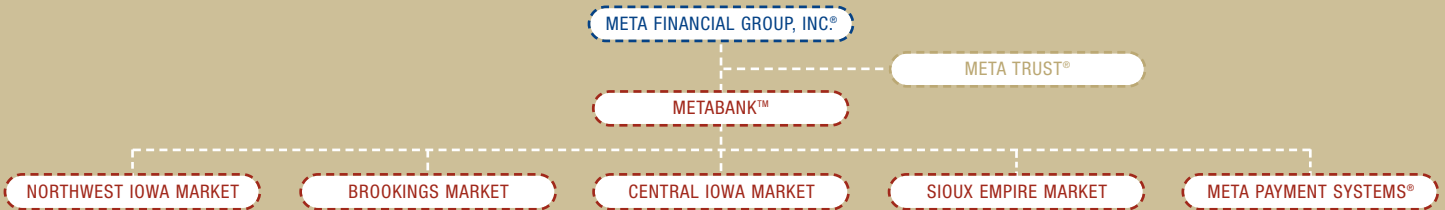




Money on the Move

Our conservative approach to asset management once again steered us clear of exposure to the volatile subprime residential loan markets. —TYLER HAAHR

Company Structure



Company Profile



JAMES S. HAAHR
CHAIRMAN OF THE BOARD

Meta Financial Group, Inc. (MFG) is a \$757.3 million thrift holding company for MetaBank and Meta Trust Company. Headquartered in Storm Lake, Iowa, the Company converted from mutual ownership to stock ownership in 1993. Its primary businesses are deposits, loans and other financial services and products to meet the needs of its commercial, agricultural and retail customers; and an industry-leading electronic payment systems division. MFG shares are

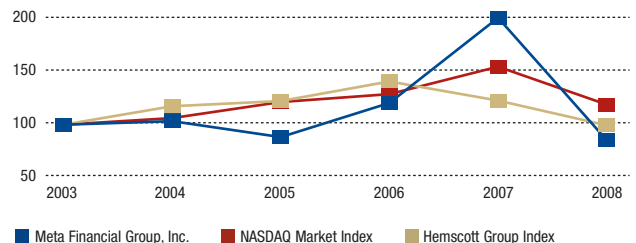
traded on the NASDAQ Global Market[®] under the symbol "CASH."

MFG operates under a super-community banking philosophy that allows the Company to grow while maintaining its community bank roots, with localized decision making and customer service. Administrative functions, transparent to the customer, are centralized to enhance the banks' operational efficiencies and to improve customer service capabilities.

MetaBank is a federally-chartered savings bank with four market areas: Brookings, Central Iowa, Northwest Iowa and Sioux Empire; and the nationally-

recognized Meta Payment Systems (MPS) division. MPS supports clients nationwide and manages four primary business lines that contribute to revenue and deposits: prepaid cards, credit cards, Automated Teller Machine (ATM) sponsorship and Automated Clearing House (ACH) origination. Thirteen bank offices and two MPS offices (including one bank administrative office) support customers in Iowa, South Dakota and MPS clients across the country. Meta Trust provides professional trust services.

Comparison of Cumulative Total Return of MFG (NASDAQ symbol: CASH), broad market and industry index



MetaBank is a Member FDIC and Equal Housing Lender. The Company and its subsidiaries exceed regulatory capital requirements.

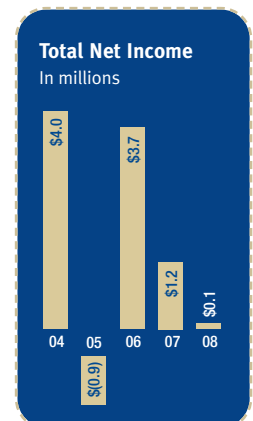
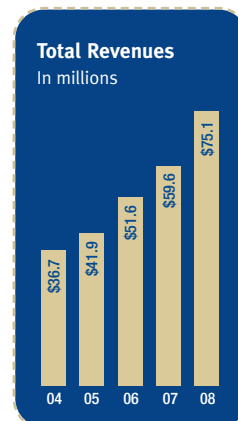
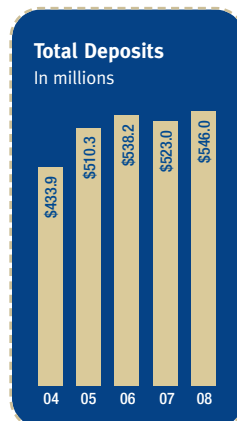
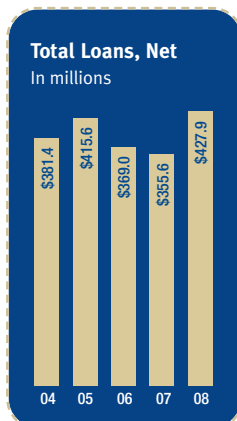
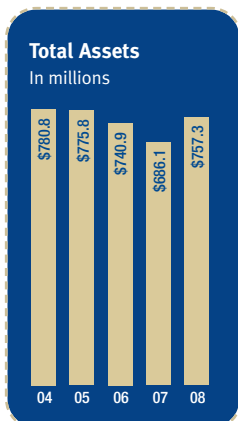


META FINANCIAL GROUP BEGAN TRADING PUBLICLY ON SEPTEMBER 20, 1993.

Financial Highlights

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

	2008	2007	2006	2005	2004
AT SEPTEMBER 30					
Total assets	\$ 757,256	\$ 686,080	\$ 740,921	\$ 775,839	\$ 780,799
Total loans, net	427,928	355,612	368,959	415,568	381,406
Total deposits	545,972	522,978	538,169	510,258	433,928
Shareholders' equity	46,807	48,098	45,099	42,959	47,274
Book value per common share	18.00	18.57	17.79	17.16	18.98
Total equity to assets	6.18%	7.01%	6.09%	5.54%	6.05%
FOR THE FISCAL YEAR					
Total interest income and non-interest income-continuing operations	\$ 75,114	\$ 59,632	\$ 51,607	\$ 41,870	\$ 36,729
Net interest income-continuing operations	24,003	20,807	18,501	18,063	16,539
Income (loss) from continuing operations, net of tax	(1,834)	1,312	3,379	(652)	3,662
Income (loss) from discontinued operations, net of tax	1,885	(141)	309	(272)	325
Net income (loss)	51	1,171	3,688	(924)	3,987
Diluted earnings (loss) per share:					
Income (loss) from continuing operations	\$ (0.70)	\$ 0.50	\$ 1.34	\$ (0.27)	\$ 1.44
Income (loss) from discontinued operations	0.72	(0.05)	0.12	(0.11)	0.13
Net income (loss)	0.02	0.45	1.46	(0.38)	1.57
Return on average assets	0.01%	0.17%	0.49%	-0.12%	0.51%
Return on average assets-continuing operations	-0.24%	0.19%	0.45%	-0.08%	0.47%
Return on average equity	0.11%	2.69%	8.55%	-2.04%	8.69%
Return on average equity-continuing operations	-3.98%	3.01%	7.83%	-1.44%	7.98%
Net yield on interest-earning assets-continuing operations	3.51%	3.38%	2.85%	2.59%	2.44%



Letter to Shareholders



J. TYLER HAAHR
PRESIDENT AND CEO

Meta Financial Group made genuine progress in both revenue growth and long-term value creation for our owners in fiscal 2008. And, despite profitability challenges during a year of widespread turmoil in the economy, we declared

and paid \$0.52 per share in cash dividends, demonstrating to shareholders our stability and resolve by extending to fourteen years our record of consecutive quarterly dividends.

During the past fiscal year we met significant milestones in each of the three key initiatives we outlined in the prior year to promote long-term growth and profitability. We: 1) Achieved additional increases in business volume in Meta Payment Systems, 2) Built further on our successful record in the commercial banking business, and 3) Managed infrastructure and risk to support growth. These substantial inroads were made in the midst of a period of great challenge for banks and other financial institutions.

We were certainly not untouched by nationwide trends. These trends, along with resolution of a customer credit issue and settlement of litigation specific to MetaBank, led to lower earnings than expected and a reduction in our share price in the last year. We can't control the market, but we can and do control our business fundamentals, which remain very strong.

Sustaining growth and creating additional shareholder value during a time of industry-wide uncertainty will no doubt be challenging, but our management team and staff are confident we are continuing to build momentum and are well positioned to capitalize on new opportunities that are available.

Our conservative approach to asset management once again steered us clear of exposure to the volatile subprime residential loan markets. While many lending institutions in our peer group were being hit hard by losses in this category, our asset quality continued to reflect our cautious lending standards. We have also nearly completed an extensive branch realignment project and as a result, we are now satisfied that our branch configuration fulfills our present needs.

Meta Payment Systems (MPS), our electronic payments division, delivered resoundingly on one of our primary initiatives by increasing revenue 76% and adding 124% to non-interest income. MPS produced these impressive advances from both existing products and from exciting new offerings, such as our innovative iAdvanceSM loan solution. New product offerings during the last 15 months accounted for 65% of 2008 MPS non-interest income. For an expanded understanding of the impressive dynamics of the MPS division, I refer you to the nearby interview with our executive management team.

“Meta Payment Systems (MPS), our electronic payments division, delivered resoundingly on one of our primary initiatives...”

Going forward, we will concentrate on appropriately adjusting to the nationwide fallout from the recent economic crisis and will look for opportunities to refine and grow the profitability of banking and electronic payment systems, our two major lines of business. We believe the underpinnings of the financial services industry will re-stabilize, and we are truly excited at this juncture that new opportunities for growth and profitability are

becoming available. We look forward to reporting such future progress. Here are the financial highlights from fiscal 2008:

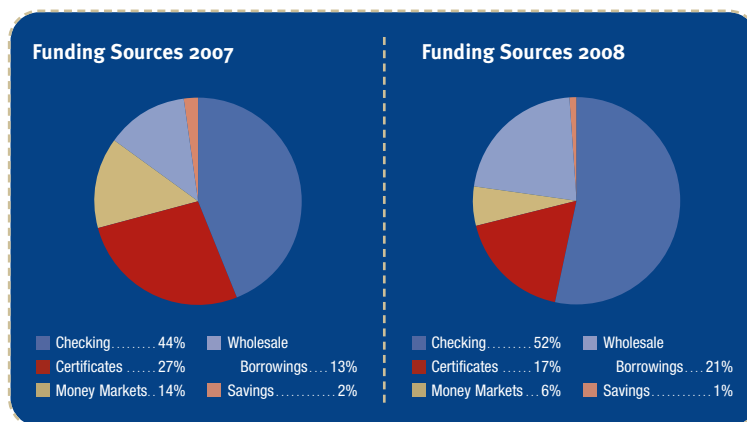
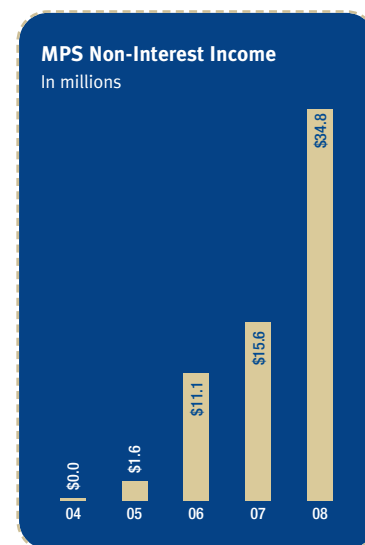
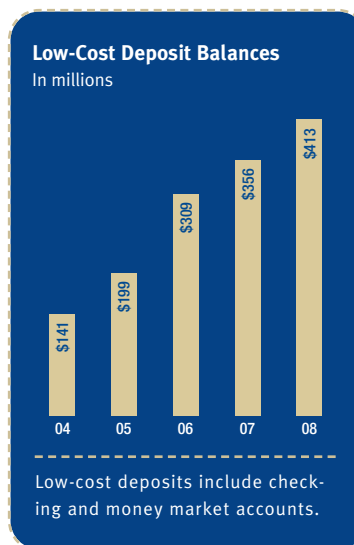
- MFG reported net income of \$0.1 million or \$0.02 per diluted share for fiscal 2008. This compares to net income of \$1.2 million or \$0.45 cents per diluted share in 2007.
- Full year net income was \$2.5 million absent 2006 litigation settlement and a previously disclosed provision for fraud-related loan
- MPS net income \$3.3 million
- MPS revenue grew 76% over previous year
- MetaBank operations and loss charges plus MPS earnings yielded about a breakeven year

Heritage of Discipline and Experience

Allow me to offer a brief but important summary of MFG's strategic objectives as we enter the coming period of both challenge and opportunity.

Meta Financial Group is grounded in a half-century heritage of fiscal and fiduciary discipline and experience. Our defining characteristic is that our customers know they can rely on their Meta providers for comprehensive services on an everyday basis as well as in times of tumult for the local or national economy. Whether it is business banking, commercial lending, deposit taking or our elite electronic payments division, our teams offer their customers unrivaled experience and the discipline that comes with it.

With few exceptions, the financial service industry was hit hard by credit quality reverses during the recent crisis. As one of the exceptions, we are able to report that Meta had virtually no exposure to the core real estate credit crisis as reflected by the subprime mortgage mess. The charges we did incur in 2008 were 1) to resolve litigation from 2006, and 2) reserve for loans to one commercial borrower that were unrelated to our mortgage portfolio. Meanwhile, our balance sheet continues to be strong, and we



continue to exceed the "well capitalized" standard of safety and soundness as defined by federal banking regulators.

Our MetaBank executives have applied this same disciplined approach to our retail bank branch operations. As previously reported, we sold four branches that no longer fit into our long-term plans, and over the past five years, we opened six new branches in solid locations that fit well into our specific target geography and establish a platform for higher growth in our retail banking operations. Our primary objective today is to reduce costs, raise productivity, and bring a higher portion of our revenues to the bottom line.

We will continue to refine our banking products to better serve our customers. Examples include cutting-edge products and services made possible by new capabilities in our modern and efficient processing centers. We have consolidated “back office” operations in our retail branches to free personnel to serve customers better and to provide higher levels of control and risk management.

I am pleased to report that our overall customer base is quite solid. Our regional business and the commercial and agricultural customers we serve are in generally stable businesses with reasonably benign business cycles. Our MetaBank customer service ethic is centered on keeping “Money on the Move” by serving both traditional business banking and retail banking customers. Our vision is to provide value-added service to clients through the changing cycles of home and business life. For example, we help new businesses reach critical mass, grow with them and help with expanding needs as the business flourishes. MetaBank offers parallel support on the personal side throughout the various stages of individual and family life.

“Our primary objective today is to reduce costs, raise productivity, and bring a higher portion of our revenues to the bottom line...”

A Heritage of Continual Improvement

Our management teams completed important work in 2008 to ensure that our organization is structurally sound and that our business units are very competitive. Our primary thrust at MetaBank is on improving operating efficiency, managing risk, preserving data integrity, enhancing security and protecting customer identity. Some examples of what MetaBank accomplished in this regard in 2008:

- Centralized back office operations allowing our retail branches to focus more on direct customer service
- Standardized procedures, documentation and reporting for improved efficiency while providing necessary flexibility to adapt to changing needs
- Reviewed data files thoroughly and confirmed portfolio integrity
- Positioned several newer branches to accelerate growth
- Provided training to ensure our staff will deliver and execute leading-edge service
- Supported continued growth in loans and deposits without significant cost increments
- Initiated retail deposit and checking product updates to ensure high customer appeal and support account growth

Growth Through Innovation at Meta Payment Systems Division

MFG continues to identify, support and deliver growth through innovation. In 2004, Meta Payment Systems was formed with financing provided by our retail bank, which was founded in 1954. Today our innovative MPS team nearly defines change. MPS is solid yet nimble enough to create a steady stream of appealing new products and services for a widening market. As a result, some investors have begun to refer to our dynamic company as, “a 54-year-old startup.”

Meta Payment Systems is recognized as one of the largest and most innovative providers of card services. In 2008, Meta issued over 30 million cards, filed 15 patents, and won several national industry awards, including “Most Innovative Product” for our iAdvance concept. MPS collaborates with market-leading partners such as large retailers, malls and credit card companies to provide value-added services. MPS has made possible unique, name branded gift cards for small and mid-sized banks that would otherwise not be able to employ these advanced marketing tools. As a division of MetaBank, a federally chartered savings bank, MPS has the capability to

Meta Payment Systems—Examples of Prepaid Cards



provide access to all the national and regional debit networks. Meta® is among the top issuers of Visa®, MasterCard® and Discover® branded prepaid cards. However, our role goes far beyond that of an issuing bank. We also work as a trusted advisor on compliance matters and as a client advocate with the processors and the associations. Indeed, our experienced management often suggests innovative approaches to our clients.

Meta Payment Systems joins MetaBank in the practice of keeping “Money on the Move” by inventing and selling products and services that serve nearly all retail consumers including the “under-banked” segment, those individuals who do not maintain traditional bank accounts. In this regard, MPS’ new iAdvance product provides access to small-dollar, short-term loan solutions for traditionally underserved consumers.

Building Value

Meta is positioned to add new value for our owners. Meta Financial Group continues to create shareholder value by combining sound traditional retail banking with an innovative and ground-breaking electronic payment systems operation.

As both our traditional banking business and Meta Payment Systems continue to grow and increase profitability, we believe we will be able to more clearly demonstrate the unique value we’re building for our owners. As the equity markets stabilize, and banking and financial services firms return to favor, we believe our company will earn recognition as a promising and well-managed business.

Moving Forward

I am personally proud of the Meta executive team and each of our employees. They are dedicated, quality men and women with energy, spirit and talent. With the guidance of our excellent Board of Directors, I believe this team will continue to deliver good value to our owners. It is through our Board and its steady hand that we maintain our heritage of responsible change.

2009 will be one of historic challenge for banks and other financial institutions. Grounded in our tradition of financial discipline, we believe Meta Financial Group will quickly seize the opportunities posed by these challenges and will bend every effort to create value for our owners.

J. TYLER HAAHR

Question and Answer

(Editor's Note: As indicated in J. Tyler Haahr's nearby letter to shareholders, the following interview with key Meta Financial Group executives is intended to more closely acquaint investors with the scope and potential of MFG's diverse operations. The participants are Brad Hanson, Executive Vice President, President MPS; Scott Galit, Executive Vice President MPS; Dave Leedom, Senior Vice President & CFO; and Troy Moore, Executive Vice President & COO.)

Q: Brad, shareholders readily understand MetaBank as a leading regional bank, but they frequently ask for an explanation of the complexities of the Meta Payment Systems division. Would you begin by describing MPS in broad terms?

A: Since the inception of Payment Systems division in 2004, prepaid cards have provided an excellent platform to help us establish ourselves in the electronic payments industry. A prepaid card is a form of debit card that provides consumers access to a specified portion of funds in a pooled account held at the bank. Primarily, we have been focused on the delivery of so-called "open-loop" cards that can be used in a wide variety of locations and are branded with the Discover®, MasterCard® and Visa® logos. These products are largely fee-driven based on high transaction volume, and contribute to a growing flow of low-cost deposits to MetaBank.

But Meta Payment Systems is about more than just prepaid cards; it's about many forms of payments and a whole new way to think about financial services. Our objective is to be the leading provider of an entire range of innovative payment solutions that we deliver in collaboration with market-leading partners. We intend to do this by delivering new, better financial products that improve the lives of our customers. In other words, we want to build the kinds of products that can make money come alive and impact the lives of people everywhere by bringing them financial opportunity, convenience and choice.

Working with partners allows us to apply our expertise to a wide range of products spanning numerous applications in multiple industries. As the business evolves we are able to leverage our knowledge and experience to provide a greater breadth of products and services for our clients. We have also started to develop financial solutions in other areas such as loyalty and credit. Our patent pending iAdvanceSM product, an innovative new micro-loan solution, is just one example of how we are creating better options for our customers.

Q: Scott, please give us a bit more color on Brad's comment. How wide a landscape are we talking about in the electronic payments sector?

A: What's so exciting for Meta Payment Systems is that electronic payments represents a multi-trillion dollar industry. There are well-established global trends where we are seeing the migration of payments from cash and checks to electronic payments. So, we help businesses and consumers make payments and move money.

We've managed to become an industry leader in our areas of focus. As Brad indicated, we've done this by partnering with industry-leading companies to help them create and deliver innovative electronic payments products and solutions. We're operating in really big market spaces and by helping our partners succeed, we're confident we'll continue to see exciting opportunities on an increasingly larger scale.



TROY MOORE
EXECUTIVE VICE PRESIDENT & COO



DAVE LEEDOM
SENIOR VICE PRESIDENT & CFO



BRAD HANSON
EXECUTIVE VICE PRESIDENT;
PRESIDENT MPS



SCOTT GALIT
EXECUTIVE VICE PRESIDENT MPS

Q: Dave, it would appear from those descriptions that there would be some cyclicity in the earnings stream from the Meta Payment Systems operations. Is this true, and how are you meeting that challenge?

A: While level financial results are nice, we don't believe seasonal fluctuations present an undue challenge. For example, our travel-related business reaches a peak during the summer months, while our tax-related business peaks during the late winter months. Our liquidity planning takes this into account by optimizing investment and secondary funding opportunities. In addition, as the Meta Payment Systems business continues to grow and become more diverse, we anticipate that this cyclicity will become less pronounced.

Q: Would it be fair to say, generally speaking, that profitability on a given new line of MPS business lags investment in that new business by more than six months?

A: Yes, we are investing in research and product development well in advance of program introduction, so six months would be a typical time lag. However, for some new products that have more complexity, research and development has preceded implementation and profitability by more than a year.

Q: Troy, in light of what Dave said, do you have concerns in terms of the overall impact of cyclicity on the consolidated annual earnings picture? Are the bank's activities counter-cyclical to Meta Payment Systems, and how does this benefit the overall earnings picture?

A: The traditional banking activities are not necessarily counter-cyclical to those in our MPS division. It is important to have more than one profit center in a company, and our mix of traditional banking and electronic payment systems gives us an excellent diversity in earnings opportunities. It just happens to be that revenue from Meta Payment Systems has grown so much, and the earnings cycle in that particular division of the company is significant enough, that our earnings will be cyclical. Investors typically want to see steady, consistent results but we will continue to be cyclical. That will be fully acceptable as long as investors have a clear understanding of our business lines and the long-term investment opportunity Meta Financial Group represents.

Q: Brad, what are the leading-edge innovations coming in the electronic payment sector, and should we assume from the patents recently filed by Meta Payment Systems that the company is in the vanguard?

A: Some of the patents we've filed are about products but others are about technology and processes that give us a competitive advantage by improving our ability to manage risk while increasing flexibility and control for our customers. This all works in concert to provide a well-rounded platform for new products and services tempered by appropriate controls and a sharp focus on compliance, and that combination is what makes us a leader in our industry.

Meta Payment Systems Travel Card



Consumer purchases Visa® travel card at bank branch



Funds are held at MetaBank™ until spent



Consumer uses travel card at restaurants, lodging, retailers



Visa® pays retailers and pulls funds from MetaBank™ to cover purchases

Q: Brad and Scott, given the strong growth outlook, what conclusions can we draw about the Company's ability to fund the growth of Meta Payment Systems going forward?

A: Brad – MPS' rapid growth has exceeded expectations since its inception four years ago and we have consistently reinvested their earnings to fund many promising new initiatives. The priorities we set for the management team are those designed to benefit the long-term success of the company. When we started MPS, we made a long-term commitment to its growth and to the capital it would take to be able to take advantage of the opportunities and expanding markets in the electronic payments industry.

“MPS' rapid growth has exceeded expectations since its inception four years ago.”

A: Scott – That's right. And, bear in mind Meta Payment Systems now has a several-year track record of increasing profitability and greater than 50% year-over-year revenue growth. Non-interest bearing deposits flowing to MetaBank also show a similar growth trajectory. This performance provides both capital and funding to enable further holistic growth for Meta Financial Group. We also intend to be opportunistic when strategic options present themselves.

Q: Scott, you previously managed prepaid electronic payments worldwide for MasterCard. What is the overall competitive environment like in the electronic payments arena, and what specifically will MPS need to do to get to the top of the peer group and stay there? Are we near this position now?

A: In our focal areas, like prepaid issuance and ATM acquiring, Meta Payment Systems has become the industry leader. While there is certainly a lot of competition in the electronic payments industry overall, we have created a special formula that has enabled us to succeed. It starts with the truly unique and talented team of experienced payments professionals at MPS. We are more nimble and flexible than larger organizations and have more sophisticated capabilities than the typical smaller industry players. This sweet spot allows us to become the business partner of choice for a growing list of large companies and create a diverse portfolio of products and services.

Our electronic payments business has been profitable since our first year, and we have continued to aggressively invest in what we believe is a very exciting opportunity to create significant long-term value for our shareholders. We are focused on innovation, talent and growth and expect to enhance profitability in 2009 and beyond.

Meta Payment Systems Rebate Card



Consumer purchases product at a store and completes rebate request form



Rebate processor transmits rebate information and funds to MetaBank™ where funds are held until spent



Meta® sends MasterCard® rebate card to consumer through mail



Consumer spends funds from card at a merchant



MasterCard® pays merchant for the purchase and pulls funds from MetaBank™ for settlement

Q: You're saying that the more diverse your product offerings continue to be, the more sustainable the growth will be?

A: There's no question that the payments industry has diversity and scale. As we continue to serve our partners, we are broadening our product capabilities and growing with them. The more diverse our offerings and capabilities are, the more partners we can work with and the more extensively we can collaborate with individual partners. The payments industry is so large that we could be ten times the size we are today and still not be considered a big company. With the talent we have and our commitment to innovation, we're confident we have tremendous opportunities ahead of us.

Q: What share of market does Meta Payment Systems hold now, and what would be a reasonable goal to capture over, say, three to five years?

A: We're focused less on market share than we are on value creation for our partners and shareholders. We have strong growth potential in both smaller industries that are experiencing rapid growth and larger industries where innovation can create new and compelling value propositions. Our market share in the overall electronic payments industry will still be relatively small in a few years. That said, we expect we'll continue to be a leader in the emerging market areas we focus on and we'll create an impact in every market we penetrate.

Q: Dave and Troy, back to MetaBank itself, how does the Bank directly benefit from the revenue model of the Meta Payment Systems division?

A: Dave – The lifeblood of a bank is its deposits, and the bank directly benefits from business model of MPS and its ability to gather low- or no-cost deposits. These deposits allow us to reduce borrowings and fund highly competitive loans in the markets we serve. From a banking perspective it's pretty simple. We gather deposits, make a loan, charge a fee and work to control operating expenses. The first part of the equation is important. We need access to low-cost deposits, and Meta Payment Systems furnishes them for us. As a result, we have a base for further growth in our retail banking unit and are poised to accomplish that.

A: Troy – Yes, and we are all determined that we will not grow just for growth's sake; it must be profitable growth. The emphasis today is to reduce costs, raise productivity and bring more of the revenue to the bottom line. We will be introducing many new retail banking products in the next fiscal year. But, we can have the best products in the world and if we do not deliver and execute service above customer expectation, then the product mix will not matter.

A: Dave – Our traditional banking business has a significant competitive advantage due to the low- and no-interest deposits that MPS generates. Due to the large-portfolio dynamics of these deposits, they are not subject to the unanticipated fluctuations of a more concentrated book of deposits, so they form an ideal platform for lending and investment.

Meta Payment Systems Gift Card



Consumer purchases Discover® gift card at bank



Bank electronically transmits funds and fees to Meta® where funds remain until spent



Consumer gives card to recipient



Recipient spends the gift at retailer



Discover® pays retailer and pulls funds from MetaBank™ to cover purchases

Q: Dave, while we are focused on MetaBank, what level of asset risk do you see in coming quarters, given the macro-economic landscape before us?

A: Over the years, the Bank has avoided the temptation to concentrate its lending and investment in areas, such as the subprime mortgage sector, which have now proven to be disastrous for some of our peers. We intend to continue to be balanced and sensible when evaluating asset risk for both the near term and beyond. Our growth outlook for the traditional bank segment is moderate until we see evidence of strengthening in the overall market.

“We are one of only a handful of companies that have combined the fundamentals of retail banking with the innovation and opportunities in the electronic payments industry.”

Q: So, Dave and Troy, what would you say are the three principal reasons MetaBank, of and by itself, deserves the attention of investors?

A: Dave – We are one of only a handful of companies that have combined the fundamentals of retail banking with the innovation and opportunities in the electronic payments industry. In unprecedented economic times, we made decisions that protected the company and its shareholders from exposure to the core real estate crisis; we have managed the infrastructure and risk to support growth now and in the future; we have been and continue to be well capitalized. Although banking seems to be a tough industry right now, we strongly feel there are opportunities and we are well positioned to take advantage of them.

A: Troy – We would make three key points: 1) Meta Financial Group provides an attractive diversification within the financial services industry; a commercial bank and an industry-leading payments business. 2) The commercial bank has a history of prudent underwriting and investment risk avoidance. 3) Our payments business has invested in building the infrastructure to support its rapid growth in a segment that's still expanding.

Meta Payment Systems Reloadable Card



Consumer visits retail location and obtains prepaid card



Consumer signs up with employer for direct deposit and paycheck is sent to Meta®, where funds remain until spent



Consumer uses card to make purchases at gas stations, grocery stores and other retailers



Visa® pays retailers and pulls funds from MetaBank™ to cover purchases

Q: Brad and Scott, let's put the same question to you: what are the three top attributes of Meta Payment Systems you would point out to an investor?

A: Brad – As barriers to entry continue to rise, we have built a stronghold in a rapidly expanding industry. MPS has an extremely talented leadership team capable of leveraging their broad knowledge and experience in the payments industry to bring innovative financial solutions to the marketplace. We have a proven ability to collaborate and execute effectively with market-leading partners to deliver innovative products and services that meet evolving market needs.

A: Scott – We've used this formula to build a strong base of employees, partners and financial performance, and as a team we're excited we have the opportunity to continue to do so in the future.

Q: Dave, looking at Meta Financial Group as a whole, what do you see as key areas of improvement as we move through the coming quarters?

A: Not surprisingly, credit quality will receive much focus. Our credit review function undergoes continuous analysis in concert with our lenders. We are not content to “stand pat” with “the way we've always done it,” even though we have experienced considerable success. Additionally, we have undertaken a modification of MPS' systems to make them more modular and better able to accommodate the scale of the business that is anticipated. We are also building out our financial systems to ensure a level of granularity that provides management with even better tools with which to evaluate program performance and resource deployment.

Q: Finally, Dave, for the dividend-driven investor, what assurances if any, can you give that the Company's 14-year record of continuous dividend payments will continue?

A: Of course, dividend policy and prudent capital levels are the responsibility of the Board of Directors, but the Company considers dividends to be a key tangible demonstration of its commitment to shareholders.

Consolidated Statements of Financial Condition

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

SEPTEMBER 30,	2008	2007
ASSETS		
Cash and due from banks	\$ 2,963	\$ 1,210
Interest-bearing deposits in other financial institutions	-	10,110
Total cash and cash equivalents	2,963	11,320
Federal funds sold	5,188	75,000
Investment securities available for sale	19,711	25,960
Mortgage-backed securities available for sale	184,123	132,741
Loans receivable—net of allowance for loan losses of \$5,732 at September 30, 2008 and \$4,493 at September 30, 2007	427,928	355,612
Federal Home Loan Bank stock, at cost	8,092	4,015
Accrued interest receivable	4,497	4,189
Bond insurance receivable	6,098	-
Premises and equipment, net	21,992	19,707
Bank-owned life insurance	12,758	12,261
Assets related to discontinued operations, held for sale	-	35,770
Goodwill	2,206	1,508
MPS accounts receivable	50,046	1,748
Other assets	11,654	6,249
Total assets	\$ 757,256	\$ 686,080
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Non-interest-bearing checking	\$ 355,020	\$ 260,098
Interest-bearing checking	15,029	14,600
Savings deposits	9,394	10,265
Money market deposits	43,038	81,292
Time certificates of deposit	123,491	156,723
Total deposits	545,972	522,978
Advances from Federal Home Loan Bank	132,025	68,000
Securities sold under agreements to repurchase	5,348	224
Subordinated debentures	10,310	10,310
Accrued interest payable	578	842
Contingent liability	4,293	-
Liabilities related to discontinued operations, held for sale	-	30,949
Accrued expenses and other liabilities	11,923	4,679
Total liabilities	710,449	637,982
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, 2,601,103 and 2,589,717 shares outstanding at September 30, 2008 and September 30, 2007, respectively	30	30
Additional paid-in capital	23,058	21,958
Retained earnings—substantially restricted	35,516	36,805
Accumulated other comprehensive (loss)	(5,022)	(3,345)
Unearned Employee Stock Ownership Plan shares	-	(377)
Treasury stock, 356,896 and 368,282 common shares, at cost, at September 30, 2008 and September 30, 2007, respectively	(6,755)	(6,973)
Total shareholders' equity	46,807	48,098
Total liabilities and shareholders' equity	\$ 757,256	\$ 686,080

See Notes to Consolidated Financial Statements.

Consolidated Statements of Operations

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

SEPTEMBER 30,	2008	2007	2006
Interest and dividend income:			
Loans receivable, including fees	\$ 25,909	\$ 25,584	\$ 27,948
Mortgage-backed securities	8,484	5,500	6,185
Other investments	3,025	6,690	3,979
	37,418	37,774	38,112
Interest expense:			
Deposits	7,758	11,664	12,756
FHLB advances and other borrowings	5,657	5,303	6,855
	13,415	16,967	19,611
Net interest income	24,003	20,807	18,501
Provision for loan losses	2,715	3,168	311
Net interest income after provision for loan losses	21,288	17,639	18,190
Non-interest income:			
Card fees	34,634	15,375	10,821
Gain on sale of branch office	-	3,331	-
Deposit Fees	833	885	852
Loan Fees	777	580	446
Gain on sale of securities available for sale, net	24	496	-
Gain on sale on membership equity interests, net	543	-	-
Bank-owned life insurance income	498	436	555
Other income	387	755	821
	37,696	21,858	13,495
Non-interest expense:			
Compensation and benefits	25,731	18,248	12,794
Card processing expense	15,630	6,377	2,986
Occupancy and equipment expense	6,619	4,003	2,932
Legal and consulting expense	3,386	2,965	3,021
Marketing	1,250	797	712
Data processing expense	1,248	911	628
Other expense	7,956	3,657	3,567
	61,820	36,958	26,640
Income (loss) from continuing operations before income tax expense (benefit)	(2,836)	2,539	5,045
Income tax expense (benefit) from continuing operations	(1,002)	1,227	1,666
Income (loss) from continuing operations	(1,834)	1,312	3,379
Gain on sale from discontinued operations before taxes	2,309		
Income (loss) from discontinued operations before taxes	76	(394)	458
Income tax expense (benefit) from discontinued operations	500	(253)	149
Income (loss) from discontinued operations	1,885	(141)	309
Net income	\$ 51	\$ 1,171	\$ 3,688
Basic earnings (loss) per common share:			
Income (loss) from continuing operations	\$ (0.71)	\$ 0.52	\$ 1.36
Income (loss) from discontinued operations	0.73	(0.06)	0.12
Net income	\$ 0.02	\$ 0.46	\$ 1.48
Diluted earnings (loss) per common share:			
Income (loss) from continuing operations	\$ (0.70)	\$ 0.50	\$ 1.34
Income (loss) from discontinued operations	0.72	(0.05)	0.12
Net income	\$ 0.02	\$ 0.45	\$ 1.46
Dividends declared per common share:	\$ 0.52	\$ 0.52	\$ 0.52

See Notes to Consolidated Financial Statements.

Selected Financial Condition Data

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

SEPTEMBER 30, 2008 2007 2006

SELECTED FINANCIAL CONDITION DATA

Total assets	\$ 757,256	\$ 686,080	\$ 740,921
Loans receivable, net	427,928	355,612	368,959
Securities available for sale	203,834	158,701	172,444
Goodwill	2,206	1,508	1,508
Deposits	545,972	522,978	538,169
Total borrowings	147,683	78,534	114,789
Shareholders' equity	46,807	48,098	45,099

YEAR ENDED SEPTEMBER 30,

SELECTED OPERATIONS DATA

Total interest income	\$ 37,418	\$ 37,774	\$ 38,112
Total interest expense	13,415	16,967	19,611
Net interest income	24,003	20,807	18,501
Provision for loan losses	2,715	3,168	311
Net interest income after provision for loan losses	21,288	17,639	18,190
Total non-interest income	37,696	21,858	13,495
Total non-interest expense	61,820	36,958	26,640
Income (loss) from continuing operations before income tax expense (benefit)	(2,836)	2,539	5,045
Income tax expense (benefit)	(1,002)	1,227	1,666
Income (loss) from continuing operations	(1,834)	1,312	3,379
Income (loss) from discontinued operations, net of tax	1,885	(141)	309
Net income	\$ 51	\$ 1,171	\$ 3,688

Basic earnings (loss) per common share:			
Income (loss) from continuing operations	\$ (0.71)	\$ 0.52	\$ 1.36
Income (loss) from discontinued operations	0.73	(0.06)	0.12
Net income	0.02	0.46	1.48

Diluted earnings (loss) per common share:			
Income (loss) from continuing operations	\$ (0.70)	\$ 0.50	\$ 1.34
Income (loss) from discontinued operations	0.72	(0.05)	0.12
Net income	0.02	0.45	1.46

YEAR ENDED SEPTEMBER 30,

SELECTED FINANCIAL RATIOS

AND OTHER DATA

PERFORMANCE RATIOS

Return on average assets	0.01%	0.17%	0.49%
Return on average assets-continuing operations	-0.24%	0.19%	0.45%
Return on average equity	0.11%	2.69%	8.55%
Return on average equity-continuing operations	-3.98%	3.01%	7.83%
Net interest margin-continuing operations	3.75%	3.38%	2.85%
Operating expense to average assets-continuing operations	8.24%	5.26%	3.55%

QUALITY RATIOS—CONTINUING OPERATIONS

Non-performing assets to total assets at end of year	0.99%	0.38%	0.72%
Allowance for loan losses to non-performing loans	76%	196%	121%

CAPITAL RATIOS

Shareholders' equity to total assets at end of period	6.18%	7.01%	6.09%
Average shareholders' equity to average assets	6.15%	6.20%	5.76%

OTHER DATA

Book value per common share outstanding	\$ 18.00	\$ 18.57	\$ 17.79
Dividends declared per share	0.52	0.52	0.52
Number of full-service offices	13	17	19



BACK: J. TYLER HAAHR AND TROY MOORE; FRONT: BRAD HANSON, DAVE LEEDOM, SCOTT GALIT

Board of Directors

James S. Haahr

Chairman of the Board of Meta Financial Group and MetaBank

E. Wayne Cooley

Consultant Emeritus of the Iowa Girls' High School Athletic Union

E. Thurman Gaskill

Iowa State Senator and Grain and Livestock Farming Operation Owner

J. Tyler Haahr

President and Chief Executive Officer of Meta Financial Group and MetaBank, and President of Meta Trust

Brad C. Hanson

Executive Vice President of Meta Financial Group and MetaBank and President of Meta Payment Systems Division

Frederick V. Moore

President of Buena Vista University

Rodney G. Muilenburg

Retired Dairy Specialist Manager of Purina Mills, Inc.; Retired Consultant for TransOva Genetics Dairy Division and Retired Director of Sales and Marketing for TransOva Genetics

Jeanne Partlow

Retired Chairman of the Board and President of Iowa Savings Bank

Senior Officers

James S. Haahr

Chairman of the Board of Meta Financial Group and MetaBank

J. Tyler Haahr

President and Chief Executive Officer of Meta Financial Group and MetaBank, and President of Meta Trust

Troy Moore

Executive Vice President and Chief Operating Officer of Meta Financial Group and MetaBank

Brad C. Hanson

Executive Vice President of Meta Financial Group and MetaBank and President of Meta Payment Systems Division

David W. Leedom

Senior Vice President, Secretary, Treasurer and Chief Financial Officer of Meta Financial Group

Scott Galit

Executive Vice President of Meta Payment Systems Division

Ron Butterfield

Senior Vice President and Chief of Staff of Meta Payment Systems Division

Michael Conlin

Senior Vice President Agent Products of Meta Payment Systems Division

Andrew Crowe

Senior Vice President of Product Development of Meta Payment Systems Division

Merid Eshete

Senior Vice President and Chief Risk Officer

Ben Guenther

Chief Lending Officer and President of MetaBank Northwest Iowa Market

John Hagy

Senior Vice President and Chief Legal Officer

Mike Hanna

Senior Vice President of Meta Payment Systems

Tim D. Harvey

President of MetaBank Brookings Market

Sandra K. Hegland, SPHR

Senior Vice President, Director of Human Resources

John Kenjar

Senior Vice President, Director of Marketing

Barbara Koopman

Senior Vice President of Retail Bank Operations

Troy Larson

Senior Vice President of Information Services

Eric Miller

Senior Vice President of Messaging of Meta Payment Systems Division

Steven G. Patterson

President of MetaBank Central Iowa Market

Grant Rogers

Senior Vice President of Prepaid Sales/Client Service of Meta Payment Systems Division

Jay Schmolke

Senior Vice President of Meta Payment Systems

Danny Shoop

Senior Vice President of Meta Payment Systems

Trent Sorbe

Senior Vice President of Credit Products of Meta Payment Systems Division

Kathy M. Thorson

President of MetaBank Sioux Empire Market

Investor Information

Annual Meeting of Shareholders

The Annual Meeting of Shareholders will convene at 1:00 pm on Monday, January 26, 2009. The meeting will be held in the Board Room of MetaBank, 121 East Fifth Street, Storm Lake, Iowa. Further information with regard to this meeting can be found in the proxy statement.

General Counsel

Mack, Hansen, Gadd, Armstrong & Brown, P.C.
316 East Sixth Street
P.O. Box 278
Storm Lake, Iowa 50588

Special Counsel

Katten Muchin Rosenman LLP
2900 K Street NW / Suite 200
Washington, D.C. 20007-5118

Independent Auditors

KPMG, LLP
2500 Ruan Center
666 Grand Avenue
Des Moines, Iowa 50309-2372

Shareholder Services

Shareholders desiring to change the name, address, or ownership of stock; to report lost certificates; or to consolidate accounts, should contact the corporation's transfer agent:

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016
Telephone: 800.368.5948
Email: invrelations@rtco.com
Web site: www.rtco.com

Form 10-K

Copies of the Company's Annual Report on Form 10-K for the year ended September 30, 2008 (excluding exhibits thereto) may be obtained without charge from Investor Relations; please see below.

Investor Relations

Requests for Form 10-K, other queries or investor comments are welcome and should be directed to:

Lisa Binder
Vice President, Investor Relations
& Corporate Communications
Meta Financial Group
121 East Fifth Street
P.O. Box 1307
Storm Lake, Iowa 50588
Telephone: 712.732.4117
Email: invrelations@metacash.com
Web site: www.metacash.com

Dividend and Stock Market Information

Meta Financial Group's common stock trades on the NASDAQ Global Market[®] under the symbol "CASH." Quarterly dividends for 2008 and 2007 were \$0.13. The price range of the common stock, as reported on the NASDAQ System, was as follows:

	FISCAL YEAR 2008		FISCAL YEAR 2007	
	LOW	HIGH	LOW	HIGH
FIRST QUARTER	\$38.83	\$41.98	\$24.15	\$29.80
SECOND QUARTER	17.34	40.75	27.32	35.50
THIRD QUARTER	16.00	27.00	31.00	38.22
FOURTH QUARTER	16.85	27.55	37.50	42.00

Prices disclose inter-dealer quotations without retail mark-up, mark-down or commissions, and do not necessarily represent actual transactions.

Dividend payment decisions are made with consideration of a variety of factors including earnings, financial condition, market considerations and regulatory restrictions.

As of September 30, 2008, Meta Financial Group had 2,601,103 shares of common stock outstanding, which were held by 212 shareholders of record, and 514,328 shares subject to outstanding options. The shareholders of record number does not reflect approximately 500 persons or entities that hold their stock in nominee or "street" name.

The following securities firms indicated they were acting as market makers for Meta Financial Group stock as of September 30, 2008: Fig Partners, LLC; Friedman Billings Ramsey & Co.; FTN Midwest Securities; Howe Barnes Investments, Inc.; Knight Equity Markets, L.P.; Sandler O'Neill & Partners; Schwab Capital Markets; and UBS Securities LLC.



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Brookings Market**

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**MetaBank
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**MetaBank
Sioux Empire Market**

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