

MONEY ON THE MOVE

Company Profile



JAMES S. HAAHR
CHAIRMAN OF THE BOARD

Meta Financial Group, Inc. (MFG) is an \$835 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 to meet the needs of its commercial, agricultural and retail

customers, along with Meta Payment Systems (MPS), its 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 bank's 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. The MPS division supports clients internationally and manages four primary business lines that contribute to revenue and deposits: prepaid cards, credit products, Automated Teller Machine (ATM) sponsorship and Automated Clearing House (ACH) origination. Twelve bank offices and two MPS offices support MetaBank customers and MPS partners and consumers. Meta Trust provides professional trust services.

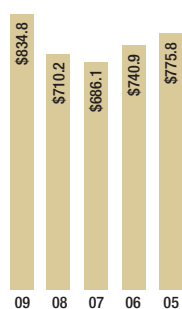
MetaBank is a Member FDIC and Equal Housing Lender. The Company and its subsidiaries exceed regulatory capital requirements.

Financial Highlights

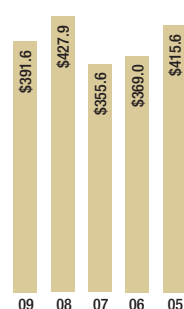
(Dollars in Thousands, Except Share and Per Share Data)

	2009	2008	2007	2006	2005
AT SEPTEMBER 30					
Total assets	\$ 834,777	\$ 710,236	\$ 686,080	\$ 740,921	\$ 775,839
Total loans, net	391,609	427,928	355,612	368,959	415,568
Total deposits	653,747	499,804	522,978	538,169	510,258
Shareholders' equity	47,345	45,733	48,098	45,099	42,959
Book value per common share	17.97	17.58	18.57	17.79	17.16
Total equity to assets	5.67%	6.44%	7.01%	6.09%	5.54%
FOR THE FISCAL YEAR					
Total interest income and non-interest income-continuing operations	\$ 116,695	\$ 75,114	\$ 59,632	\$ 51,607	\$ 41,870
Net interest income-continuing operations	27,819	24,003	20,807	18,501	18,063
Income (loss) from continuing operations, net of tax	(1,463)	(1,834)	1,312	3,379	(652)
Income (loss) from discontinued operations, net of tax	-	811	(141)	309	(272)
Net income (loss)	(1,463)	(1,023)	1,171	3,688	(924)
Diluted earnings (loss) per share:					
Income (loss) from continuing operations	\$ (0.56)	\$ (0.69)	\$ 0.50	\$ 1.34	\$ (0.27)
Income (loss) from discontinued operations	-	0.31	(0.05)	0.12	(0.11)
Net income (loss)	(0.56)	(0.38)	0.45	1.46	(0.38)
Return on average assets	-0.20%	-0.14%	0.17%	0.49%	-0.12%
Return on average assets-continuing operations	-0.20%	-0.24%	0.19%	0.45%	-0.08%
Return on average equity	-3.13%	-2.27%	2.69%	8.55%	-2.04%
Return on average equity-continuing operations	-3.13%	-4.07%	3.01%	7.83%	-1.44%
Net yield on interest-earning assets-continuing operations	3.50%	3.51%	3.38%	2.85%	2.59%

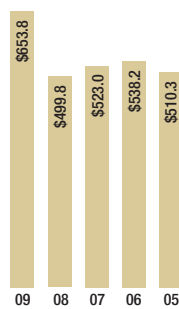
Total Assets
In millions



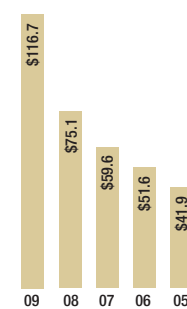
Total Loans, Net
In millions



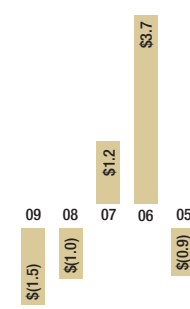
Total Deposits
In millions



Total Revenues
In millions



Total Net Income (Loss)
In millions



Letter to Shareholders

TESTED LIKE ALL FINANCIAL INSTITUTIONS IN A BUSINESS CLIMATE MARKED BY UNPRECEDENTED CHANGE AND ECONOMIC UPHEAVAL THROUGHOUT 2009, META FINANCIAL GROUP NEVERTHELESS MADE MEASURABLE PROGRESS IN KEY AREAS OF OUR ENTERPRISE. OUR LONG HERITAGE OF DISCIPLINED FISCAL MANAGEMENT SERVED US WELL DURING THE YEAR AS WE CAREFULLY MANAGED OUR BALANCE SHEET AND STRENGTHENED OUR BASE TO TAKE ADVANTAGE OF A SLOWLY EMERGING ECONOMIC RECOVERY.



J. TYLER HAAHR
PRESIDENT AND CEO

“Our ‘well-capitalized’ status has been preserved and, indeed, enhanced...”

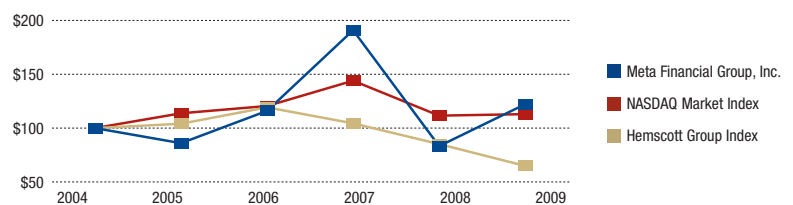
Despite weak industry-wide credit markets and certain events specific to Meta which contributed to a slight reduction in reported earnings, the core value of Meta Financial Group’s strength and stability was recognized by the market in the form of a significantly improved 40% growth in our share price for the fiscal year, illustrated by the chart below. While we are pleased at this manifestation of our improved condition and outlook, we fully realize that there is much yet to be done. We are mindful of something Warren Buffett has said, “Price is what you pay, value is what you get.” In this sense we believe CASH is evolving to warrant higher intrinsic value.

For fiscal 2009, we recorded a loss of \$1.5 million following a year-end non-cash

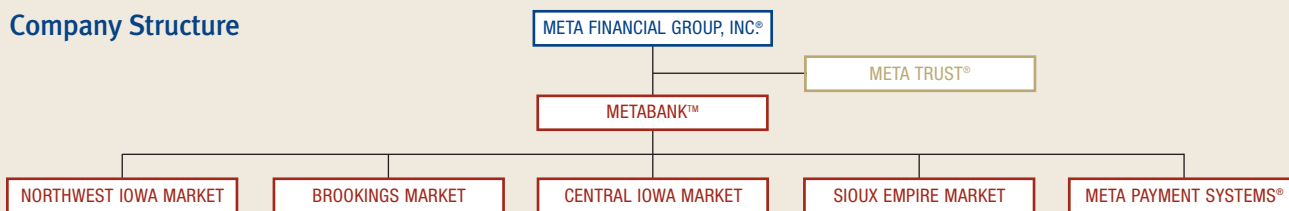
charge against goodwill and related items. Also, charges were prudently taken as collateral held for commercial loans and other real estate owned reflected declining market values. As we look ahead, though, the outlook is moving into a cautiously optimistic mode for a number of reasons. First, while continuing investments in research and development, our operating management teams have implemented efficiencies in both the bank and payment systems businesses. That is a promise I made in last year’s letter, and I expect further progress in this area in 2010. Secondly, we expect to benefit from a strengthening economy where we can leverage our cost reductions against better business volume. Moreover, our borrowing costs have been helped significantly by refinancing certain of our high fixed rate borrowings that matured with significantly lower available rates and with the added benefit of more non-interest-bearing deposits.

Meanwhile, our fundamentals remain sound. Our “well-capitalized” status has been preserved and, indeed, enhanced as our risk-based capital ratio increased significantly from less than 11% to more than 13%. As I reported last year, our asset management approach has been, and will continue to be, more conservative than many other financial institutions. As an outgrowth of this, we

COMPARISON OF CUMULATIVE TOTAL RETURN OF MFG (NASDAQ symbol: CASH), broad market and industry index



Company Structure



continued during the year to avoid exposure to the highly speculative subprime residential loan market. Our investments have been conservatively managed as well. By far the largest portion of our portfolio is in government-backed GNMA securities which are zero risk-weighted, the same as cash.

Here are some key financial points from fiscal 2009

- MFG reported a net loss of \$1.5 million or (\$0.56) per diluted share. This compares to an adjusted loss of \$1.0 million or (\$0.38) per share for fiscal 2008.
- Full year net income was restrained by loan loss provisions which were increased substantially to recognize additional risk due primarily to a weaker economy.
- Deposits grew significantly to \$653.7 million from \$499.8 million.
- Shareholders' equity ended at \$17.97 per share in 2009, up from an adjusted \$17.58 per share in 2008.
- MPS grew revenues by more than 80%, continuing its strong performance despite a lower deposit earnings credit resulting from lower interest rates.
- Significant cost reduction measures were taken throughout the enterprise.
- Our \$0.13 cents per share quarterly dividend reached a milestone of 15 uninterrupted years.

I would like to bring into focus now an important structural matter that should favorably impact our results going forward. Through Meta Payment Systems, we generate significant deposits that we have been investing in low-risk securities with relatively

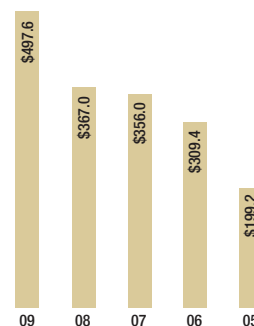
short one- to four-year average lives. Because the majority of our deposits are non-interest-bearing, these investments produce attractive returns even from ultra-safe investments. However, in today's historically low interest rate environment, returns are naturally—and rather severely—truncated relative to higher returns associated with a more normal interest rate environment. We have invested in relatively short-term instruments with significant ongoing cash flow, thereby offsetting somewhat lower earnings against lower risk. When the economy improves and rates rise, our low-cost deposit base will become even more valuable and lead to better earnings as our cost of deposits generated by MPS remain near zero. Thus, Meta Financial Group is well positioned to benefit in a meaningful way as business activity accelerates and interest rates normalize.

That is not to say, of course, that we are passively waiting for the economy and interest rates to normalize. There are developments worth highlighting. In another of our efforts to increase efficiency and manage costs, we have decided to discontinue mailing our quarterly report to shareholders. We believe most shareholders prefer to read our releases and filings on our website or on popular financial reporting sites, but those who care to receive our materials by email can contact us via our website or call Investor Relations.

Meta Payment Systems achieved record earnings of \$4.1 million as a result of another year of excellent revenue growth, recording an increase of more than 80% for the year even with a significantly lower deposit earnings credit caused by the lower interest rate environment.

LOW-COST DEPOSIT BALANCES

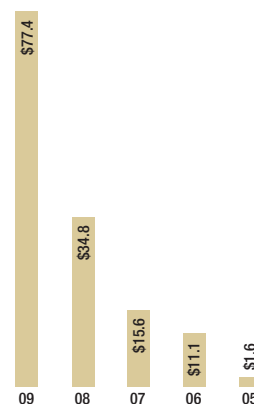
In millions



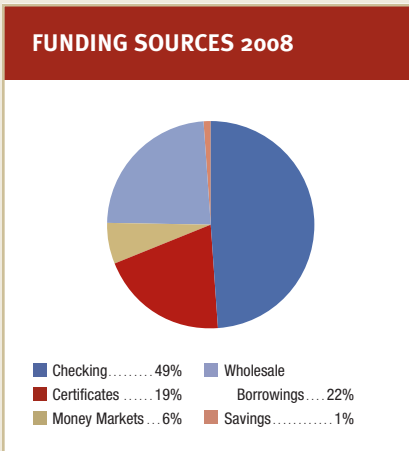
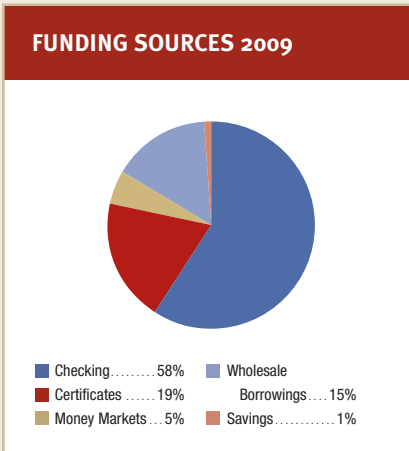
Low-cost deposits include checking and money market accounts.

MPS NON-INTEREST INCOME

In millions



Our primary operating objectives are relatively unchanged. We are continuing to manage further cost reductions and productivity gains, both designed to bring more of our revenue to the bottom line and to create long-term value for our owners. As a further example of this, our bank management made a decision



in 2009 to consolidate one of our branch operations to save expenses while preserving full service to our customers. MetaBank now operates 12 branches throughout the areas we serve. As a result, through added efficiencies, initiatives and attrition, the retail bank is able to operate effectively with staffing levels reduced by approximately 8% from a year ago.

Our near-term challenges will more than likely include the requirement that we adapt to new federal regulations (currently being proposed) regarding fee structures for bank accounts and for various credit and debit cards. Be assured, we will always follow our analytical but common sense approach and offer services that are good values at reasonable prices.

As noted, the business climate continues to inspire caution among consumers and from many customers of both our traditional MetaBank and Meta Payment Systems. Although we see valid reasons for optimism for 2010 operating results, we are taking steps to position both our bank and payments division to focus on proven core capabilities where we can leverage our efficiency and cost containment changes. We have implemented productivity and cost control programs that are expected to deliver more positive bottom line results, even if we face economy-related slower revenue growth for a period of time.

Meta Payment Systems

At MPS, we have achieved very significant positions among the top innovators and providers of card and payment services. A list of some of the more noteworthy:

- We are a leading issuer of gift cards in the U.S. and the world
- We are a leading issuer of rebate cards in the U.S. and the world
- We are the #1 sponsor of ATMs in the U.S.
- We are among the top issuers of prepaid cards for Visa, MasterCard, and Discover
- 1,100 banks use our turnkey gift/travel/debit/cards and other products

These advantages combine to present a promising future for MFG in this dynamic industry. Our innovative management team has established a reputation as the “go-to-people” among our largest and most knowledgeable customers. No other provider offers such a complete suite of products to both banking and “non-bank” customers. Our leading position bolsters our drive toward

further efficiency, and we are determined to amplify the trust and respect of our clients. It is a source of personal pride to me to have clients acknowledge that during conversations with our competitors, the name Meta Payment Systems is used with respect and deference.

We are also proud that our cutting-edge products make life easier for the many millions of people who do not qualify for or who choose not to use traditional banking facilities. We provide these users with security and convenience along with flexibility in the many ways now available to make financial transactions in person, online, wirelessly, through vending machines and more.

MPS’ iAdvanceSM credit product introduced last year is an example of our innovation in this area. Named the #1 product in the prepaid industry last year, iAdvance coupled with our reloadable debit card is essentially a checking account on a card... allowing consumers to enjoy direct deposit, to purchase goods and services using the card, and to obtain cash advances. This product is often used as a much more economical alternative to check cashing services or to overdraft fees levied by some banks on traditional checking accounts. The feedback on iAdvance has been outstanding. We have surveyed thousands of customers and over 95% of them told us they would recommend iAdvance to friends and family. Our iAdvance customers tell us in very clear and powerful terms just how important iAdvance is to their lives and just how much better it is than any other alternatives. That is something we are very proud of—we are positively impacting the

lives of our customers while building value for Meta, its partners and its shareholders. The forecast for gift card sales for the coming holiday season calls for another strong performance and the results for last season more than met expectations. According to the National Retail Foundation, 55% of consumers want to receive a gift card this season—making such cards the most requested of all presents again this year. Of course, this bodes well for the current holiday season at Meta Payment Systems, a leading issuer of “open loop” gift cards. Many consumers are attracted to open loop cards, pre-loaded with cash, as they are more flexible, and usable anywhere Visa, MasterCard or Discover are accepted; “closed loop” cards are usable at one retailer. Open loop cards remove risk for both the purchaser and recipient against the seller going out of business, which would render a closed loop card worth less or even worthless.

MetaBank

Early in 2009, MetaBank began an extensive research and development project aimed at “thinking from the outside in” to develop innovative new products, not only to meet customer demand but to actually create additional demand among current and potential customers. Our findings allowed us to offset costs of our new, market-leading high yield checking accounts by changing consumer debit card usage while cost-effectively offering new features to address growing consumer concerns regarding identity theft and account fraud. Among the new checking account features are:

- Free ID ProtectALLSM with all new checking accounts
 - ▶ Payment Card Protection
 - ▶ Personal Identity Protection
 - ▶ 6 months free Identity Guard[®]
 - ▶ Identity Recovery & Restoration
- Free PhotoSecure[™] Debit Card

Our research process of putting ourselves in our customers’ shoes helped lead to an exciting new community outreach program. “Your Cause, Our Cash,” directs portions of our normal charitable giving toward causes supported by our customers and potential customers. The enthusiastic reception the program has received validates its worth to us, but most importantly, to our community charities, where help is sorely needed right now.

Looking Ahead

I want to express my personal gratitude to each of our talented and loyal employees and to our excellent management team. They have adapted well during the recession and continued to focus on our goal of creating value even under difficult conditions. We appreciate their dedication, energy and skill. It is particularly appropriate this year that I once again express appreciation to our Board of Directors. In addition to thanking our Chairman, as always, I want to pay special tribute to Mr. E. Wayne Cooley. Mr. Cooley has advised that he plans to retire from our Board following 25 years of dedicated service. We all join in thanking him for his consistent wisdom and guidance.

2010 will be a year of both opportunity and challenge. As I have indicated earlier, we believe Meta Financial Group is positioned for significant progress this year. Be assured, we will look for opportunity and efficiency in all corners of our business.

In short, I pledge that we will work to demonstrate the power of our unique enterprise to create and realize value for our owners.



J. TYLER HAAHR

META PAYMENT SYSTEMS EXAMPLES OF PREPAID CARDS



Question and Answer

(Editor's note: The following interview with Meta Financial Group's executive team is intended to further acquaint investors with Meta's current operational challenges and successes. Participants in the discussion are: Brad Hanson, corporate Executive Vice President and President, MPS; Scott Galit, Executive Vice President, MPS; Dave Leedom, corporate Senior Vice President & CFO; and Troy Moore, corporate Executive Vice President and COO, MetaBank)



TROY MOORE
EXECUTIVE VICE
PRESIDENT & COO



BRAD HANSON
EXECUTIVE VICE PRESIDENT;
PRESIDENT MPS



DAVE LEEDOM
SENIOR VICE PRESIDENT
& CFO



SCOTT GALIT
EXECUTIVE VICE
PRESIDENT MPS

Q: Gentlemen, the economic climate certainly provided more than enough operating challenges in 2009, but let's begin with 2009's high points from both the Meta Payment Systems (MPS) and MetaBank operating perspectives, starting with MPS. Brad?

A: MPS delivered record earnings in 2009 in spite of the tough economic environment, and that helps set us apart from some of the more traditional banking firms. MPS continued to focus on growth market segments throughout 2009, and we were able to build on our position as a leader in many of those segments. We benefit from working with a number of industry-leading partners, and many of those partners experienced significant growth for the year. In fact, we saw growth with our partners across virtually every product category—payroll cards, reloadable cards, rewards cards, gift cards, credit products, and ATMs. All business lines experienced significant increases in volume. As the use of prepaid cards continues to grow in popularity and take market share from traditional cash and checks, the products that Meta and our partners offer should continue to see exciting growth in the future.

Q: Troy, how did the Bank fare?

A: Credit quality, coupled with a drive toward increased efficiency and expense management, was the #1 objective for us throughout the year, and we made significant progress in each category. As to banking activity, we saw growth on the deposit side but not on loans. We do have excellent lending capacity and are ready to make loans. But tougher economic times inhibit both borrowers and lenders, and that's what we've been experiencing. The best way to say it is that we are poised and ready to lend, but the markets are still somewhat unstable due to the persistently cautious environment. Meanwhile, we are incentivizing our retail branches to sell products for us, and we are constantly seeking new ways to increase volume without increasing expenses. Our progress on these issues thus far makes us pretty excited about 2010.

Q: Brad, your response suggests that MPS is at or near a dominant position in its segment of the electronic payments business. What in the way of competition or other factors stands in the way of even greater momentum?

A: Frankly, we're not too focused from day to day on whether or not we have a dominant market position. Our everyday energies are devoted to exciting growth market segments and delivering value for each of our partners and consumers. By taking an approach that is centered on the needs of each partner and each consumer, as well as on the industry overall, we've been able to become one of the recognized leaders in this space. So, in terms of our competitive ranking, that takes care of itself over time.

Q: A follow-up for you as well, Troy; as the recession eases, what changes in deposit activity are you experiencing, and are borrowers returning to the Bank for loans?

A: We have seen that consumers nationwide are saving more than they have compared to each of the last several years, and we're pleased to see that deposits have correspondingly increased at the Bank. That is particularly good news for us; it demonstrates that, as a "well-capitalized" bank in business for 56 years, we have earned and retained the essential trust of our customers. We are deeply rooted in the communities we serve and people are confident in our staying

power. As I indicated earlier, we are not yet seeing an increased demand for loans. We are well prepared for the opportunities that will present themselves once persistent concerns over the pace of the nation's economic recovery begin to be resolved.

Q: Dave, while we're at it, did the Bank participate in the federal government's Troubled Asset Relief Program (TARP)?

A: Due to our very solid risk-based capital ratio, improved from nearly 11% last year to more than 13% this year, we did not access TARP funds. Our capital raising strategy going forward is to direct our activities toward other sources. At the same time, we are certainly well aware that the TARP program has been vital to the safety and soundness of many U.S. banking institutions and to our industry as a whole.

Q: Dave and Troy, apparently over 130 banks will be closed by regulators in 2009, many of them relatively small institutions. This is the highest level of regulatory closures in 20 years. Is Meta strong enough to withstand this growing regulatory pressure, and if so, do the closures present opportunity for MetaBank?

A: Dave – MFG was already strong and stable at the outset of 2009, but we have further improved our "well-capitalized" risk-weighted capital ratio at the Bank throughout the year. We easily exceed the

"well-capitalized" threshold imposed by federal regulators. As to the future, we are fully confident in our capital generating capacity and the availability of sufficient alternatives to fund our balance sheet growth. Primarily, these sources are found in earnings and in the abundant no-cost deposits generated by the MPS division. We have reached a point in our growth that we can lever our infrastructure to enhance our gross margin, making our operating activities even more capital-accretive. At Meta, we are in the enviable position of building capital for growth rather than funding anticipated credit losses. In addition, our investment portfolio has generated significant earnings that provide an additional layer of capital protection.

A: Troy – I echo Dave's comments regarding capital and would add, as far as bank closures and opportunities for us, we must consider that the overall marketplace has narrowed for the present. It is not always clear that bank closings necessarily present great opportunity, because the reasons for their closing usually have to do with bad loans. Strong banks are not always eager to take on distressed assets from failed banks. We are fortunate with the timing of MetaBank's recent new product rollout, because there are deposit customers that choose to move out of weaker banks into stronger banks. We have already picked up some additional deposits from that opportunity. In fact, in the first few months into our rollout, we have more than doubled our checking account acquisitions over last year.

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: Scott, reloadable cards are among the consumer banking industry's fastest-growing products. The fees charged for activating and using these reloadable cards have been criticized by some observers as being onerous. What is your take on this growing controversy, and does MPS receive such criticism?

A: I'm not sure I would call it a growing controversy, but there is certainly an increased awareness of reloadable card products and the pricing for those products, based in large part on their popularity. In general, I think the debate is a good thing. It's a clear indication that as an industry we are beginning to reach critical mass. At Meta, we are very conscious—and, I would add, conscientious—with respect to the fees consumers pay for our products and services. There are two pillars to our approach: (i) clear and transparent disclosure of all fees in all card categories; and (ii) making sure consumers are fully informed of the choices they have. You'll continue to see different studies and articles showing varying points of view about whether a prepaid card is better or worse for a consumer than alternatives such as high cost entry-level bank accounts or check cashing stores. Our approach is to ensure that a consumer can easily understand the pricing and to help our partners provide more and more products to enable consumers everywhere to have more and more choices to select the cards that are best for them. Competition in the prepaid

card business is fierce, and that is good for consumers, because it has driven consumer fees down considerably over the years. Frankly, we hear more complaints from consumers about hidden fees imposed on traditional financial services than we do about prepaid card programs.

Q: Scott, speaking of consumers, how does MPS measure customer attitudes, and can you point to any particular data supporting overall satisfaction?

A: We spend a lot of effort to understand customer attitudes and to get specific feedback on some of the key products we have launched. Our iAdvance product is a good example, and the feedback on it has been terrific. We've surveyed thousands of customers and over 95% of them told us they would recommend iAdvance to friends and family. We think that's the highest praise available. We also spend one-on-one time with customers to gain a better understanding of what is happening in their lives and how our products can help them. As mentioned in Tyler Haahr's letter to shareholders, appearing on page 2, customers of the iAdvance product in particular have been outspoken in their praise, not only in our research surveys, but in unsolicited comments we've received directly from them. To have helped originate a product that is a genuine "win-win" for both customers and the Bank is a real pleasure, and it's our objective to merit such praise each day.

Q: Dave, Tyler Haahr points out in his Letter to Shareholders that one of Meta's chief portfolio strengths is its strategy of focusing on very conservative investments with relatively short average lives. Can you amplify on that, particularly on how the strategy has been validated during the economic recession?

A: First of all, about 90% of our investment portfolio—virtually one-half of the balance sheet—is in government-backed securities. Another feature of our balance sheet, and one where we have a distinct advantage over other institutions, is that the majority of our deposits come to us at zero cost from our Meta Payment Systems division. This in turn affords us the opportunity of not having to “stretch for yield” by pursuing asset profiles with relatively higher risks. Our investment purchases over the last 12 to 15 months have been almost exclusively government-backed mortgage-backed securities and within that category most carry a zero percent risk weighting; the same as cash. Given the renewed focus on conservative investment strategies during the past fiscal year, we have dramatically changed the risk profile of our balance sheet. At the same time, of course, the interest rate environment has suggested that we stay in relatively short-term securities, giving us the flexibility to quickly take advantage of rising rates later in the coming year.

Q: Dave, while we are on the subject of the balance sheet, can you provide any comfort that we have seen the worst of the losses from the unfortunate string of fraudulent loans and defalcation committed on the Bank?

A: We were intensely concentrated during fiscal 2009 on changing the risk profile of the balance sheet by the time we entered 2010 and beyond. Along with a shift to investments in assets backed by government sponsored entities (GSEs), we also made a conservative assessment of the fraudulent loan assets and the recession-induced problem assets in 2009. The best way to answer the question is to say that, while the economy is still difficult and has a level of uncertainty associated with it, we believe that we have written those affected assets down to conservative levels. We have also reevaluated our policies and procedures from a risk assessment point of view in order to lessen the likelihood or prevent future attempts to defraud the Bank.

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

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: Brad, what are the timing considerations for MPS in terms of when and how you will see more opportunities for your business as we see economic recovery?

A: While segments of our business certainly have some cyclicality, many segments aren't very cyclical at all. We've been able to ride out the economic downturn fairly well as many companies, big and small, turned to products like payroll cards and rewards cards in an effort to increase efficiency and reduce costs in administering their businesses. As the economy picks up, we think CFOs will continue to favor prepaid cards for their cost efficiency, while consumers will spend more on products like gift and travel cards. So, we should see some lift across all categories of cards as the economy improves.

Q: And, what do you expect in that regard from the 2009 Christmas buying season?

A: As we head into the holiday season, we're already seeing positive signs of an increase in overall gift card sales. It remains to be seen whether that will continue through the holiday season. Hopefully, though, the gains that do occur will demonstrate both the power of the growth trajectory in the prepaid business as well as add some support for the idea that the worst of the US economic downturn is behind us.

“We've been able to ride out the economic downturn fairly well...”

Q: Scott, as you continue to leverage your prior experience as head of worldwide prepaid business for MasterCard, what are the top three opportunities you see for MPS in the international arena? Also, are there significant advances in techniques or technology as we look forward?

A: There are great opportunities for Meta internationally. The top 3 opportunities are: (i) to grow with our existing partners as they expand into international markets; (ii) to deploy our unique partner-centric business model and engage with other world-class partners around the world; and (iii) to introduce products and services that provide more banking and payment tools for consumers that aren't actively banking today—and those “underbanked” numbers are much higher outside the U.S. than within. As to the second part of the question, the flexibility of the newer systems being used in our markets helps us deploy new technology more quickly than most traditional banking technology can be deployed. But while we may lead in deploying technology within the banking industry, we tend to be rapid followers rather than true technology innovators. For example, Web 2.0 and wireless tools are being deployed by MPS, but certainly not as the first applications for those technologies. The security and data-intensive nature of our applications makes it difficult to be first with truly breakthrough technology. What you will see from Meta are innovative and unique uses of technology to create truly differentiated products and value propositions.

Q: Troy, what is your assessment of the three best opportunities for MetaBank in 2010 and beyond?

A: In terms of key objectives, our full focus is on credit quality, increased efficiency and expense management along with developing new and enhanced products. Much of what we have and will accomplish in terms of new efficiencies stems directly from our system wide automation and standardization programs which allow us to be proactive and maintain a solid and structured risk management profile.

Q: Dave, will you conclude with an enterprise-wide summary for investors—current and prospective—of the value proposition for Meta Financial Group (NASDAQ: CASH)?

A: I'll make it simple and to the point: Our balance sheet is in a great position to generate satisfactory returns while minimizing risk exposure. The current artificially low rate environment has made it difficult to improve interest earnings despite our no-cost deposit base, but as rates increase, we are excited about our earnings prospects for 2010 and beyond. In addition, our delivery and product development mechanisms at both MetaBank and Meta Payment Systems are continuously being sharpened to maximize future returns.

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

Consolidated Statements of Financial Condition

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

SEPTEMBER 30,	2009	2008
ASSETS		
Cash and cash equivalents	\$ 6,168	\$ 2,963
Federal funds sold	9	5,188
Investment securities available for sale	17,566	19,711
Mortgage-backed securities available for sale	347,272	184,123
Loans receivable—net of allowance for loan losses of \$6,993 at September 30, 2009 and \$5,732 at September 30, 2008	391,609	427,928
Federal Home Loan Bank stock, at cost	7,050	8,092
Accrued interest receivable	4,344	4,497
Bond insurance receivable	4,118	6,098
Premises, furniture, and equipment, net	21,989	21,992
Bank-owned life insurance	13,270	12,758
Foreclosed real estate and repossessed assets	2,053	-
Goodwill and intangible assets	2,215	2,206
MPS accounts receivable	5,381	3,878
Other assets	11,733	10,802
Total assets	\$ 834,777	\$ 710,236
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Non-interest-bearing checking	\$ 442,158	\$ 308,852
Interest-bearing checking	15,602	15,029
Savings deposits	10,001	9,394
Money market deposits	39,823	43,038
Time certificates of deposit	146,163	123,491
Total deposits	653,747	499,804
Advances from Federal Home Loan Bank	74,800	132,025
Other borrowings from Federal Reserve Bank	25,000	-
Securities sold under agreements to repurchase	6,686	5,348
Subordinated debentures	10,310	10,310
Accrued interest payable	447	578
Contingent liability	4,268	4,293
Accrued expenses and other liabilities	12,174	12,145
Total liabilities	787,432	664,503
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, 2,634,215 and 2,601,103 shares outstanding at September 30, 2009 and September 30, 2008, respectively	30	30
Additional paid-in capital	23,551	23,058
Retained earnings—substantially restricted	31,626	34,442
Accumulated other comprehensive (loss)	(1,838)	(5,022)
Treasury stock, 323,784 and 356,896 common shares, at cost, at September 30, 2009 and September 30, 2008, respectively	(6,024)	(6,775)
Total shareholders' equity	47,345	48,098
Total liabilities and shareholders' equity	\$ 834,777	\$ 710,236

See Notes to Consolidated Financial Statements.

Consolidated Statements of Operations

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

SEPTEMBER 30,	2009	2008	2007
Interest and dividend income:			
Loans receivable, including fees	\$ 25,561	\$ 25,909	\$ 25,584
Mortgage-backed securities	10,230	8,484	5,500
Other investments	935	3,025	6,690
	36,726	37,418	37,774
Interest expense:			
Deposits	5,341	7,758	11,664
FHLB advances and other borrowings	3,566	5,657	5,303
	8,907	13,415	16,967
Net interest income	27,819	24,003	20,807
Provision for loan losses	18,713	2,715	3,168
Net interest income after provision for loan losses	9,106	21,288	17,639
Non-interest income:			
Card fees	77,502	34,634	15,375
Gain on sale of securities available for sale, net	761	24	496
Deposit fees	749	833	885
Loan fees	660	777	580
Gain on sale of membership equity interests, net	515	543	-
Bank-owned life insurance income	512	498	436
Gain on sale of branch office	-	-	3,331
Gain (loss) on REO	(1,015)	-	20
Other income	285	387	735
	79,969	37,696	21,858
Non-interest expense:			
Card processing expense	33,540	15,630	6,377
Compensation and benefits	32,743	25,731	18,248
Occupancy and equipment expense	7,978	6,619	4,003
Legal and consulting expense	3,745	3,386	2,965
Data processing expense	2,181	1,248	911
Marketing	1,822	1,250	797
Other expense	9,072	7,956	3,657
	91,081	61,820	36,958
Income (loss) from continuing operations before income tax expense (benefit)	(2,006)	(2,836)	2,539
Income tax expense (benefit) from continuing operations	(543)	(1,002)	1,227
Income (loss) from continuing operations	(1,463)	(1,834)	1,312
Gain on sale from discontinued operations before taxes	-	2,309	-
Income (loss) from discontinued operations before taxes	-	76	(394)
Income tax expense (benefit) from discontinued operations	-	1,574	(253)
Income (loss) from discontinued operations	-	811	(141)
Net income (loss)	\$ (1,463)	\$ (1,023)	\$ 1,171
Basic earnings (loss) per common share:			
Income (loss) from continuing operations	\$ (0.56)	\$ (0.71)	\$ 0.52
Income (loss) from discontinued operations	-	0.31	(0.06)
Net income (loss)	\$ (0.56)	\$ (0.40)	\$ 0.46
Diluted earnings (loss) per common share:			
Income (loss) from continuing operations	\$ (0.56)	\$ (0.69)	\$ 0.50
Income (loss) from discontinued operations	-	0.31	(0.05)
Net income (loss)	\$ (0.56)	\$ (0.38)	\$ 0.45
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, 2009 2008 2007

SELECTED FINANCIAL CONDITION DATA

Total assets	\$ 834,777	\$ 710,236	\$ 686,080
Loans receivable, net	391,609	427,928	355,612
Securities available for sale	364,838	203,834	158,701
Goodwill and intangible assets	2,215	2,206	1,508
Deposits	653,747	499,804	522,978
Total borrowings	116,796	147,683	78,534
Shareholders' equity	47,345	45,733	48,098

YEAR ENDED SEPTEMBER 30,

SELECTED OPERATIONS DATA

Total interest income	\$ 36,726	\$ 37,418	\$ 37,774
Total interest expense	8,907	13,415	16,967
Net interest income	27,819	24,003	20,807
Provision for loan losses	18,713	2,715	3,168
Net interest income after provision for loan losses	9,106	21,288	17,639
Total non-interest income	79,969	37,696	21,858
Total non-interest expense	91,081	61,820	36,958
Income (loss) from continuing operations before income tax expense (benefit)	(2,006)	(2,836)	2,539
Income tax expense (benefit)	(543)	(1,002)	1,227
Income (loss) from continuing operations	(1,463)	(1,834)	1,312
Income (loss) from discontinued operations, net of tax	-	811	(141)
Net income (loss)	\$ (1,463)	\$ (1,023)	\$ 1,171

Basic earnings (loss) per common share:			
Income (loss) from continuing operations	\$ (0.56)	\$ (0.71)	\$ 0.52
Income (loss) from discontinued operations	-	0.31	(0.06)
Net income (loss)	(0.56)	(0.40)	0.46

Diluted earnings (loss) per common share:			
Income (loss) from continuing operations	\$ (0.56)	\$ (0.69)	\$ 0.50
Income (loss) from discontinued operations	-	0.31	(0.05)
Net income (loss)	(0.56)	(0.38)	0.45

YEAR ENDED SEPTEMBER 30,

SELECTED FINANCIAL RATIOS

AND OTHER DATA

PERFORMANCE RATIOS

Return on average assets	-0.20%	-0.14%	0.17%
Return on average assets-continuing operations	-0.20%	-0.24%	0.19%
Return on average equity	-3.13%	-2.27%	2.69%
Return on average equity-continuing operations	-3.13%	-4.07%	3.01%
Net interest margin-continuing operations	3.50%	3.51%	3.38%
Operating expense to average assets-continuing operations	10.55%	8.25%	5.26%

QUALITY RATIOS—CONTINUING OPERATIONS

Non-performing assets to total assets at end of year	1.76%	1.06%	0.38%
Allowance for loan losses to non-performing loans	55%	76%	196%

CAPITAL RATIOS

Shareholders' equity to total assets at end of period	5.67%	6.44%	7.01%
Average shareholders' equity to average assets	5.42%	6.01%	6.20%

OTHER DATA

Book value per common share outstanding	\$ 17.97	\$ 17.58	\$ 18.57
Dividends declared per share	0.52	0.52	0.52
Number of full-service offices	12	13	17



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 for Meta Financial Group and MetaBank

J. Tyler Haahr

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

Troy Moore

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

Brad C. Hanson

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

David W. Leedom

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

Scott Galit

Executive Vice President for Meta Payment Systems Division

Ron Butterfield

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

Michael Conlin

Senior Vice President Agent Products for Meta Payment Systems Division

Andrew Crowe

Senior Vice President of Product Development for Meta Payment Systems Division

John deLavis

Senior Vice President of Meta Payments Systems Operations

Merid Eshete

Senior Vice President and Chief Risk Officer

John Hagy

Senior Vice President and Chief Legal Officer

Sandra K. Hegland, SPHR

Senior Vice President, Director 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

Steven G. Patterson

Chief Lending Officer and President of MetaBank Central Iowa Market

Tim Peters

President of MetaBank Brookings Market

Grant Rogers

Senior Vice President of Prepaid for Meta Payment Systems Division

Trent Sorbe

Senior Vice President of Credit Products for Meta Payment Systems Division

Jeanni Stahl

Senior Vice President of Meta Payment Systems Risk Management

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 25, 2010. 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, 2009 (excluding exhibits thereto) may be obtained without charge from Investor Relations; please see below.

Investor Relations

Requests for Form 10-K, other inquiries 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@bankmeta.com
Web site: www.bankmeta.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 2009 and 2008 were \$0.13. The price range of the common stock, as reported on the NASDAQ System, was as follows:

	FISCAL YEAR 2009		FISCAL YEAR 2008	
	LOW	HIGH	LOW	HIGH
FIRST QUARTER	\$ 6.75	\$ 16.94	\$ 38.83	\$ 41.98
SECOND QUARTER	6.58	12.28	17.34	40.75
THIRD QUARTER	8.50	21.52	16.00	27.00
FOURTH QUARTER	19.27	24.05	16.85	27.55

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. Restrictions on dividend payments are described in Note 15 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K.

As of September 30, 2009, Meta Financial Group had 2,634,215 shares of common stock outstanding, which were held by 207 shareholders of record, and 577,921 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, 2009: Citadel Securities LLC, Citigroup Global Markets Inc., Direct Edge ECN LLC, Interactive Brokers LLC, Knight Equity Markets, L.P., Penson Financial Services Inc., UBS Securities LLC, and Wedbush Morgan Securities Inc.



**MetaBank
Northwest Iowa Market**

STORM LAKE MAIN OFFICE
121 East Fifth Street
P.O. Box 1307
Storm Lake, Iowa 50588
712.732.4117
800.792.6815
712.749.7502 fax

Storm Lake Plaza
1413 North Lake Avenue
P.O. Box 1307
Storm Lake, Iowa 50588
712.732.6655
712.732.7924 fax

**MetaBank
Brookings Market**

BROOKINGS MAIN OFFICE
600 Main Avenue
P.O. Box 98
Brookings, South Dakota 57006
605.692.2314
800.842.7452
605.692.7059 fax

**MetaBank
Sioux Empire Market**

SIOUX FALLS MAIN OFFICE
4900 South Western Avenue
P.O. Box 520
Sioux Falls, South Dakota 57101
605.338.0059
605.338.0155 fax

South Minnesota
2500 South Minnesota Avenue
P.O. Box 520
Sioux Falls, South Dakota 57101
605.977.7500
605.977.7501 fax

West 12th Street
2104 West 12th Street
P.O. Box 520
Sioux Falls, South Dakota 57101
605.336.8900
605.336.8901 fax

**MetaBank
Central Iowa Market**

CENTRAL IOWA MAIN OFFICE
Downtown Des Moines
418 Sixth Avenue, Suite 205
Des Moines, Iowa 50309
515.243.0630
515.447.4242 fax

Highland Park
3624 Sixth Avenue
Des Moines, Iowa 50313
515.288.4866
515.288.3104 fax

Ingersoll
3401 Ingersoll Avenue
Des Moines, Iowa 50312
515.274.9674
515.274.9675 fax

Jordan Creek
270 South 68th Street
West Des Moines, Iowa 50266
515.223.0440
515.223.0439 fax

Urbandale
4848 86th Street
Urbandale, Iowa 50322
515.309.9800
515.309.9801 fax

West Des Moines
3448 Westown Parkway
West Des Moines, Iowa 50266
515.226.8474
515.226.8475 fax



META PAYMENT SYSTEMS AND
ADMINISTRATIVE OFFICES
Sioux Falls
5501 South Broadband Lane
Sioux Falls, South Dakota 57108
605.361.4347
866.550.6382
605.338.0604 fax

Omaha
4235 N 90th Street
Omaha, Nebraska 68134
402.573.0567
402.573.3360 fax



META TRUST
4900 South Western Avenue
P.O. Box 520
Sioux Falls, South Dakota 57101
605.782.1780
605.782.0721 fax



METABANK BUILDING
121 East Fifth Street
P.O. Box 1307
Storm Lake, Iowa 50588

