

META FINANCIAL GROUP INC  
Form 10-Q  
May 10, 2012

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-22140

META FINANCIAL GROUP, INC. ®

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or  
organization)

42-1406262

(I.R.S. 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) has 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 ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).  
YES ☒ NO ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller Reporting ☐

Company ☒ x

Indicate by check mark whether the Registrant is a shell company (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:	Outstanding at May 9, 2012:
Common Stock, \$.01 par value	3,202,056 Common Shares

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META FINANCIAL GROUP, INC.

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## Item 1. Financial Statements (Unaudited)

META FINANCIAL GROUP, INC.  
AND SUBSIDIARIES  
Condensed Consolidated Statements of Financial Condition  
(Dollars in Thousands, Except Share and Per Share Data)

ASSETS	March 31, 2012 (Unaudited)	September 30, 2011
Cash and cash equivalents	\$ 236,074	\$ 276,893
Investment securities available for sale	91,051	28,330
Mortgage-backed securities available for sale	876,955	590,918
Loans receivable - net of allowance for loan losses of \$4,762 at March 31, 2012 and \$4,926 at September 30, 2011	321,685	314,410
Federal Home Loan Bank Stock, at cost	6,739	4,737
Accrued interest receivable	5,740	4,133
Insurance receivable	4,364	2,264
Premises, furniture, and equipment, net	17,133	17,168
Bank-owned life insurance	14,579	14,322
Foreclosed real estate and repossessed assets	2,958	2,671
Intangible assets	1,795	1,315
MPS accounts receivable	8,963	7,677
Other assets	9,581	10,643
<b>Total assets</b>	<b>\$ 1,597,617</b>	<b>\$ 1,275,481</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Non-interest-bearing checking	\$ 1,247,071	\$ 945,956
Interest-bearing checking	35,143	31,249
Savings deposits	27,587	11,136
Money market deposits	38,020	36,717
Time certificates of deposit	104,375	116,562
<b>Total deposits</b>	<b>1,452,196</b>	<b>1,141,620</b>
Advances from Federal Home Loan Bank	11,000	11,000
Securities sold under agreements to repurchase	13,598	8,055
Subordinated debentures	10,310	10,310
Accrued interest payable	197	223
Contingent liability	5,465	3,649
Accrued expenses and other liabilities	17,516	20,047
<b>Total liabilities</b>	<b>1,510,282</b>	<b>1,194,904</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, 800,000 shares authorized, no shares issued or outstanding	-	-
Common stock, \$.01 par value; 5,200,000 shares authorized, 3,372,999 shares issued, 3,202,056 and 3,146,867 shares outstanding at March 31, 2012 and	34	34

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September 30, 2011, respectively

Additional paid-in capital	32,538	32,471
Retained earnings - substantially restricted	57,724	45,494
Accumulated other comprehensive income (loss)	(99 )	6,336
Treasury stock, 170,943 and 226,132 common shares, at cost, at March 31, 2012 and September 30, 2011, respectively	(2,862 )	(3,758 )
Total stockholders' equity	87,335	80,577
Total liabilities and stockholders' equity	\$ 1,597,617	\$ 1,275,481

See Notes to Condensed Consolidated Financial Statements.

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META FINANCIAL GROUP, INC.  
AND SUBSIDIARIES  
Condensed Consolidated Statements of Operations (Unaudited)  
(Dollars in Thousands, Except Share and Per Share Data)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2012	2011	2012	2011
Interest and dividend income:				
Loans receivable, including fees	\$4,492	\$4,909	\$9,032	\$10,356
Mortgage-backed securities	5,198	4,433	9,985	8,351
Other investments	609	238	897	493
	10,299	9,580	19,914	19,200
Interest expense:				
Deposits	553	753	1,206	1,642
FHLB advances and other borrowings	335	410	659	863
	888	1,163	1,865	2,505
Net interest income	9,411	8,417	18,049	16,695
Provision for loan losses	200	214	899	186
Net interest income after provision for loan losses	9,211	8,203	17,150	16,509
Non-interest income:				
Card fees	15,691	18,392	29,604	32,466
Gain on sale of securities available for sale, net	11,381	632	12,431	1,158
Deposit fees	143	163	305	344
Loan fees	290	85	619	286
Bank-owned life insurance income	130	130	258	263
Other income	(854)	68	(754)	259
Total non-interest income	26,781	19,470	42,463	34,776
Non-interest expense:				
Compensation and benefits	8,057	8,188	15,233	15,984
Card processing expense	4,976	8,120	10,298	13,343
Occupancy and equipment expense	2,088	2,168	4,186	4,210
Legal and consulting expense	2,019	1,339	3,285	2,750
Goodwill impairment	-	-	-	1,508
Marketing	325	411	492	672
Data processing expense	278	273	553	546
Other expense	2,470	2,752	4,957	5,856
Total non-interest expense	20,213	23,251	39,004	44,869
Income before income tax expense	15,779	4,422	20,609	6,416

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Income tax expense	5,809	1,675	7,548	2,948
Net income	\$9,970	\$2,747	\$13,061	\$3,468
Earnings per common share:				
Basic	\$3.12	\$0.88	\$4.10	\$1.11
Diluted	\$3.10	\$0.88	\$4.09	\$1.11

See Notes to Condensed Consolidated Financial Statements.



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## META FINANCIAL GROUP, INC.

## AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income (Unaudited)  
(Dollars in Thousands)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2012	2011	2012	2011
Net income	\$9,970	\$2,747	\$13,061	\$3,468
Other comprehensive loss:				
Change in net unrealized gains (losses) on securities available for sale	(1,495 )	258	2,009	(1,960 )
Gains realized in net income	(11,381 )	(632 )	(12,431 )	(1,158 )
	(12,876 )	(374 )	(10,422 )	(3,118 )
Deferred income tax effect	(4,925 )	(145 )	(3,987 )	(1,193 )
Total other comprehensive loss	(7,951 )	(229 )	(6,435 )	(1,925 )
Total comprehensive income	\$2,019	\$2,518	\$6,626	\$1,543

See Notes to Condensed Consolidated Financial Statements.

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META FINANCIAL GROUP, INC.  
AND SUBSIDIARIES  
Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)  
For the Six Months Ended March 31, 2012 and 2011  
(Dollars in Thousands, Except Share and Per Share Data)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
Balance, September 30, 2010	\$34	\$32,381	\$42,475	\$ 1,599	\$(4,445 )	\$ 72,044
Cash dividends declared on common stock (\$.26 per share)	-	-	(810 )	-	-	(810 )
Issuance of 5,950 common shares from treasury stock due to issuance of restricted stock	-	(12 )	-	-	123	111
Stock compensation	-	42	-	-	-	42
Change in net unrealized gains (losses) on securities available for sale	-	-	-	(1,925 )	-	(1,925 )
Net income	-	-	3,468	-	-	3,468
Balance, March 31, 2011	\$34	\$32,411	\$45,133	\$ (326 )	\$(4,322 )	\$ 72,930
Balance, September 30, 2011	\$34	\$32,471	\$45,494	\$ 6,336	\$(3,758 )	\$ 80,577
Cash dividends declared on common stock (\$.26 per share)	-	-	(831 )	-	-	(831 )
Issuance of 55,189 common shares from treasury stock due to issuance of restricted stock	-	49	-	-	896	