

META FINANCIAL GROUP INC
Form 424B5
December 17, 2014

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Prospectus Supplement
To the Prospectus Dated June 7, 2013

META FINANCIAL GROUP, INC.
Up to \$26,000,000
Common Stock

This prospectus supplement and accompanying prospectus relate to the offer and sale from time to time of shares of our common stock, \$0.01 par value per share, having an aggregate offering price of up to \$26,000,000, through Sandler O'Neill + Partners, L.P., or "Sandler O'Neill," as our sales agent, or to Sandler O'Neill as principal for its own account, at a price agreed upon at the time of sale, for resale. If we sell shares of our common stock to Sandler O'Neill as principal or other than in accordance with the sales agency agreement, we will enter into a separate terms agreement setting forth the terms of such transaction and we will describe such agreement in a separate prospectus supplement or pricing supplement.

Our common stock is traded on The Nasdaq Global Select Market, or "Nasdaq," under the symbol "CASH." On December 16, 2014, the last reported sales price of our common stock was \$34.51 per share.

The shares of our common stock to which this prospectus supplement relates generally will be offered and sold through our sales agent over a period of time and from time to time in transactions at market prices prevailing at the time, at prices related to the prevailing market prices or at negotiated prices, pursuant to a sales agency agreement. Accordingly, an indeterminate number of shares of common stock will be sold up to the number of shares having an aggregate offering price of up to \$26,000,000. We will pay Sandler O'Neill a commission equal to 2.0% of the gross sales price per share for any shares sold through Sandler O'Neill under the sales agency agreement. The net proceeds we receive from the sale of the shares to which this prospectus supplement relates will be the gross proceeds received from such sales less the commissions and any other costs we may incur in issuing the shares. See "Plan of Distribution" for further information.

Investing in our common stock involves risks. Please carefully read "Risk Factors" beginning on page S-9 of this prospectus supplement, and all of the documents incorporated by reference in this prospectus supplement, including our Annual Report on Form 10-K for the year ended September 30, 2014 and any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, for a discussion of certain factors that you should consider before making your investment decision.

Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

These securities are not deposits, savings accounts, or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this prospectus supplement is December 17, 2014.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and Sandler O’Neill has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, orally or otherwise, you should not rely on it. We are not, and Sandler O’Neill is not, making an offer to sell our securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, or any documents incorporated by reference herein, is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in that prospectus.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering, updates and adds to the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information about us, the common stock, and other securities we may offer from time to time, some of which may not apply to this offering. You should read the information in both this prospectus supplement and the accompanying prospectus, together with additional information incorporated by reference herein as described below under the heading “Incorporation of Certain Information by Reference.”

Generally, when we refer to this “prospectus” we mean this prospectus supplement together with the accompanying prospectus and all information incorporated herein and therein by reference.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Unless the context otherwise indicates, the terms “us,” “we,” “Meta Financial” and the “Company” refer to Meta Financial Group, Inc. and our subsidiaries on a consolidated basis.

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CAUTION ABOUT FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). You can identify forward-looking statements by words such as “may,” “hope,” “will,” “should,” “expect,” “plan,” “anticipate,” “intend,” “estimate,” “predict,” “potential,” “continue,” “could,” “future” or the negative of those terms or other words of similar meaning. You should read statements that contain these words carefully because they discuss our future expectations or state other “forward-looking” information. 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, among others, the following subjects: future operating results; customer retention; loan and other product demand; important components of the Company’s balance sheet and income statements; growth and expansion; new products and services, such as those offered by MetaBank™ (the “Bank”) or Meta Payment Systems® (“MPS”), a division of the Bank; credit quality and adequacy of reserves; technology; and the Company’s employees. The following factors, among others, could cause the Company’s financial performance and results of operations 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 Board of Governors of the Federal Reserve System (the “Federal Reserve”), as well as efforts of the United States Treasury in conjunction with bank regulatory agencies to stimulate the economy and protect the financial system; inflation, interest rate, market, and monetary fluctuations; the timely development of and acceptance of new products and services offered by the Company as well as risks (including reputational and litigation) attendant thereto and the perceived overall value of these products and services by users; the risks of dealing with or utilizing third parties; the ability of the Bank to successfully integrate the operations of AFS/IBEX Financial Services Inc. (“AFS/IBEX”); the scope of restrictions and compliance requirements imposed by the Company’s Consent Order with the Federal Reserve and any other such actions which may be initiated; the impact of changes in financial services laws and regulations, including but not limited to our relationship with our primary regulators, the Office of the Comptroller of the Currency (the “OCC”) and the Federal Reserve; technological changes, including but not limited to the protection of electronic files or databases; acquisitions; litigation risk in general, including but not limited to those risks involving the MPS division; the growth of the Company’s business as well as expenses related thereto; changes in consumer spending and saving habits; and the success of the Company at managing and collecting assets of borrowers in default. The foregoing list of factors is not exclusive. We caution you not to place undue reliance on any forward-looking statements. Additional discussions of factors affecting the Company’s business and prospects are contained in the Company’s periodic filings with the SEC. All of our forward-looking statements, including those included and incorporated by reference in this prospectus supplement and the accompanying prospectus, are qualified in their entirety by this statement. The Company 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 or its subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and may not contain all the information that you need to consider in making your investment decision. To understand this offering fully, you should read this prospectus supplement and the accompanying prospectus carefully and in their entirety. Particular attention should be paid to the sections titled “Risk Factors” in this prospectus supplement and in the accompanying prospectus and the documents identified in the section “Incorporation of Certain Information by Reference.”

The Company

Meta Financial, a registered unitary savings and loan holding company, is a Delaware corporation, the principal assets of which are all the issued and outstanding shares of the Bank, a federal savings bank, the accounts of which are insured up to applicable limits under the Deposit Insurance Fund (“DIF”) of the Federal Deposit Insurance Corporation (“FDIC”).

The Bank, a wholly-owned full-service banking subsidiary of Meta Financial, is both a community-oriented financial institution offering a variety of financial services to meet the needs of the communities it serves and a payments company providing services on a nationwide basis, as further described below. The Bank’s home office is located at 121 East Fifth Street in Storm Lake, Iowa and it operates 11 banking offices in four market areas: Northwest Iowa, Brookings, Central Iowa, and Sioux Empire.. The principal business of the Bank has historically consisted of attracting retail deposits from the general public and investing those funds primarily in one- to four-family residential mortgage loans, commercial and multi-family real estate, agricultural operations and real estate, construction, and consumer and commercial operating loans primarily in the Bank’s market areas. The Bank also purchases loan participations from time to time from other financial institutions, but presently at a lower level compared to prior years, as well as mortgage-backed securities and other investments permissible under applicable regulations. In addition to its community-oriented lending and deposit gathering activities, the Bank’s Meta Payment Systems® (“MPS”) division offers prepaid cards, designs innovative consumer credit products, sponsors Automatic Teller Machines (“ATMs”) into various debit networks, and offers other payment industry products and services. Through its activities, MPS generates both fee income and low- and no-cost deposits for the Bank. MPS continues to expand and to play a very significant role in the Company’s financial performance. MPS operates out of Sioux Falls, South Dakota.

Most recently, the Bank established its AFS/IBEX division following its purchase of substantially all of the commercial loan portfolio and related assets of AFS/IBEX Financial Services Inc. (“AFS/IBEX”), an insurance premium financing company. The transaction, which closed on December 2, 2014, has diversified the Company’s business and further expands its loan portfolio.. The AFS/IBEX division provides nationwide commercial insurance premium financing for businesses and insurance agencies and has two agency offices, one in Dallas, Texas and one in southern California.

The Company’s revenues are derived primarily from interest on commercial and residential mortgage loans, mortgage-backed securities and other investments, fees generated through the activities of MPS, consumer loans, agricultural operating loans, commercial operating loans, income from service charges, loan origination fees, and loan servicing fee income.

As previously disclosed, the Company and the Bank each stipulated and consented to a Cease and Desist order (the “Consent Orders”) issued by the Office of Thrift Supervision (the “OTS”), imposing various restrictions and compliance requirements on the Company and the Bank, respectively. On August 7, 2014, the OCC, as successor to the OTS as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, terminated the Bank’s Consent Order. The Company’s Consent Order with the Federal Reserve, as successor to the OTS with respect to the OTS’s function related to thrift holding companies, is still in effect and, accordingly, satisfaction of the requirements of the Company’s Consent Order remains subject to the ongoing review and supervision of the Federal Reserve. While there can be no assurance that the Federal Reserve will ultimately determine that the Company has met all of the requirements of its Consent Order to the satisfaction of the Federal Reserve, the Company anticipates that its Consent Order will be terminated in the first calendar quarter of 2015.

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Meta Financial's headquarters are located at 5501 South Broadband Lane, Sioux Falls, South Dakota 57108 and our telephone number is (605) 782-1767. Our internet address is <http://www.metafinancialgroup.com>. The reference to our website does not constitute incorporation by reference of the information contained on the website, which should not be considered part of this prospectus supplement or the accompanying prospectus.

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THE OFFERING

Issuer Meta Financial Group, Inc.

Shares offered Shares of common stock, \$0.01 par value, having an aggregate offering price of up to \$26,000,000.

Use of proceeds We intend to add the proceeds of the offering to our general corporate funds, which may be used for capital support for organic growth, investments in or advances to subsidiaries, acquisitions of bank or nonbank entities, upcoming Basel III requirements, dividends, debt reduction or debt refinancing, and other general corporate purposes. Organic growth includes accelerating growth in our MPS division, planned nationwide expansion of AFS/IBEX, as well as continued growth in our retail bank segment. Under the Company's Consent Order with the Federal Reserve, the Company must confirm that the Federal Reserve does not object to certain of the potential uses of proceeds (e.g., capital distributions and debt reduction or refinancing) before deploying the proceeds for such purposes. See "Use of Proceeds" at page S-11.

Nasdaq Global
Select Market CASH
symbol

Dividends and distributions The Company has paid a quarterly cash dividend on its common stock since December 1994. Any payment of dividends in the future will depend, in large part, on the Company's earnings, capital requirements, financial condition, review by our regulators, and other factors considered relevant by the Company's board of directors.

Risk Factors Investing in our common stock involves risks. You should carefully consider the information under "Risk Factors" beginning on page S-9, the "Risk Factors" incorporated by reference in this prospectus supplement and the accompanying prospectus, and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in our common stock.

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SUMMARY OF SELECTED FINANCIAL DATA

The following tables show selected historical consolidated financial data for the Company as of and for each of the five years ended September 30, 2014, which has been derived from our audited consolidated financial statements. You should read this table together with the historical consolidated financial information contained in our consolidated financial statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” included in our Annual Report on Form 10-K for the year ended September 30, 2014, which has been filed with the SEC and is incorporated by reference into this prospectus supplement.

Selected Financial Data

Year Ended September 30,
2014 2013 2012 2011 2010

SELECTED FINANCIAL CONDITION DATA

(Dollars in Thousands)

Total assets	\$2,054,031	\$1,691,989	\$1,648,898	\$1,275,481	\$1,029,766
Loans receivable, net	493,007	380,428	326,981	314,410	366,045
Securities available for sale	1,140,216	881,193	1,116,692	619,248	506,852
Securities held to maturity	282,933	288,026	-	-	-
Goodwill and intangible assets	2,588	2,339	2,035	1,315	2,663
Deposits	1,366,541	1,315,283	1,379,794	1,141,620	897,454
Total borrowings	497,721	216,456	47,710	29,365	41,214
Stockholders’ equity	174,802	142,984	145,859	80,577	72,044

2014 2013 2012 2011 2010

SELECTED OPERATIONS DATA

(Dollars in Thousands, Except Per Share Data)

Total interest income	\$48,660	\$38,976	\$37,297	\$39,059	\$39,083
Total interest expense	2,398	2,954	3,563	4,747	5,993
Net interest income	46,262	36,022	33,734	34,312	33,090
Provision for loan losses	1,150	-	1,049	278	15,791
Net interest income after provision for loan losses	45,112	36,022	32,685	34,034	17,299
Total non-interest income	51,738	55,503	69,574	57,491	97,444
Total non-interest expense	78,231	74,403	75,463	83,262	94,930
Income (loss) from continuing operations before income tax expense (benefit)	18,619	17,122	26,796	8,263	19,813
Income tax expense (benefit)	2,906	3,704	9,682	3,623	7,420

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Year Ended September 30,
2013 2012 2011 2010