

# Madison County Financial, Inc.

## Reports 2019 and 2018 Financial Results

MADISON, Nebraska, February 12, 2020. 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 and years ended December 31, 2019 and 2018.

The Company's net income for the three months ended December 31, 2019 was \$1.4 million or \$0.52 per diluted share, compared to net income of \$1.3 million or \$0.48 per diluted share for the same period in 2018. The Company's net income for the year ended December 31, 2019 was \$5.7 million or \$2.13 per diluted share, compared to net income of \$5.6 million or \$2.04 per diluted share for the same period in 2018.

Total assets increased \$18.2 million to \$429.5 million at December 31, 2019, compared to \$411.3 million at December 31, 2018, resulting from increases in investment securities classified as available for sale, net loans, premises and equipment and bank-owned life insurance, offset in part by a decrease in investment securities classified as held to maturity. Federal Reserve Bank stock and Federal Home Loan Bank stock are required investments for institutions that are members of the Federal Reserve and Federal Home Loan Bank systems. The required investment in the common stock is based on a predetermined formula, carried at cost and evaluated for impairment.

As of December 31, 2019, there were 2,740,554 issued and outstanding shares of common stock, par value \$0.01 per share, and at February 11, 2020, there were 2,739,454 issued and outstanding shares of common stock. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at December 31, 2019.

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 December 31,		Years Ended December 31,	
	2019	2018	2019	2018
	(Unaudited)			
<b>Operating Data:</b>				
Total interest income	\$ 4,712	\$ 4,474	\$ 18,745	\$ 17,015
Total interest expense	1,258	1,380	5,839	4,454
Net interest income	3,454	3,094	12,906	12,561
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	3,454	3,094	12,906	12,561
Total non-interest income	934	636	2,909	2,396
Total non-interest expense	2,716	2,203	9,013	8,336
Income before income taxes	1,672	1,527	6,802	6,621
Income tax expense	279	241	1,110	1,041
Net income	\$ 1,393	\$ 1,286	\$ 5,692	\$ 5,580
<b>Per Share Information:</b>				
Net income per share, basic	\$ 0.54	\$ 0.49	\$ 2.21	\$ 2.11
Average common shares outstanding, basic	2,560,678	2,595,161	2,568,560	2,624,936
Net income per share, diluted	\$ 0.52	\$ 0.48	\$ 2.13	\$ 2.04
Average common shares outstanding, diluted	2,656,534	2,689,142	2,663,415	2,715,828
Basic tangible book value per share	\$ 27.39	\$ 25.49	\$ 27.39	\$ 25.49
<b>Performance ratios (annualized for 3 month and 12 month periods):</b>				
Return on average assets	1.31%	1.27%	1.37%	1.42%
Return on average equity	7.20%	7.01%	7.59%	7.76%
Efficiency ratio	61.90%	59.06%	56.99%	55.73%
Interest rate spread	3.05%	2.78%	2.82%	2.99%
Net interest margin	3.41%	3.20%	3.24%	3.33%

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

	December 31, 2019	December 31, 2018
(Unaudited)		
<b>Financial Condition Data:</b>		
Total assets	\$ 429,463	\$ 411,293
Securities, including FHLB and FRB Stock	74,145	76,203
Loans held for sale	217	142
Loans receivable, net of allowance for losses of \$9,726 and \$9,725, respectively	319,449	305,614
Deposits	293,298	282,092
Borrowings	52,800	51,600
Total liabilities	352,340	338,208
Stockholders' equity	77,123	73,085
<b>Balance Sheet Ratios:</b>		
Securities, including FHLB and FRB Stock, as a percent of total assets	17.26%	18.53%
Tangible common equity as a percent of tangible assets	17.57%	17.33%
<b>Asset Quality Data:</b>		
Nonaccrual loans	\$ 2,147	\$ 2,062
Accruing loans past due 90 days or more	-	-
<b>Asset Quality Ratios:</b>		
Nonperforming assets as a percent of total assets	0.50%	0.50%
Nonperforming loans as a percent of total assets	0.50%	0.50%
Nonperforming loans as a percent of total loans	0.65%	0.65%
Net chargeoffs as a percent of average loans	0.00%	0.00%
Allowance for loan losses as a percent of total loans	2.95%	3.08%
Allowance for loan losses as a percent of nonperforming loans	453.00%	471.63%
<b>Regulatory Capital ratios (Bank only):</b>		
Total capital (to risk-weighted assets)	20.27%	20.60%
Tier 1 capital (to risk-weighted assets)	19.01%	19.34%
Tier 1 capital (to average assets)	17.19%	17.25%
Common Equity Tier 1 capital	19.01%	19.34%

SOURCE: Madison County Financial, Inc.