

META FINANCIAL GROUP INC
Form 10-Q/A
July 06, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

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

For the quarterly period ended March 31, 2009

- o** **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.)

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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 website, 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 periods 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. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12-b2 of the Exchange Act. (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

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 June 26, 2009:
2,602,655 Common Shares

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META FINANCIAL GROUP, INC.

EXPLANATORY NOTE RESTATEMENT OF FINANCIAL INFORMATION

For the reasons stated by the Registrant in its Form 8-K filed on June 26, 2009, this Quarterly Report on Form 10-Q/A as of and for the three and six months ended March 31, 2009, includes a restated consolidated statement of operations, consolidated statement of comprehensive income (loss) for the three and six months ended March 31, 2008; a restated consolidated statement of shareholders' equity and consolidated statement of cash flows for the six months ended March 31, 2008; a restated consolidated statement of financial condition and consolidated statement of shareholders' equity for the six months ended March 31, 2009; a restated consolidated statement of financial condition for the fiscal year ended September 30, 2008. Earnings per share and segment have also been restated for all periods present. For more information concerning these restatements, see Note 11 to the Notes to Condensed Consolidated Financial Statements, which is included in Part I, Item 1 Financial Statements of this Quarterly Report on Form 10-Q/A. This Quarterly Report on Form 10-Q/A should be read in conjunction with the Company's Annual Report on Form 10-K/A for the year ended September 30, 2008.

Table of Contents**META FINANCIAL GROUP, INC.****AND SUBSIDIARIES****Condensed Consolidated Statements of Financial Condition (Unaudited)**

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

	March 31, 2009		September 30, 2008
	(As Restated)		(As Restated)
ASSETS			
Cash and due from banks	\$ 1,644	\$	2,963
Interest-bearing deposits in other financial institutions	15,081		
Total cash and cash equivalents	16,725		2,963
Federal funds sold	216		5,188
Investment securities available for sale	14,482		19,711
Mortgage-backed securities available for sale	321,057		184,123
Loans receivable - net of allowance for loan losses of \$11,224 at March 31, 2009 and \$5,732 at September 30, 2008	419,275		427,928
Federal Home Loan Bank Stock, at cost	6,787		8,092
Accrued interest receivable	4,089		4,497
Bond insurance receivable	4,143		6,098
Premises and equipment, net	22,605		21,992
Bank-owned life insurance	13,016		12,758
Foreclosed real estate and repossessed assets	3,755		
Goodwill and intangible assets	2,449		2,206
MPS accounts receivable	49,603		50,046
Other assets	11,445		10,802
Total assets	\$ 889,647	\$	756,404
LIABILITIES AND SHAREHOLDERS EQUITY			
LIABILITIES			
Non-interest-bearing checking	\$ 485,655	\$	355,020
Interest-bearing checking	16,200		15,029
Savings deposits	9,833		9,394
Money market deposits	34,098		43,038
Time certificates of deposit	140,856		123,491
Total deposits	686,642		545,972
Advances from Federal Home Loan Bank	100,950		132,025
Securities sold under agreements to repurchase	22,259		5,348
Subordinated debentures	10,310		10,310
Accrued interest payable	744		578
Contingent liability	4,293		4,293
Accrued expenses and other liabilities	17,370		12,145
Total liabilities	842,568		710,671
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, 2,602,655 and 2,601,103 shares outstanding at March 31, 2009 and September 30, 2008, respectively		30	30

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Additional paid-in capital	23,348	23,058
Retained earnings - substantially restricted	35,615	34,442
Accumulated other comprehensive (loss)	(5,139)	(5,022)
Treasury stock, 355,344 and 356,896 common shares, at cost, at March 31, 2009 and September 30, 2008, respectively	(6,775)	(6,775)
Total shareholders equity	47,079	45,733
Total liabilities and shareholders equity	\$ 889,647	\$ 756,404

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,	
	2009	2008 (As Restated)	2009	2008 (As Restated)
Interest and dividend income:				
Loans receivable, including fees	\$ 7,536	\$ 6,599	\$ 13,908	\$ 12,877
Mortgage-backed securities	2,797	2,339	4,805	3,846
Other investments	200	957	547	2,071
	10,533	9,895	19,260	18,794
Interest expense:				
Deposits	1,429	2,031	2,973	4,455
FHLB advances and other borrowings	860	1,648	1,882	2,849
	2,289	3,679	4,855	7,304
Net interest income	8,244	6,216	14,405	11,490
Provision for loan losses	10,270	200	12,399	70
Net interest income (loss) after provision for loan losses	(2,026)	6,016	2,006	11,420
Non-interest income:				
Card fees	32,988	11,514	48,086	16,957
Loan fees	231	207	330	405
Deposit fees	177	177	378	371
Bank-owned life insurance income	131	124	258	246
Gain on sale of securities available for sale, net	9	198	9	207
Other income	75	65	85	229
Total non-interest income	33,611	12,285	49,146	18,415
Non-interest expense:				
Card processing expense	14,861	5,044	20,111	8,101
Compensation and benefits	8,342	6,451	15,781	12,168
Occupancy and equipment expense	2,049	1,795	3,853	3,040
Legal and consulting expense	925	790	2,045	1,229
Data processing expense	816	322	1,272	582
Marketing	474	394	812	738
Other expense	2,183	1,559	4,328	3,283
Total non-interest expense	29,650	16,355	48,202	29,141
Income from continuing operations before income tax expense	1,935	1,946	2,950	694
Income tax expense from continuing operations	760	743	1,102	281
Income from continuing operations	1,175	1,203	1,848	413

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Gain on sale from discontinued operations before taxes			2,309			2,309
Income from discontinued operations before taxes			4			76
Income tax expense from discontinued operations			1,552			1,574
Income from discontinued operations			761			811
Net Income	\$	1,175	\$	1,964	\$	1,848
					\$	1,224
Basic earnings per common share:						
Income from continuing operations	\$	0.45	\$	0.47	\$	0.71
Income from discontinued operations				0.29		0.31
Net income	\$	0.45	\$	0.76	\$	0.71
					\$	0.47
Diluted earnings per common share:						
Income from continuing operations	\$	0.45	\$	0.46	\$	0.71
Income from discontinued operations				0.29		0.31
Net income	\$	0.45	\$	0.75	\$	0.71
					\$	0.47
Dividends declared per common share:	\$	0.13	\$	0.13	\$	0.26
					\$	0.26

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**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,	
	2009	2008 (As Restated)	2009	2008 (As Restated)
Net income	\$ 1,175	\$ 1,964	\$ 1,848	\$ 1,224
Other comprehensive income (loss):				
Change in net unrealized gains (losses) on securities available for sale	(1,243)	1,749	(196)	3,800
Gains realized in net income	9	198	9	207
	(1,234)	1,947	(187)	4,007
Deferred income tax effect	(460)	726	(70)	1,495
Total other comprehensive income (loss)	(774)	1,221	(117)	2,512
Total comprehensive income	\$ 401	\$ 3,185	\$ 1,731	\$ 3,736

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**META FINANCIAL GROUP, INC.®****AND SUBSIDIARIES****Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)****For the Six Months Ended March 31, 2009 and 2008**

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

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss), Net of Tax	Unearned Employee Stock Ownership Plan Shares	Treasury Stock	Total Shareholders Equity
Balance, September 30, 2007	\$ 30	\$ 21,958	\$ 36,805	\$ (3,345)	\$ (377)	\$ (6,973)	\$ 48,098
Cash dividends declared on common stock (\$.26 per share)			(668)				(668)