher than was originally projected. However, management still anticipates Meta Payment Systems will begin to generate net monthly profits during its second full year of operation, and that the second year of operations will be approximately break-even. It is anticipated the third year will result in income, net of income taxes, sufficient for the three-year cumulative operations of the division to become positive. The net operating loss of Meta Payment Systems for 2005 resulted in a reduction in diluted earning per share of \$.14 for the quarter and \$.28 per share for the six months ended March 31, 2005.

As indicated above, effective January 28, 2005, the Company and its subsidiaries, having obtained the necessary approvals, changed their names from First Midwest Financial, Inc., First Federal Savings Bank of the Midwest, Security State Bank, and First Services Trust Company, to Meta Financial Group, Inc., MetaBank, MetaBank West Central and Meta Trust Company, respectively. As a result of marketing and other costs associated with the name changes, the Company incurred expenses totaling \$615,000, or \$387,000, net of income taxes. The expenses, net of income taxes, related to the name change resulted in a reduction in diluted earnings per share of \$.13 for the quarter and \$.15 per share for the six months ended March 31, 2005.

The Company is in the process of expanding its presence in both the Sioux Falls, South Dakota and the greater Des Moines, Iowa markets. A building, which will house a full-service banking office and the Meta Payment Systems operations, is under construction in Sioux Falls. Occupancy is anticipated to be either late in the third or early in the fourth calendar quarter of 2005. In addition, a small branch office, formerly occupied by another financial institution, became available for lease in Sioux Falls. This office,

which is a good strategic fit for operations in Sioux Falls, will open in August. Final details are being completed on the previously announced new office in West Des Moines. Construction will begin during the second calendar quarter, with the office expected to open either late in the third or early in the fourth calendar quarter.

FINANCIAL CONDITION

Total assets increased by \$15.0 million, or 1.9%, to \$795.8 million at March 31, 2005, from \$780.8 million at September 30, 2004. The increase in total assets was primarily attributable to growth in loans during the six month period. This growth was funded primarily by growth in deposits, offset in part by a decrease in advances from the FHLB.

The portfolio of net loans receivable increased by \$42.1 million, or 10.4%, to \$446.2 million at March 31, 2005, from \$404.1 million at September 30, 2004. The increase reflects increased origination of commercial and multi-family real estate loans on existing and newly constructed properties and by increased origination of commercial business loans. There were also small increases in conventional one-to-four family residential mortgage loans and in agricultural business loans. These increases were slightly offset by a small reduction in consumer loans, as existing consumer loans were repaid in amounts greater than new originations during the period.

Deposit balances increased by \$39.5 million, or 8.6%, to \$501.1 million at March 31, 2005, from \$461.6 million at September 30, 2004. The increase in deposit balances resulted from increases in checking accounts, savings accounts and certificates of deposit in the amounts of \$13.1 million, \$21.3 million and \$37.0 million, respectively. These increases were partially offset by a decrease in money market accounts of \$31.9 million during the period.

The portfolio of securities available for sale decreased \$27.3 million, or 8.5%, to \$295.2 million at March 31, 2005, from \$322.5 million at September 30, 2004. The decrease reflects \$37.8 million of maturities and principal repayments and by the change in market value of securities available for sale, which were partially offset by \$15.5 million of purchases.

The balance in advances from the Federal Home Loan Bank of Des Moines (FHLB) decreased by \$18.5 million, or 8.2%, to \$207.8 million at March 31, 2005 from \$226.3 million at September 30, 2004. The balance in securities sold under agreements to repurchase decreased by \$3.7 million, or 11.5%, to \$28.8 million at March 31, 2005 from \$32.5 million at September 30, 2004. The decrease in advances from the FHLB and in securities sold under agreements to repurchase reflects the replacement of borrowed funds through deposit growth during the period.

Total shareholders' equity decreased \$2.3 million, or 4.9%, to \$44.9 million at March 31, 2005 from \$47.3 million at September 30, 2004. The decrease in shareholders' equity is primarily due to a \$2.4 million change, in accordance with SFAS 115, from a \$1.2 million unrealized loss to a \$3.6 million unrealized loss, net of income tax, on securities available for sale, and the payment of dividends to shareholders of \$649,000, during the period. These decreases were partially offset by net income of \$841,000.

NON-PERFORMING ASSETS AND ALLOWANCE FOR LOAN LOSSES

Generally, when a loan becomes delinquent 90 days or more or when the collection of principal or interest becomes doubtful, the Company will place the loan on non-accrual status and, as a result of this action, previously accrued interest income on the loan is taken out of current income. The loan will remain on non-accrual status until the loan has been brought current or until other circumstances occur that provide adequate assurance of full repayment of interest and principal.

At March 31, 2005, the Company had loans delinquent 30 days and over totaling \$606,000, or 0.13% of total loans compared to \$1.9 million, or 0.47%, of total loans at September 30, 2004.

At March 31, 2005, there were no commercial and multi-family real estate loans delinquent 30 days and over. This compares to \$1,350,000, or 0.33% of total loans at September 30, 2004. Multi-family and commercial real estate loans generally present a higher level of risk than loans secured by one-to-four family residences. This greater risk is due to several factors, including the concentration of principal in a limited number of loans and borrowers, the effect of general economic conditions on income producing properties and the increased difficulty of evaluating and monitoring these types of loans. These loans are being closely monitored by management, however, there can be no assurance that all loans will be fully collectible.

At March 31, 2005, agricultural operating loans delinquent 30 days and over totaled \$259,000, or 0.06% of the total loan portfolio as compared to \$254,000, or 0.06% of total loans at September 30, 2004. Agricultural lending involves a greater degree of risk than one-to-four family residential mortgage loans because of the typically larger loan amounts. In addition, payments on loans are dependent on the successful operation or management of the farm property securing the loan or for which an operating loan is utilized. The success of the loan may also be affected by factors outside the control of the agricultural borrower, such as the weather and grain and livestock prices. Although management believes the Company's portfolio of agricultural real estate and operating loans is well structured and adequately secured, there can be no assurance that all loans will be fully collectible.

The table below sets forth the amounts and categories of non-performing assets in the Company's loan portfolio. The Company's restructured loans (which involved forgiving a portion of the interest or principal on the loan or making loans at a rate materially less than market rates) are included in the table and were performing as agreed at the date shown. Foreclosed assets include assets acquired in settlement of loans.

	March 31, 2005	September 30, 2004
	-----	-----
	(Dollars in Thousands)	
Non-accruing loans:		
One-to four family	\$ 52	\$ --
Commercial and multi-family	--	399
Agricultural real estate	--	--
Consumer	59	59
Agricultural operating	222	254
Commercial business	--	--
	----	----
Total non-accruing loans	333	712
Accruing loans delinquent 90 days or more	--	--
	----	----
Total non-performing loans	333	712
	----	----
Restructured loans:		
Consumer	--	--
Agricultural operating	7	9
Commercial business	--	8
	----	----
Total restructured loans	7	17
	----	----
Foreclosed assets:		
One-to four family	--	--
Commercial real estate	--	--
Consumer	20	--
Agricultural operating	--	--
Commercial business	--	--
	----	----
Total foreclosed assets	20	--
Less: Allowance for losses	--	--
	----	----
Total foreclosed assets, net	20	--
	----	----
Total non-performing assets	\$360	\$729
	=====	=====
Total as a percentage of total assets	0.05%	0.09%
	=====	=====

Classified Assets. Federal regulations provide for the classification of loans and other assets as "substandard", "doubtful" or "loss", based on the level of weakness determined to be inherent in the collection of the principal and interest. When loans are classified as either substandard or doubtful, the Company may establish general allowances for loan losses in an amount deemed prudent by management. General allowances represent loss allowances which have been established to recognize the inherent risk associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem loans. When assets are classified as loss, the Company is required either to establish a specific allowance for loan losses equal to 100% of that portion of the loan so classified, or to charge-off such amount. The Company's determination as to the classification of its loans and the amount of its allowances for loan losses are subject to review by its regulatory authorities, which may require the establishment of additional general or specific allowances for loan losses.

On the basis of management's review of its loans and other assets, at March 31, 2005, the Company had classified a total of \$11.9 million of its assets as substandard, \$2,000 as doubtful and none as loss as compared to classifications at September 30, 2004 of \$12.9 million substandard, \$11,000 doubtful and none as loss.

Allowance for Loan Losses. The Company establishes its provision for loan losses, and evaluates the adequacy of its allowance for loan losses based upon a systematic methodology consisting of a number of factors including, among others, historic loss experience, the overall level of classified assets and non-performing loans, the composition of its loan portfolio and the general economic environment within which the Bank and its borrowers operate.

Current economic conditions in the agricultural sector of the Company's market area are stable due to generally higher commodity prices and a history of government subsidies. Price levels for grain crops and livestock are currently at levels that present minimal concern. The agricultural economy is accustomed to commodity price fluctuations and is generally able to handle such fluctuations without significant problem. Although the Company underwrites its agricultural loans based on normal expectations for commodity prices and yields, an extended period of low commodity prices or adverse growing conditions could result in weakness in the agricultural loan portfolio and could create a need for the Company to increase its allowance for loan losses through increased charges to the provision for loan losses. (See "CRITICAL ACCOUNTING POLICIES")

At March 31, 2005, the Company has established an allowance for loan losses totaling \$5.8 million. The allowance represented approximately 1740.8% of the total non-performing loans at March 31, 2005, while the allowance at September 30, 2004 represented approximately 754.4% of the total non-performing loans at that date. The increase in the allowance for loan losses was due primarily to the increase in the loan portfolio.

The following table sets forth an analysis of the activity in the Company's allowance for loan losses for the six-month periods ended March 31, 2005 and March 31, 2004:

	2005 ----	2004 ----
	(In Thousands)	
Balance, September 30,	\$ 5,371	\$ 4,962
Charge-offs	(12)	(1)
Recoveries	4	8
Additions charged to operations	434	157
	-----	-----
Balance, March 31,	\$ 5,797	\$ 5,126
	=====	=====

The allowance for loan losses reflects management's best estimate of probable losses inherent in the portfolio based on currently available information. Future additions to the allowance for loan losses may become necessary based upon changing economic conditions, increased loan balances or changes in the underlying collateral of the loan portfolio.

CRITICAL ACCOUNTING POLICIES

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The financial information contained within these statements is, to a significant extent, financial information that is based on approximate measures of the financial effects of transactions and events that have already occurred. Based on its consideration of accounting policies that involve the most complex and subjective decisions and assessments, management has identified its most critical accounting policies to be those related to the allowance for loan losses and asset impairment judgments including the recoverability of goodwill.

The Company's allowance for loan loss methodology incorporates a variety of risk considerations, both quantitative and qualitative in establishing an allowance for loan loss that management believes is appropriate at each reporting date. Quantitative factors include the Company's historical loss experience, delinquency and charge-off trends, collateral values, changes in nonperforming loans, and other factors. Quantitative factors also incorporate known information about individual loans, including borrowers' sensitivity to interest rate movements. Qualitative factors include the general economic environment in the Company's markets, including economic conditions throughout the Midwest and in particular, the state of certain industries. Size and complexity of individual credits in relation to loan structure, existing loan policies and pace of portfolio growth are other qualitative factors that are considered in the methodology. As the Company adds new products and increases the complexity of its loan portfolio, it will enhance its methodology accordingly. Management may report a materially different amount for the provision for loan losses in the statement of operations to change the allowance for loan losses if its assessment of the above factors were different. This discussion and analysis should be read in conjunction with the Company's financial statements and the accompanying notes presented elsewhere herein, as well as the portion of this Management's Discussion and Analysis section entitled "Nonperforming Assets and Allowance for Loan Losses." Although management believes the levels of the allowance as of both March 31, 2005 and September 30, 2004 were adequate to absorb probable losses inherent in the loan portfolio, a decline in local economic conditions, or other factors, could result in increasing losses.

Goodwill represents the excess of acquisition costs over the fair value of the net assets acquired in a purchase acquisition. Goodwill is tested annually for impairment.

RESULTS OF OPERATIONS

General. For the three months ended March 31, 2005, the Company recorded net income of \$399,000 compared to net income of \$1,675,000 for the same period in 2004. For the six months ended March 31, 2005, net income was \$841,000 compared to \$2,652,000 for the same period in 2004. Both periods reflect increases in net interest income, which were offset by decreases in non-interest income, and increases in the provision for loan losses and in non-interest expense. Additionally, income tax expense decreased for both periods of 2005. The decrease in non-interest income for both periods reflects primarily a gain of \$1,113,000, during the 2004 periods, on the sale of the Manson, Iowa branch office during both 2004 periods. The increases in non-interest expense were primarily the result of expenses related to the name changes, which totaled \$515,000 and \$615,000 for the three and six month periods, respectively. The decrease in net income was also attributable to the net start up costs of Meta Payment Systems, which totaled \$341,000 and \$711,000 for the three and six month periods, respectively.

Net Interest Income. Net interest income increased by \$574,000, or 13.0%, to \$4,989,000 for the three months ended March 31, 2005 from \$4,415,000 for the same period in 2004. For the six months ended March 31, 2005, net interest income increased \$793,000, or 8.9%, to \$9,676,000 from \$8,883,000 for the same period in 2004. The increase in net interest income for the three month period ended March 31, 2005 included an increase in total interest income of \$1,482,000, or 16.7%, which was partially offset by an increase in total interest expense of \$908,000 or 20.1%, compared to the same period in 2004. The increase in total interest income reflects an increase in the yield of interest-earning assets to 5.36% from 4.82%, and an increase of \$36.1 million in the average balance of interest-earning assets during the period. The increase in total interest expense reflects an increase in the cost on interest-bearing liabilities to 2.85% from 2.50%, and an increase of \$38.5 million in the average balance of interest bearing-liabilities during the period. The increase in net interest income for the six month period ended March 31, 2005 included an increase in total interest income of \$2,213,000, or 12.3%, which was partially offset by an increase in total interest expense of \$1,419,000 or 15.7%, compared to the same period in 2004. The increase in total interest income reflects an increase in the yield of interest-earning assets to 5.25% from 4.83%, and an increase of \$24.0 million in the average balance of interest-earning assets during the period. The increase in total interest expense reflects an increase in the cost on interest-bearing liabilities to 2.80% from 2.50%, and an increase of \$22.6 million in the average balance of interest bearing-liabilities during the period.

Provision for Loan Losses. For the three months ended March 31, 2005, the provision for loan losses was \$257,000 compared to \$56,000 for the same period in 2004. For the six months ended March 31, 2005, the provision for loan losses was \$434,000 compared to \$157,000 for the same period in 2004. The increases in both the three-month and six-month periods were due primarily to loan growth. Management believes that, based on a detail review of the loan portfolio, historic loan losses, current economic conditions, and other factors, the current level of provision for loan losses, and the resulting level of the allowance for loan losses, reflects an adequate allowance against probable losses from the loan portfolio. See "Non-Performing Assets and Allowance for

Loan Losses."

Non-interest Income. Non-interest income decreased \$1,016,000, or 60.1%, to \$674,000 for the three months ended March 31, 2005 from \$1,691,000 for the same

period in 2004. For the six months ended March 31, 2005, non-interest income decreased \$1,079,000, or 45.6%, to \$1,286,000 from \$2,365,000 for the same period in 2004. The decrease in non-interest income for both periods reflects a non-recurring gain in January, 2004 of \$1,113,000 on the sale of a branch office, which net of income taxes added \$.27 per diluted share to both the three and six month periods ended March 31, 2004. There was also a decrease in both periods in deposit service charges and income from Bank Owned Life Insurance (BOLI). These decreases were partially offset increases in both periods in other income. The decrease in deposit service charges was primarily the result of adjustments to fee schedules. The decrease in income from BOLI was the result of a reduction in the in the guaranteed return rate. The increase in other income was primarily the result of Meta Payment Systems programs and activities which began to generate revenue during the period.

Non-interest Expense. Non-interest expense increased \$1,399,000, or 40.4%, to \$4,863,000 for the three months ended March 31, 2005, from \$3,464,000 for the same period in 2004. For the six months ended March 31, 2005, non-interest expense increased \$2,325,000, or 33.1%, to \$9,349,000 from \$7,024,000 for the same period in 2004. The increase in non-interest expense was the result of increases in compensation and benefit expense, occupancy and equipment expense and other expense during both the three and six month periods ended March 31, 2005. The increases were attributable to several factors, including the start-up costs associated with Meta Payment Systems, which included total non-interest expenses of \$744,000 and \$1,386,000 for the three and six month periods, respectively, and the marketing and other costs related to the corporate name changes, which totaled \$515,000 and \$615,000 for the three and six month periods, respectively. Additional factors contributing to the increase in expenses were the opening of a second branch office in Sioux Falls,

South Dakota, in May 2004, and additional staffing and other costs related to initiating and proceeding with the process aimed at compliance, in fiscal 2006, with Section 404 of the Sarbanes-Oxley Act. Normal increases in costs have also contributed to the increase.

Income Tax Expense. Income tax expense was \$143,000 for the three months ended March 31, 2005 compared to \$910,000 for the same period in 2004. For the six months ended March 31, 2005, income tax expense was \$337,000 compared to \$1,414,000 for the same period in 2004. The decrease for both periods reflects the decrease in the level of taxable income between the comparable periods.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of funds are deposits, borrowings, principal and interest payments on loans, investments and mortgage-backed securities, and funds provided by other operating activities. While scheduled payments on loans, mortgage-backed securities and short-term investments are relatively predictable sources of funds, deposit flows and early loan repayments are greatly influenced by general interest rates, economic conditions and competition.

The Company uses its capital resources principally to meet ongoing commitments to fund maturing certificates of deposits and loan commitments, to maintain liquidity, and to meet operating expenses. At March 31, 2005, the Company had commitments to originate and purchase loans totaling \$75.4 million. The Company believes that loan repayment and other sources of funds will be adequate to meet its foreseeable short- and long-term liquidity needs.

Regulations require the Company, MetaBank and MetaBank WC to maintain minimum amounts and ratios of total risk-based capital and Tier 1 capital to risk-weighted assets, and a leverage ratio consisting of Tier 1 capital to average assets. The following table sets forth MetaBank's and MetaBank WC's actual capital and required capital amounts and ratios at March 31, 2005 which, at that date, exceeded the capital adequacy requirements:

At March 31, 2005 ----- (Dollars in Thousands)	Actual -----		Minimum Requirement For Capital Adequacy Purposes -----		Minimum Requirement To Be Well Capitalized Under Prompt Corrective Action Provisions -----	
	Amount -----	Ratio -----	Amount -----	Ratio -----	Amount -----	Ratio -----
Total Capital (to risk weighted assets):						
MetaBank	\$53,576	10.5%	\$40,676	8.0%	\$50,846	10.0%
MetaBank WC	4,382	11.7	3,008	8.0	3,760	10.0
Tier 1 (Core) Capital (to risk weighted assets):						
MetaBank	48,000	9.4	20,338	4.0	30,507	6.0
MetaBank WC	4,097	10.9	1,504	4.0	2,256	6.0
Tier 1 (Core) Capital (to adjusted total assets):						
MetaBank	48,000	6.5	29,318	4.0	36,647	5.0
MetaBank WC	4,097	6.9	2,380	4.0	2,975	5.0
Tier 1 (Core) Capital (to average assets):						
MetaBank	48,000	6.5	29,670	4.0	37,087	5.0

The Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) established five regulatory capital categories and authorized the banking regulators to take prompt corrective action with respect to institutions in an undercapitalized category. At March 31, 2005, the Company, MetaBank and MetaBank WC exceeded minimum requirements for the well-capitalized category.

Forward-Looking Statements

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 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.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Market Risk

The Company is exposed to the impact of interest rate changes and changes in the market value of its investments.

The Company currently focuses lending efforts toward originating and purchasing competitively priced adjustable-rate loan products and fixed-rate loan products with relatively short terms to maturity. This allows the Company to maintain a portfolio of loans that will be sensitive to changes in the level of interest rates while providing a reasonable spread to the cost of liabilities used to fund the loans.

The Company's primary objective for its investment portfolio is to provide the liquidity necessary to meet loan funding needs. This portfolio is used in the ongoing management of changes to the Company's asset/liability mix, while contributing to profitability through earnings flow. The investment policy generally calls for funds to be invested among various categories of security types and maturities based upon the Company's need for liquidity, desire to achieve a proper balance between minimizing risk while maximizing yield, the need to provide collateral for borrowings, and to fulfill the Company's asset/liability management goals.

The Company's cost of funds responds to changes in interest rates due to the relatively short-term nature of its deposit portfolio. Consequently, the results of operations are generally influenced by the level of short-term interest rates. The Company offers a range of maturities on its deposit products at competitive rates and monitors the maturities on an ongoing basis.

The Company emphasizes and promotes its savings, money market, demand and NOW accounts and, subject to market conditions, certificates of deposit with maturities of three months through five years, principally from its primary market area. The savings and NOW accounts tend to be less susceptible to rapid changes in interest rates.

In managing its asset/liability mix, the Company, at times, depending on the relationship between long- and short-term interest rates, market conditions and consumer preference, may place somewhat greater emphasis on maximizing its net interest margin than on strictly matching the interest rate sensitivity of its assets and liabilities. Management believes that the increased net income which may result from an acceptable mismatch in the actual maturity or repricing of its asset and liability portfolios can provide sufficient returns to justify the increased exposure to sudden and unexpected increases in interest rates which may result from such a mismatch. The Company has established limits, which may change from time to time, on the level of acceptable interest rate risk. There can be no assurance, however, that, in the event of an adverse change in interest rates, the Company's efforts to limit interest rate risk will be successful.

Net Portfolio Value The Company uses a Net Portfolio Value ("NPV") approach to the quantification of interest rate risk. This approach calculates the difference between the present value of expected cash flows from assets and the present value of expected cash flows from liabilities, as well as cash flows from off-balance-sheet contracts. Management of the Company's assets and liabilities is performed within the context of the marketplace, but also within limits established by the Board of Directors on the amount of change in NPV that is acceptable given certain interest rate changes.

Presented below, as of March 31, 2005 and September 30, 2004, is an analysis of the Company's interest rate risk as measured by changes in NPV for an instantaneous and sustained parallel shift in

the yield curve, in 100 basis point increments, up and down 200 basis points. As illustrated in the table, the Company's NPV at March 31, 2005 was slightly more sensitive to increasing interest rates than to decreasing interest rates and at September 30, 2004 was slightly more sensitive to decreasing interest rates than to increasing interest rates. This reflects management's efforts to maintain and manage the Company's interest rate sensitivity in light of the events over the past twelve months. Market interest rates began to increase as the result of concern over the prospect of an increase in the rate of inflation. As the Federal Open Market Committee ("FOMC") began a measured process of bringing short-term interest rates back to a more normal level through 25 basis point increases in the target rate for overnight money, long-term rates moderated creating a flattening in the yield curve. Between June 2004 and May 2005, the FOMC increased the target rate eight times for a total increase of 200 basis points. While management does not anticipate a significant shift in market interest rates in the near future, it does believe that there is less risk from declining rates than from rising rates, and its management of interest rate risk has reflected this belief. Management closely monitors the Company's interest rate sensitivity.

Change in Interest Rates (Basis Points)	Board Limit % Change	At March 31, 2005		At September 30, 2004	
		\$ Change	% Change	\$ Change	% Change
		(Dollars in Thousands)			
+200 bp	(40)%	\$ (6,671)	(13)%	\$ (5,473)	(12)%
+100 bp	(25)	(2,629)	(5)	(1,580)	(3)
0 bp	--	--	--	--	--
-100 bp	(25)	(1,191)	(2)	(3,130)	(7)
-200 bp	(40)	(6,416)	(12)	(5,631)	(12)

Certain shortcomings are inherent in the method of analysis presented in the foregoing table. For example, although certain assets and liabilities may have similar maturities or periods to repricing, they may react in different degrees to changes in market interest rates. Also, the interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market interest rates, while interest rates on other types may lag behind changes in market rates. Additionally, certain assets such as adjustable-rate mortgage-loans have features which restrict changes in interest rates on a short-term basis and over the life of the asset. Further, in the event of a change in interest rates, prepayments and early withdrawal levels would likely deviate from those assumed in calculating the tables. Finally, the ability of some borrowers to service their debt may decrease in the event of an interest rate increase. The Company considers all of these factors in monitoring its exposure to interest rate risk.

Part I. Financial Information

Item 4. Controls and Procedures

Controls and Procedures

Any control system, no matter how well designed and operated, can provide only reasonable (not absolute) assurance that its objectives will be met. Furthermore, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Disclosure Controls and Procedures

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2005 our disclosure controls and procedures were effective to provide reasonable assurance that (i) the information required to be disclosed by us in this Report was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting

META FINANCIAL GROUP, INC.

PART II - OTHER INFORMATION

FORM 10-Q

Item 1. Legal Proceedings - On June 11, 2004, the Sioux Falls School

District filed suit in the Second Judicial Circuit Court, against First Federal Savings Bank of the Midwest, a wholly-owned subsidiary of the Company, alleging that First Federal (now MetaBank) improperly allowed funds, which belonged to the school district, to be deposited into, and subsequently withdrawn from, a corporate account established by an employee of the school district. The school district is seeking in excess of \$600,000. MetaBank has submitted the claim to its insurance carrier, and is working with counsel to vigorously contest the suit. There are no other material pending legal proceedings to which the Company or its subsidiaries is a party other than ordinary routine litigation incidental to their respective businesses.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds -

(a) None

(c) The following table provides information about purchases by the Company or its affiliates during the quarter ended March 31, 2005 of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act.

Period	Total Number of Common Shares Purchased	Average Price Paid Per Share Purchased	Total Number of Shares Purchased as Part of Publicly Announced Program(s)	Maximum Number of Shares that May Yet Be Purchased Under the Program(s)
1/1/05 - 1/31/05	--	--	--	--
2/1/05 - 1/28/05	600 (1)	\$22.80	29,100 (1)	10,900 (1)
3/1/05 - 3/31/05	--	--	--	--
Total	600 (1)	\$22.80	29,100 (1)	10,900 (1)

(1) The Company's Employee Stock Ownership Plan (ESOP) was authorized in September 2004 to purchase 40,000 shares of the Company's stock. Through December 31, 2004, it had purchased 28,500 shares. On April 18, 2005, the ESOP completed the authorized purchase.

On April 25, 2005, the Company's Board of Directors authorized the purchase of up to 100,000 shares of the Company's stock in a repurchase program that runs through April 30, 2006. As of May 13, 2005, no shares had been purchased under this program.

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders -

The Company held its Annual Meeting of Shareholders on January 24, 2005. At the meeting, shareholders of the Company considered and voted upon the following matters:

1. The election of the following individuals as directors for a three-year term:

E. Thurman Gaskill Rodney G. Muilenburg

The results of the election of directors are as follows:

	Votes	
	In Favor	Withheld
E. Thurman Gaskill	2,279,292	92,536
Rodney G. Muilenburg	2,290,184	81,644

There were no broker non-votes or abstentions on this proposal.

The following directors' terms of office continued after the meeting:

E. Wayne Cooley
James S. Haahr
J. Tyler Haahr
G. Mark Mickelson
Jeanne Partlow

2. The proposal to amend the Certificate of Incorporation to change the name of the Company from First Midwest Financial, Inc. to Meta Financial Group, Inc. The results of the vote are as follows:

	In Favor	2,248,274
	Not in Favor	121,311
	Abstain	2,243
	Broker Non-votes	None
Item 5.	Other Information - None	

Item 6.	Exhibits	

(a) Exhibits:

- 31.1 Section 302 certification of Chief Executive Officer.
- 31.2 Section 302 certification of Chief Financial Officer.
- 32.1 Section 906 certification of Chief Executive Officer.
- 32.2 Section 906 certification of Chief Financial Officer.

META FINANCIAL GROUP, INC.

SIGNATURES

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 thereunto duly authorized.

META FINANCIAL GROUP, INC.

Date: May 13, 2005

By: /s/ James S. Haahr

*James S. Haahr, Chairman of the Board,
and Chief Executive Officer*

Date: May 13, 2005

By: /s/ Ronald J. Walters

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

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James S. Haahr, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Meta Financial Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter ended March 31, 2005, that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2005

/s/ James S. Haahr

Chief Executive Officer

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald J. Walters, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Meta Financial Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter ended March 31, 2005, that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2005

/s/ Ronald J. Walters

Chief Financial Officer

CERTIFICATION PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Meta Financial Group, Inc. (the "Company") for the quarterly period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James S. Haahr, Chief Executive Officer of the Company, certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ James S. Haahr

Name: James S. Haahr
Chief Executive Officer
May 13, 2005

CERTIFICATION PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Meta Financial Group, Inc. (the "Company") for the quarterly period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald J. Walters, Chief Financial Officer of the Company, certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ Ronald J. Walters

Name: Ronald J. Walters
Chief Financial Officer
May 13, 2005

End of Filing

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