

META FINANCIAL GROUP INC

Form ARS

December 14, 2016

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Momentum Annual Report 2016 ®

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## Edgar Filing: META FINANCIAL GROUP INC - Form ARS

Meta Financial Group // Annual Report 2016 To Our Shareholders: Each year, I look forward to writing this letter to you, ourshareholders, to share my thoughts about the great thingshappening at Meta. This past fiscal year ending September30, 2016, has been one of unprecedented growth andmomentum in which we nearly doubled net income. Ourshare price was up 45% during our fiscal year in an industrywhose growth was relatively flat over the same time frame. We have a unique business model with many synergies between our four businesses. These rapidlygrowing synergies provide Meta stronger earnings and scale as we continue to grow. We've created afinancial eco-system through the development of products and services that leverage innovation andtechnology through multiple channels. WE LEVERAGE DEPOSITS BROUGHT IN FROM OUR PAYMENTS DIVISION FOR FUNDING OUR BUSINESS DIVISIONS. BANKING •Meta's low-cost deposit base gives the Retail Bank competitive advantage on terms to attracthigh-quality credits •Expect high credit standards and low cost deposit base to result in continued growth METABANK AFS/IBEX •Loans to commercial businesses to fund their insurance premiums •Short lending duration, typically 9-10 month maturities •Higher yields than alternative loans or investments, particularly for the term PAYMENTS •Continuing to grow "annuity"-like stream of fee income •New and growing existing relationships driving growth with a strong pipeline •Adjacent and complementary new products and services TAX SERVICES •Offers tax refund-transfer (RTs) solutions through ACH direct deposit, check and prepaid card •Growth enhanced by new Refund Advance product 1

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Meta Financial Group // Annual Report 2016 Meta Financial Group // Annual Report 2016 In June, we received strong investment grade ratings with stable outlooks from Kroll Bond Rating Agency (KBRA), a Nationally Recognized Statistical Rating Organization registered with the SEC. In August, we issued \$75 million of subordinated debt, the proceeds of which qualifies as Tier 1 capital at MetaBank. This capital will be used to support organic growth and acquisitions. This is an important step to ensure we have the capital capacity to take advantage of profitable growth opportunities and to continue our positive momentum. Some of our highlights per business are as follows: META FINANCIAL GROUP On May 20, 2016, Bank Director magazine named MetaBank the #1 Top Growth Bank among all banks and thrifts determined by top-line growth over a five quarter period ending March 31, 2016. The ranking was established by the compound average growth rate in revenues over the five linked quarters. Non-performing assets (NPAs) remain low at 0.03%. MetaBank continues to be a strong fee-based company with 56% of our revenue coming from fee income during 2016 with a high percentage expected in 2017. Meta is also well-positioned for rising interest rates with over 90% non-interest-bearing deposits. Meta Financial Group's stock performance remained strong in fiscal 2016 as it increased 45% from \$41.77 to \$60.61. This followed a strong 18% stock price increase in fiscal 2015. BANKING - METABANK Retail Bank loans increased \$146.8 million, or 25%, at September 30, 2016 compared to the prior year. Core deposits grew \$17.4 million, or 18%, year-over-year. BANKING - AFS/IBEX AFS/IBEX has seen significant growth this year. Premium finance loans increased \$65.1 million, or 61%, from September 30, 2015. Our scalable platform will support anticipated robust national growth. We continue to add seasoned sales executives and are building our national franchise, which is currently the sixth largest premium finance company in the country. PAYMENTS - METAPAYMENT SYSTEMS We added and extended a number of key contracts in our Payments division to further solidify our partnerships and bolster long-term growth and stability. Our Payments division grew fee income 29% year-over-year. Similarly, MPS average deposits grew by 25% or \$398.9 million compared to fiscal year 2015. PAYMENTS - REFUND ADVANTAGE Refund Advantage (RA) offers tax refund-transfer (RT) solutions for independent tax preparers and their customers. RA had a record-setting year, even though the acquisition was completed in September 2015, which meant we were unable to implement everything we wanted to accomplish during the 2016 tax season. We're currently working on new products and solutions for the 2017 tax season. RA provides a great synergy with our other business. Meta is able to provide loans to tax preparers, provide interest-free Refund Advances and tax refund-transfer solutions through ACH direct deposit, check, and prepaid card. For fiscal year 2016, RA had \$23.3 million in tax product revenues. SUSTAINABLE GROWTH We anticipate a strong outlook for the future growth of Meta. We expect to close on our EPS and Specialty Consumer Services ("SCS") acquisitions during the first quarter, fiscal year 2017. We expect these and potential future acquisitions to further enhance income, scale and efficiencies for Meta and add even more synergies to our current businesses. While we've seen dramatic and very profitable growth this past year, we are still working hard to build for the future. This includes investing in strategic infrastructure initiatives to ensure our staff, technology and facilities are prepared for new opportunities for years to come. One of MetaBank's strategic areas of focus is to hire, develop and place the right people in the right roles to maintain a sustainable and effective organization. We continue to hire key talent to fill roles in Risk, Compliance, Legal, IT, Product, Business Development and many others. It's not always about adding people but to make the talent we have better. As such, investments in performance management, technical skills and leadership training remain important. Sioux Falls is a home to many financial service professionals that Meta needs to prepare for the future. In addition, our widening national footprint allows us to recruit outside of the Midwest. I want to take this opportunity to thank our board members, employees, customers and J. TYLER HAAHR Chairman of the Board and Chief Executive Officer of Meta Financial Group, Inc. (MFG) and MetaBank. He has held this position since 2011. Mr. Haahr joined MFG and its affiliates in 1997. shareolders for our record-breaking year. Thank you for all you do for Meta. Sincerely, J. TYLER HAAHR Chairman of the Board and Chief Executive Officer Meta Financial Group, Inc. and MetaBank 3

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Meta Financial Group // Annual Report 2016 HIGHLIGHTS Meta Financial Group // Annual Report 2016 FINANCIAL HIGHLIGHTS Meta entered into a partnership with H&R Block on October 26, 2016, to provide up to \$1.45 billion in Refund Advances for H&R Block tax preparation customers throughout the 2017 tax season. H&R Block is the world's largest tax services provider with approximately 12,000 company-owned and franchise retail locations. On November 1, 2016, Meta completed the acquisition of substantially all of the assets and certain liabilities of EPS Financial. EPS Financial is a leading provider of comprehensive tax-related financial transaction solutions offering a one-stop-shop for all tax preparer financial transactions. acquisitions and investments in the Bank as regulatory capital to support all growth. Net income for the fiscal year ended September 30, 2016, was \$33.2 million, or \$3.92 per diluted share, compared to \$18.1 million, or \$2.66 per diluted share for the comparable prior year period. Card fee income increased \$16.0 million, or 29% for the year ended September 30, 2016, compared to the prior year, as a result of growth from existing business partners as well as new business. Tax product fee income of \$23.3 million from our payments segment helped drive 2016 fiscal year earnings. This income primarily MFG loans receivable increased 30% to \$919.5 million during fiscal 2016 compared to \$706.3 million at September 30, 2015. Overall cost of funds at Meta averaged 0.15% during fiscal 2016 compared to 0.11% for the prior year. The Company's cost of funds benefits significantly from non-interest bearing deposits generated primarily within its MPS division. MPS's fiscal 2016 average deposits increased by \$398.9 million, or 25%, compared to the same period in 2015, due to growth in existing prepaid card programs and the addition of new business partners. Meta's net interest margin (NIM) increased from 3.03% in fiscal 2015 (Dollars in Thousands, Except Share and Per Share Data) AT SEPTEMBER 30 Total assets Loans receivable, net Deposits Total annual average deposits Shareholders' equity Book value per common share outstanding at end of year Total equity to assets FOR THE FISCAL YEAR Net interest income Non-interest income Income, net of tax Diluted earnings per share Return on average assets Return on average equity Net interest margin 2016 2015 \$4,006,419 \$2,529,705 919,470 706,255 2,430,082 1,657,534 2,239,904 1,827,113 334,975 271,335 \$ 39.30 \$ 33.24 8.36% 10.73% \$ 77,305 \$ 59,220 100,770 58,174 33,220 18,055 \$ 3.92 \$ 2.66 1.10% 0.78% 10.80% 8.83% 3.19% 3.03% 2014 2013 2012 \$2,054,031 \$1,691,989 \$1,648,898 493,007 380,428 326,981 1,366,541 1,315,283 1,379,794 1,533,263 1,395,152 1,214,233 174,802 142,984 145,859 \$ 28.33 \$ 23.55 \$ 26.79 8.51% 8.45% 8.85% \$ 46,262 \$ 36,022 \$ 33,734 51,738 55,503 69,574 15,713 13,418 17,114 \$ 2.53 \$ 2.38 \$ 4.92 0.81% 0.78% 1.22% 10.01% 9.36% 18.47% 2.80% 2.48% 2.56%

Meta signed a definitive agreement on November 9, 2016, with privately-held Specialty Consumer Services ("SCS") for Meta to acquire substantially all of SCS's assets and liabilities relating to its consumer tax advance business. SCS primarily provides consumer tax advance services through their underwriting model and loan management system. We anticipate that the acquisition will close by the end of the first quarter of fiscal year 2017. The Company announced on August 15, 2016 that it completed a public offering of \$75 million of 5.75% fixed-to-floating rate subordinated debentures due August 15, 2026. Use of proceeds from the offering are for general corporate purposes, potential consists of professional tax refund-transfer software fees for services used by independent Electronic Refund Originators ("EROs") and their customers. To a lesser extent, the growth also included tax preparer fees for our Refund Advance product offered to our Refund Advantage EROs and Liberty Tax franchisees. MFG began generating these tax refund-transfer software fees and tax preparer fees following its purchase of Refund Advantage in September 2015. MFG's fiscal 2016 average assets grew to \$3.02 billion, compared to \$2.32 billion in fiscal 2015, an increase of 30%. This was driven by non-interest bearing deposits, loan and investment growth. to 3.19% in 2016. This improvement relates to an improved mix of interest-earning assets. Non-performing assets (NPAs) were 0.03% of total assets at September 30, 2016, compared to 0.31% at September 30, 2015. Tangible book value per common share increased by \$6.97, or 28%, to \$31.57 at September 30, 2016, from \$24.60 at September 30, 2015. Return on average equity (ROE) for the year ended September 30, 2016, was 10.80%, compared to 8.83% for the same period in 2015. Return of average assets (ROAA) for the year ended September 30, 2016 was 1.10% compared to 0.78% for the same period in 2015. TOTAL ASSETS (in thousands) '16 '15 '14 '13 '12 TOTAL REVENUES (in thousands) '16 '15 '14 '13 '12 TOTAL LOANS, NET (in thousands) '16 '15 '14 '13 '12 TOTAL NET INCOME (in thousands) '16 '15 '14 '13 '12 TOTAL AVERAGE DEPOSITS (in thousands) '16 '15 '14 '13 '12 This summary annual report highlights information contained in MFG's Form 10-K for the year ended September 30, 2016, and does not contain all of the information you should consider in making investment decisions with respect to MFG's common stock. You are urged to read our entire Form 10-K, including the consolidated financial statements and the related notes and the information set forth under the headings "Risk Factors" and "Management's Discussion and



Meta Financial Group // Annual Report 2016 AFS/IBEX “ We feel like we’re a part of the AFS/IBEX family. We feel valued.” Gerri Rougeau Vice President, HARCO Family culture is one of the core values of HARCO Insurance Services. Founded in 1969, HARCO has always believed in treating employees and clients like family. This belief is no doubt one of the reasons that HARCO still finds success today. The insurance agency continues to build momentum, doubling its business in the last five years through a unique business strategy of acquisition of other insurance agencies, asking for referrals and account development within their current client base. HARCO is also part of the 30 percent of family-owned businesses that have survived past the first generation. The key to their momentum is based on strong family values - values they share with AFS/IBEX. “Service and trust is the cornerstone of our business” said Josh Hargrave, President of HARCO. “We believe in developing and promoting education for our employees, which often sets us apart from our competition. We invest in their professional growth. This allows us to better protect and serve our clients” Merry Jane Eversole, Vice President of Sales for AFS/IBEX, knows first-hand the expert customer service standards that HARCO delivers on a daily basis. “As a personal policy holder, I know they have my best interests in mind. I want to give my business to a company I believe in. I appreciate how they treat their employees. Their employees stay with them and feel special. HARCO keeps them vested and that, in turn, is reflected in how they approach customer service” “Our relationship with AFS/IBEX is also a lot like family” said Gerri Rougeau, Vice President of HARCO. “Everyone in the office knows Merry Jane and that they can count on her as a resource. If we’re working on a late night presentation, Merry Jane is right there with us via phone or email. We consider her a valuable member of our team. She always makes us feel like we are her number one priority” Other premium finance companies have called on HARCO seeking their business but HARCO routinely declines. “We have a great relationship with AFS/IBEX” Josh said. “They are great at communicating and keeping us up to date on industry trends. Merry Jane visits with us at least once a month. She educates us and keeps us on the forefront of what’s going on in the industry and how we can better serve our clients” Gerri added, “She is our business partner, our client and our friend” From left: Merry Jane Eversole, Josh Hargrave and Gerri Rougeau 7

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Meta Financial Group // Annual Report 2016 REFUND ADVANTAGE “We want to see our partners succeed, so we offer all the tools and assistance we can to help them meet their goals.” Alan Lodge, Refund Advantage, said. “Ninety percent of businesses in the United States are family-owned, and that’s the same we expect from our customers. Refund Advantage allows us to be flexible with financing options in Louisville, Ky. But owners Jennifer and Betty Cecil separate themselves from the competition with a commitment to efficiency. In response, Alan Lodge, President Cary Shields, president of Refund Advantage, is invested in tax preparation industry to see MetaBank commented, “We care deeply about our relationships succeed. “It goes back to a base of Professional Accounting, with our customers. It’s important of customer care. That’s the maintain low filing-rejection rates, to us that they feel they can call us key difference between family-owned businesses versus the Cecils, it’s an indication of a from Refund Advantage - not a large chains, where a customer successful business model driven call center. That’s what sets us apart from others in our industry” and becomes a statistic. The businesses we support are Professional Accounting customer-focused. We want “We want to give every customer continues to experience growth to help our individual tax office the attention they deserve. We as customers become aware of clients maintain their customer do a lot of our work one-on-one the advantages of working with a focus and help them provide that with clients, which is something local office over a national chain. care for their customers” that sets us apart from our “Refund Advantage allows us to competitors” said Betty Cecil, who offer products to our customers started Professional Accounting who otherwise wouldn’t be with her husband in 1976. able to receive their refunds as 8 From left: Jennifer Cecil, Betty Cecil 9

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Meta Financial Group // Annual Report 2016 METBANK RETAIL “ MetaBank has been on-board since day one and was critical in the development of our venue. We are a place where people make memories. And we take that responsibility very seriously.” Tom Richter Executive Director, Swiftel Center The Swiftel Center in Brookings, SD, is an internationally- recognized venue and in a city of less than 23,000, this is no easy feat. Since opening in 2001, the Swiftel Center has been building momentum, setting records and winning awards for its outstanding staff and operations. The venue motto - Midwest hospitality at its best - echoes the values and traditions of MetaBank. “To continue our forward momentum, I’m looking for staff members that are the best at what they do” said Tom Richter, Executive Director of the Swiftel Center. “Having worked with MetaBank since our venue opened, I’ve recognized that we hire staff with very similar traits. Much like MetaBank, our staff is what sets us apart. We all want to make a difference in people’s lives every day” “Longevity is a big part of our relationship” added Tim Peters, Brookings Market President for MetaBank. “We saw the potential that the Swiftel Center could bring to Brookings, not just in economic impact but also improving the quality of life for its citizens. When you have a facility that can boast of hosting fourteen of the artists nominated for a 2015 Country Music Award, you’ve really got something the community can take pride in” The partnership between MetaBank and the Swiftel Center goes beyond sponsorship levels and signage. MetaBank has two ATMs on site and frequently selects the center for seminars and employee events. “MetaBank has always been a huge advocate of our facility” stated Tom. “They understand the vision and what we can accomplish by partnering together” 10 From left: Tim Peters, Jean Engen, Kristina Lankow, Tom Richter 11

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Meta Financial Group // Annual Report 2016 OPERATION HOPE “Operation HOPE focuses on helping people improve their financial situations. At times, our customers experience unexpected financial hardships. By partnering with Operation HOPE we can better serve our customers by providing a program to help them through these situations.” Brad Hanson President of MetaBank and Meta Payment Systems COMMUNITY IMPACT Meta Employee Volunteerism thousand MetaBank is an active member of Operation HOPE, a best-in- regardless of their financial situation. In October 2015, cardholders and customers. The program has the potential to 11.5 hours class provider of financial literacy empowerment for youth, financial capability for communities, and ultimately, financial dignity for all. Operation HOPE achieves its mission by providing financial dignity and economic empowerment to over 2.2 million individuals worldwide. The partnership with Operation HOPE is a natural fit with Meta’s vision to promote financial inclusion for everyone. A core value of MetaBank is providing support and services to individuals and businesses 12 MetaBank committed \$1 million to Operation HOPE to develop the first ever virtual HOPE Inside@ MetaBank, which includes an Operation HOPE national call center and the growing HOPE Inside@ MetaBank network to provide financial counseling service to MetaBank customers and cardholders who are facing financial hardships. To date, MetaBank has invited nearly twenty of our partners and program managers to integrate the virtual HOPE Inside@ MetaBank program with their provide financial education to over one million people. Operation HOPE delivers its global program to employees through its HR service, to young people in their schools, and to individuals and families in banks, community centers, credit unions, hotels, hospitals, grocery stores, and even shopping centers. HOPE Financial Well-being counselors provide customized financial advice with the goals of educating individuals and increasing credit scores to the bankable level of 700. volunteered in 2015 Meta Employee Giving \$129,029.80 in donations in 2015 13

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Meta Financial Group // Annual Report 2016 PAYMENTS Our Payments segment includes Meta Payment Systems (MPS) and Refund Our Banking segment includes the retail bank and AFS/IBEX. Meta Financial Group // Annual Report 2016 BANKING •Premium Finance loans increased AVERAGE MPSDEPOSIT GROWTH UP 25% as of Sept. 30, 2016 CARD FEE INCOMEINCREASE UP 29% as of Sept. 30, 2016 AVERAGE LOW-COSTMPS DEPOSIT BALANCES Advantage (RA). MPS is an industry leader as one of the top prepaid card issuers in the nation (theNilson Report, July 2016), and has issued more than 600 million prepaid cards since 2005, over 100 million in 2015 alone. MPS sponsors approximately 65% ofthe “white label” ATM terminals throughout the United States and leads the wayin virtual cards for electronic settlements. MPS continues to grow its partner base and is expected to welcome a newprogram manager partner, Xerox Card Services. We are also proud to announcethat we entered into multi-year contracts and expanded relationships withBlackhawk Network, Inc., StoneEagle Services, Inc., and Global Cash Card, Inc.MPS will continue to explore new product and service opportunities to extendfinancial dignity to the underbanked population and promote our corporate visionof: financial inclusion for everyone. We believe MPS will continue to succeed bysupporting the unbanked and underbanked markets. Our Refund Advantage division operates out of offices in Louisville, Ky. Acquiredin September 2015, Refund Advantage is a leading provider of professional taxrefund-transfer software used by independent Electronic Return Originators (EROs). Meta entered into a program partnership with H&R Block on October 26, 2016to provide up to \$1.45 billion in Refund Advances for H&R Block tax preparationcustomers throughout the 2017 tax season. Acquired in November 2016, EPS Financial is a leading provider of comprehensivetax-related financial transaction solutions offering a one-stop shop for all tax preparer financial transactions. These solutions include a full suite of refundsettlement products, prepaid payroll card solutions and merchant services. OurEPS division operates in Easton, Pa. On November 9, 2016, Meta entered into an agreement to acquire substantially The Banking segment had an exceptional year in loan growth,particularly in our commercial real estate, residential mortgage andpremium finance lines of business. The 30% YoY increase was drivenby the number and average amount of loans originated. This notablegrowth was achieved without compromising credit quality. MetaBank has 10 branches in four markets across S.D. and Iowa, andwe are the cornerstones for the banking services in the communitieswe serve. We offer an array of financial services and products for retail,business and agriculture customers. We are dedicated to providing exceptional service to our customers. Through its AFS/IBEX division, MetaBank provides short-term, usuallyfully collateralized, financing to facilitate the commercial customers’purchase of insurance, otherwise known as insurance premium financing. AFS/IBEX operates out of offices in Dallas, Texas andNewport Beach, Calif. AFS/IBEX is committed to taking care of theneeds of our agents/brokers and customers by investing in the latestcomputer technologies. We like to call it our “High Tech, High Touch”approach to Premium Financing, giving the level of service our clientsdeserve and respect. \$65.1 million, or 61%, to \$171.6million at September 30, 2016, compared to the same period in theprior year. •Retail Bank total loans increased \$146.8 million during the fiscal year, or 25%, to \$737.4 million.Commercial real estate andresidential mortgage loans increased \$112.7 million, or36%, and \$37.3 million, or 30%,respectively. •MetaBank’s non-performing assets were down to 0.03% of total assets in 2016, compared to 0.31% in2015. •Retail Bank deposits increased \$91.3 million from September 30, 2015, to \$299.0 million atSeptember 30, 2016. (in thousands) all of the assets and liabilities of SCS. Operating out of their offices in Hurst, Texas,Specialty Consumer Services (“SCS”) primarily provides consumer tax advanceservices through their propriety underwriting model and loan management system. Meta announced the SCS acquisition in November 2016. •MPS generated an average of \$2.00 billion in non-interest bearing deposits for the year ended September 30, 2016, compared to an average of \$1.6 billion for the same period in 2015, an increase of 25%. NON-PERFORMING ASSETS 0.31% 0.16% LOAN BALANCES - RETAIL BANK As of 9/30/16 Ag Operating: Commercial 5%Operating: 4% Consumer: 3% Residential Ag Real Estate: Mortgage: 22% 9% ‘16 ‘15 ‘14 ‘13 ‘12 14 •Tax product fee income from our Refund Advantage division recorded non- interest income of \$23.3 million for the year ended September 30, 2016. •Card Fee income increased \$16.0 million, or 29%, for the year ended September 30, 2016, compared to September 30, 2015. This increase is primarily due to the addition of new partners and added business from existing partners. 0.05%0.05% 0.03% ‘16 ‘15 ‘14 ‘13 ‘12 Commercial & Multi-Family: 57% 15

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Meta Financial Group // Annual Report 2016 COMPANY PROFILE Meta Financial Group, Inc.® and agricultural depositors and (NASDAQ Global Market®: CASH), is borrowers. the holding company for MetaBank®, Meta Payment Systems (MPS) Refund Advantage, based in Louisville, Ky., provides tax refund-transfer software for Electronic Annual Meeting of Shareholders The Annual Meeting of Shareholders will convene at 1 p.m., on Monday, January 23, 2017. The meeting will be held at MetaBank Meta Financial Group // Annual Report 2016 INVESTOR INFORMATION Shareholder Services Investor Relations Shareholders desiring to change the name, Requests for Form 10-K, other inquiries address or ownership of stock; to report or investor comments are welcome and lost certificates; or to consolidate accounts should be directed to: a federally chartered savings bank, Member FDIC. Headquartered in Sioux Falls, S.D., MetaBank operates in both the Banking and Payments industries: MetaBank, its traditional retail banking operation; Meta Payment Systems, its electronic payments division; AFS/IBEX, its insurance premium financing division; and Refund Advantage, its tax refund-transfer software division. MetaBank, the retail banking division, operates 10 retail branches is a recognized leader in the prepaid card industry and provides innovative payment solutions delivered nationally in collaboration with market-leading partners. MPS focuses on offering specific product solutions in the following areas: prepaid cards, credit products, electronic funds transfer and ATM sponsorship. AFS/IBEX provides short-term, collateralized financing to facilitate Return Originators (EROs) and their customers. Their software is used in over 10,000 locations nationwide and processes over one million refund-transfers a year. MetaBank's vision is to promote financial inclusion for everyone™. In 2016, MetaBank was named the number one top growth bank in the nation out of approximately 7,000 banks in the country (Bank Director, 2016). Meta Payment Systems consistently ranks as one of the Corporate Services building, 5501 South Broadband Lane, Sioux Falls, S.D. Further information with regard to this meeting can be found in the proxy statement. Independent Auditors KPMG LLP 2500 Ruan Center 666 Grand Avenue Des Moines, IA 50309-2372 should contact the corporation's transfer agent: Computershare Investor Services 211 Quality Circle Suite 210 College Station, TX 77845 Telephone: 800.522.6645 Website: <https://www-us.computershare.com/investor/Contact/Enquiry> Form 10-K Copies of the company's Annual Report on Form 10-K for the year ended September 30, 2016 (excluding exhibits thereto), may be obtained from [metafinancialgroup.com](http://metafinancialgroup.com). Brittany Kelley Elsasser Investor Relations 5501 South Broadband Lane Sioux Falls, S.D. 57108 Telephone: 605.362.2423 [InvestorRelations@metabank.com](mailto:InvestorRelations@metabank.com) [metafinancialgroup.com](http://metafinancialgroup.com) in four market areas: Central Iowa; Storm Lake, Iowa; Brookings, S.D.; the purchase of insurance for commercial property, casualty and top two prepaid card issuers in the United States and has the largest DIVIDEND AND STOCK MARKET INFORMATION Meta Financial Group's common stock and Sioux Falls, S.D. Based in Sioux Falls, S.D. Based in Dallas, Texas, "white label" ATM network in the trades on the NASDAQ Global Select Market Capitalization Falls, MetaBank offers traditional banking services designed to serve the needs of individual, business AFS/IBEX originates loans through a network of independent insurance agencies. META FINANCIAL GROUP, INC METABANK nation. Market under the symbol "CASH" Market capitalization increased \$175.6 million or 51.5% from September 30, 2015 to September 30, 2016. Shares outstanding increased from 8,163,022 to 8,523,641 with share price increasing from \$41.77 to \$60.61 at September 30, 2015 and September 30, 2016, respectively. SHARES SHARE MARKET OUTSTANDING PRICE CAPITALIZATION 9/30/2015 8,163,022 41.77 340,969,428.94 9/30/2016 8,523,641 60.61 516,617,881.01 Percentage Growth 4.42% 45.10% 51.51% Comparison of 5 Year Cumulative Total Return Assumes Initial Investment of \$100 September 2016 400.00 BANKING RETAIL BANK AFS/IBEX Forward-Looking Statements PAYMENTS META PAYMENT SYSTEMS REFUND ADVANTAGE Market Makers for Meta Financial Group (NASDAQ: CASH) as of September 30, 2016: Sandler O'Neill & Partners Raymond James Keefe, Bruyette & Woods, Inc. FBR Capital Markets & Co. Morgan Stanley & Co. LLC 350.00 300.00 250.00 200.00 150.00 MFG from time to time may make written or oral "forward-looking statements" including statements contained in its filings with the Securities and Exchange Commission ("SEC"), in its reports to shareholders, in this summary annual report and in other communications by the Company, which are made in good faith by the Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by words such as "may" "hope" "will" "should" "expect" "plan" "anticipate" "intend" "believe" "estimate" "predict" "potential" "future" or the negative of those terms or other words of similar meaning. You should read statements that contain these words carefully, because they discuss our future expectations or state other "forward-looking" information. These forward-looking statements include statements with respect to the Company's beliefs, expectations, estimates and

intentions that are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond the Company's control. Discussions of factors affecting the Company's business and prospects are contained in the Company's periodic filings with the SEC. The Company expressly disclaims any intent or obligation to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company or its subsidiaries. 16 UBS Securities LLC Merrill Lynch, Pierce, Fenner & Goldman, Sachs & Co. Citadel Securities LLC KCG Americas LLC 100.00 50.00 0.00 2011 2012 Meta Financial Group, Inc. 2013 2014 2015 2016 NASDAQ Composit Index NASDAQ ABA Community Bank Index 17

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Meta Financial Group // Annual Report 2016 CORPORATE LEADERSHIP BOARD OF DIRECTORS SENIOR OFFICERS cont. J. Tyler Haahr Elizabeth G. Hoople Becky S. Shulman Linda Loof Jeanni Stahl Chairman of the Board and Consultant and Retired Senior Vice Chief Financial Officer and Chief Senior Vice President, Senior Vice President, Chief Executive Officer President of Marketing Operations Officer Strategic Accounts Chief Risk Officer and Chief Meta Financial Group Inc. and Wells Fargo Card Compliant, LLC Compliance Officer MetaBank Beth Ormseth Frederick V. Moore Kendall E. Stork Senior Vice President, Ian Stromberg Brad C. Hanson Vice Chairman of the Board and Retired President FIU/EFT Operations Senior Vice President, President Lead Director, Meta Financial Citibank SD, NA and Sioux Falls Human Resources and Meta Financial Group Inc., Group Inc. and MetaBank, Site President Steven Patterson Properties MetaBank and Meta Payment President of Buena Vista University Chief Lending Officer and Systems President, Sonja Theisen Rodney G. Muilenburg Central Iowa Market Senior Vice President, Douglas J. Hajek Retired Dairy Specialist Manager, Chief Accounting Officer Partner at Davenport, Evans, Purina Mills, Inc.; Retired Timothy Peters Hurwitz & Smith, LLP Consultant, TransOva Genetics President, Kathryn M. Thorson Dairy Division and Retired Director Brookings Market President, of Sales and Marketing Sioux Empire Market TransOva Genetics Donald Rogers Head of Operations, Scott Van Horssen AFS/IBEX Senior Vice President, Treasurer SENIOR OFFICERS Grant Rogers Senior Vice President, Ronald Van Zanten J. Tyler Haahr Whitney Bright John Holsan Business Development and Sales Senior Vice President, Chief Executive Officer Senior Vice President, President, Data Management and Client Relations AFS/IBEX Scott Scovel Business Intelligence Brad C. Hanson Senior Product Portfolio Manager, President Connie Burrer Barbara Koopman MPS Jennifer Warren Senior Vice President, Senior Vice President, Senior Vice President, Glen Herrick Enterprise Project Retail Bank Operations Eric Sepci Chief Audit Executive Executive Vice President, Management National Sales Manager, Chief Financial Officer AFS/IBEX Jon W. Wilcke Jeffrey Gednalske Troy Larson President, Cynthia Smith Senior Vice President, Senior Vice President, Cary Shields Northwest Iowa Market Executive Vice President and General Counsel Chief Technology Officer President, Chief Operating Officer Refund Advantage John Hagy Alan Lodge Head of Government and President, Industry Relations Tax Services Division 18 19

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