

META FINANCIAL GROUP INC
Form 10-Q
May 07, 2015

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, 2015

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 42-1406262
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

5501 South Broadband Lane, Sioux Falls, South Dakota 57108
(Address of principal executive offices)

(605) 782-1767
(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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES NO

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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 5, 2015:
Common Stock, \$.01 par value	6,942,468 Common Shares



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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

META FINANCIAL GROUP, INC.
AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Condition (Unaudited)

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

ASSETS	March 31, 2015	September 30, 2014
Cash and cash equivalents	\$24,883	\$29,832
Investment securities available for sale	526,377	482,346
Mortgage-backed securities available for sale	676,159	657,870
Investment securities held to maturity	242,396	212,899
Mortgage-backed securities held to maturity	68,666	70,034
Loans receivable - net of allowance for loan losses of \$5,716 at March 31, 2015 and \$5,397 at September 30, 2014	618,744	493,007
Federal Home Loan Bank Stock, at cost	13,250	21,245
Accrued interest receivable	12,466	11,222
Insurance receivable	-	269
Premises, furniture, and equipment, net	17,563	16,462
Bank-owned life insurance	36,034	35,469
Foreclosed real estate and repossessed assets	-	15
Goodwill	11,578	-
Intangible assets	10,380	2,588
Prepaid assets	8,826	9,495
Deferred taxes	2,824	6,591
MPS accounts receivable	4,852	3,935
Other assets	94	752
Total assets	\$2,275,092	\$2,054,031
 LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Non-interest-bearing checking	\$1,558,459	\$1,126,715
Interest-bearing checking	36,021	37,188
Savings deposits	37,029	27,610
Money market deposits	37,491	40,475
Time certificates of deposit	61,672	134,553
Total deposits	1,730,672	1,366,541
Advances from Federal Home Loan Bank	7,000	7,000
Federal funds purchased	261,000	470,000
Securities sold under agreements to repurchase	11,637	10,411
Subordinated debentures	10,310	10,310
Accrued interest payable	160	318
Contingent liability	331	331
Accrued expenses and other liabilities	37,536	14,318

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Total liabilities	2,058,646	1,879,229
STOCKHOLDERS' EQUITY		
Preferred stock, 3,000,000 shares authorized, no shares issued or outstanding at March 31, 2015 and September 30, 2014, respectively	-	-
Common stock, \$.01 par value; 10,000,000 shares authorized, 6,959,833 and 6,213,979 shares issued, 6,939,583 and 6,169,604 shares outstanding at March 31, 2015 and September 30, 2014, respectively	70	62
Additional paid-in capital	120,537	95,079
Retained earnings	90,887	83,797
Accumulated other comprehensive income (loss)	5,262	(3,409)
Treasury stock, 20,250 and 44,375 common shares, at cost, at March 31, 2015 and September 30, 2014, respectively	(310)	(727)
Total stockholders' equity	216,446	174,802
Total liabilities and stockholders' equity	\$2,275,092	\$2,054,031

See Notes to Condensed Consolidated Financial Statements.

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AND SUBSIDIARIESCondensed Consolidated Statements of Operations (Unaudited)
(Dollars in Thousands, Except Share and Per Share Data)

	Three Months		Six Months Ended	
	Ended March 31,		March 31,	
	2015	2014	2015	2014
Interest and dividend income:				
Loans receivable, including fees	\$7,637	\$4,750	\$14,033	\$9,221
Mortgage-backed securities	3,919	3,925	7,743	7,608
Other investments	4,203	3,388	8,215	6,396
	15,759	12,063	29,991	23,225
Interest expense:				
Deposits	172	221	404	494
FHLB advances and other borrowings	301	323	730	699
	473	544	1,134	1,193
Net interest income	15,286	11,519	28,857	22,032
Provision (recovery) for loan losses	593	300	641	300
Net interest income after provision for loan losses	14,693	11,219	28,216	21,732
Non-interest income:				
Card fees	13,663	12,055	26,752	24,948
Loan fees	813	438	1,127	645
Bank-owned life insurance	280	281	566	570
Deposit fees	141	140	297	297
Gain (loss) on sale of securities available for sale, net (Includes \$17 and (\$1,243) reclassified from accumulated other comprehensive income (loss) for net gains (losses) on available for sale securities for the three and six months ended March 31, 2015)	17	98	(1,243)	97
Gain (loss) on foreclosed real estate	2	2	28	5
Other income	54	49	117	88
Total non-interest income	14,970	13,063	27,644	26,650
Non-interest expense:				
Compensation and benefits	11,668	10,019	22,199	18,970
Card processing	3,810	3,573	8,506	7,818
Occupancy and equipment	2,835	2,498	5,438	4,549
Legal and consulting	996	783	2,217	2,166
Data processing	331	338	681	672
Marketing	341	213	645	433
Other expense	3,439	2,319	6,147	4,196
Total non-interest expense	23,420	19,743	45,833	38,804

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Income before income tax expense	6,243	4,539	10,027	9,578
Income tax expense (Includes \$6 and (\$451) income tax expense (benefit) reclassified from accumulated other comprehensive income (loss) for the three and six months ended March 31, 2015)	1,062	395	1,251	1,432
Net income	\$5,181	\$4,144	\$8,776	\$8,146
Earnings per common share:				
Basic	\$0.79	\$0.68	\$1.38	\$1.34
Diluted	\$0.78	\$0.67	\$1.37	\$1.32

See Notes to Condensed Consolidated Financial Statements.

Table of ContentsMETA FINANCIAL GROUP, INC.
AND SUBSIDIARIESCondensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)
(Dollars in Thousands)

	Three Months		Six Months Ended	
	Ended March 31,		March 31,	
	2015	2014	2015	2014
Net income	\$5,181	\$4,144	\$8,776	\$8,146
Other comprehensive income (loss):				
Change in net unrealized gain (loss) on securities	5,940	14,286	12,452	7,745
Losses (gains) realized in net income	(17)	(98)	1,243	(97)
	5,923	14,188	13,695	7,648
Deferred income tax effect	2,189	5,180	5,024	2,848
Total other comprehensive income (loss)	3,734	9,008	8,671	4,800
Total comprehensive income (loss)	\$8,915	\$13,152	\$17,447	\$12,946

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, 2015 and 2014

(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, 2013	\$ 61	\$				