

# **Madison County Financial, Inc.**

## **Reports First Quarter 2016 Financial Results**

MADISON, Nebraska, April 18, 2016. Madison County Financial, Inc. (OTC Pink: MCBK) ("Company"), the parent holding company of Madison County Bank ("Bank"), today announced its results of operations for the three months ended March 31, 2016 and 2015.

The Company's net income for the three months ended March 31, 2016 was \$1.0 million or \$0.35 per diluted share, compared to net income of \$745,000 or \$0.27 per diluted share for the same period in 2015.

Total assets decreased \$6.3 million to \$353.8 million at March 31, 2016, compared to \$360.1 million at December 31, 2015, resulting from normal seasonal pay-downs from our farming customers and normal annual loan payments on agricultural real estate. As of March 31, 2016, there were 2,982,094 issued and outstanding shares of common stock, par value \$0.01 per share, and at April 17, 2016, the number of issued and outstanding shares of common stock remained at 2,982,094 shares. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at March 31, 2016.

This release may contain forward-looking statements within the meaning of the federal securities laws. These statements are not historical facts; rather, they are statements based on the Company's current expectations regarding its business strategies and their intended results and its future performance. Forward-looking statements are preceded by terms such as "expects", "believes", "anticipates", "intends" and similar expressions.

Forward-looking statements are not guarantees of future performance. Numerous risks and uncertainties could cause or contribute to the Company's actual results, performance and achievements to be materially different from those expressed or implied by the forward-looking statements. Factors that may cause or contribute to these differences include, without limitation, general economic conditions, including changes in market interest rates and changes in monetary and fiscal policies of the federal government, legislative and regulatory changes.

Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this report or made elsewhere from time to time by the Company or on its behalf. Except as may be required by applicable law or regulation, the Company assumes no obligation to update any forward-looking statements.

**MADISON COUNTY FINANCIAL, INC.**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**  
(Dollars in Thousands, Except Per Share Data)

	Three Months Ended March 31,	
	2016	2015
	(Unaudited)	
<b>Operating Data:</b>		
Total interest income	\$ 3,684	\$ 3,278
Total interest expense	518	445
Net interest income	3,166	2,833
Provision for loan losses	315	385
Net interest income after provision for loan losses	2,851	2,448
Total non-interest income	594	480
Total non-interest expense	2,112	1,946
Income before income taxes	1,333	982
Income tax expense	333	237
Net income	\$ 1,000	\$ 745
<b>Per Share Information:</b>		
Net income per share, basic	\$ 0.35	\$ 0.27
Average common shares outstanding, basic	2,757,338	2,653,829
Net income per share, diluted	\$ 0.35	\$ 0.27
Average common shares outstanding, diluted	2,782,201	2,681,062
Basic tangible book value per share	\$ 21.33	\$ 20.71
<b>Performance ratios (annualized for 3 month periods):</b>		
Return on average assets	1.13%	0.98%
Return on average equity	5.97%	4.85%
Efficiency ratio	56.17%	58.74%
Interest rate spread	3.57%	3.69%
Net interest margin	3.76%	3.88%

**MADISON COUNTY FINANCIAL, INC.**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**  
(Dollars in Thousands, Except Per Share Data)

	March 31, 2016	December 31, 2015
(Unaudited)		
<b>Financial Condition Data:</b>		
Total assets	\$ 353,772	\$ 360,104
Loans held for sale	778	900
Loans receivable, net of allowance for losses of \$9,061 and \$8,746, respectively	269,614	275,574
Deposits	254,904	244,884
Borrowings	27,200	42,700
Total liabilities	287,365	292,040
Stockholders' equity	66,407	68,064
 <b>Balance Sheet Ratios:</b>		
Securities as a percent of total assets	16.55%	15.85%
Tangible equity as a percent of tangible assets	18.13%	18.25%
Tangible common equity as a percent of tangible assets	18.13%	18.25%
 <b>Asset Quality Data:</b>		
Nonaccrual loans	\$ 950	\$ 412
Accruing loans past due 90 days or more	44	166
 <b>Asset Quality Ratios:</b>		
Nonperforming assets as a percent of total assets	0.28%	0.16%
Nonperforming loans as a percent of total assets	0.28%	0.16%
Nonperforming loans as a percent of total loans	0.36%	0.20%
Net chargeoffs as a percent of average loans	0.00%	0.00%
Allowance for loan losses as a percent of total loans	3.25%	3.08%
Allowance for loan losses as a percent of nonperforming loans	911.57%	1513.15%
 <b>Regulatory capital ratios (Bank only):</b>		
Total capital (to risk-weighted assets)	17.99%	17.64%
Tier 1 capital (to risk-weighted assets)	16.73%	16.38%
Tier 1 capital (to average assets)	17.34%	17.21%
Common Equity Tier 1 capital	16.73%	16.38%

SOURCE: Madison County Financial, Inc.