

Madison County Financial, Inc.

Reports Third Quarter 2023 Financial Results

MADISON, Nebraska, November 10, 2023. 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 and nine months ended September 30, 2023 and 2022.

The Company's net income for the three months ended September 30, 2023 was \$577,000 or \$0.22 per diluted share, compared to net income of \$2.7 million or \$1.03 per diluted share for the same period in 2022. The Company's net income for the nine months ended September 30, 2023 was \$1.8 million or \$0.69 per diluted share, compared to net income of \$6.5 million or \$2.43 per diluted share for the same period in 2022.

Total assets decreased \$1.6 million to \$594.7 million at September 30, 2023, compared to \$596.3 million at December 31, 2022, resulting from decreases in cash and cash equivalents and investment securities classified as held to maturity, offset in part by an increase in investment securities classified as available for sale, net loans, Federal Home Loan Bank Stock and interest receivable.

As of September 30, 2023, there were 2,687,964 issued and outstanding shares of common stock, par value \$0.01 per share, and at November 9, 2023, there were 2,688,942 issued and outstanding shares of common stock. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at September 30, 2023.

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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Operating Data:				
Total interest income	\$ 6,210	\$ 5,270	\$ 18,427	\$ 14,280
Total interest expense	<u>3,925</u>	<u>1,699</u>	<u>11,012</u>	<u>3,575</u>
Net interest income	2,285	3,571	7,415	10,705
Credit for credit losses ⁽¹⁾	<u>(87)</u>	<u>(1,625)</u>	<u>(37)</u>	<u>(2,625)</u>
Net interest income after provision for credit losses	2,372	5,196	7,452	13,330
Total non-interest income	633	699	1,689	2,049
Total non-interest expense	<u>2,467</u>	<u>2,604</u>	<u>7,435</u>	<u>7,847</u>
Income before income taxes	538	3,291	1,706	7,532
Income tax expense/benefit	<u>(39)</u>	<u>571</u>	<u>(98)</u>	<u>1,075</u>
Net income	<u>\$ 577</u>	<u>\$ 2,720</u>	<u>\$ 1,804</u>	<u>\$ 6,457</u>
Per Share Information:				
Net income per share, basic	\$ 0.23	\$ 1.07	\$ 0.71	\$ 2.54
Average common shares outstanding, basic	2,551,451	2,541,445	2,541,235	2,544,272
Net income per share, diluted	\$ 0.22	\$ 1.03	\$ 0.69	\$ 2.43
Average common shares outstanding, diluted	2,591,126	2,640,126	2,603,399	2,654,505
Basic tangible book value per share	\$ 32.94	\$ 32.40	\$ 32.94	\$ 32.40
Performance ratios (annualized for 9 month period):				
Return on average assets	0.39%	1.81%	0.40%	1.48%
Return on average equity	2.53%	12.18%	2.66%	9.75%
Efficiency ratio	84.54%	60.98%	81.67%	61.53%
Interest rate spread	0.94%	2.18%	1.10%	2.33%
Net interest margin	1.62%	2.48%	1.73%	2.56%

(1)

As a result of the adoption of CECL on January 1, 2023, the provision for credit losses calculated prior to that date was determined using the previously applied incurred loss methodology rather than the current expected credit losses methodology, and as a result the amounts are not directly comparable.

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	September 30, 2023	December 31, 2022
(Unaudited)		
Financial Condition Data:		
Total assets	\$ 594,654	\$ 596,270
Securities, including FHLB and FRB Stock	120,982	117,827
Loans held for sale	-	-
Loans receivable, net of allowance for credit losses on loans of \$6,368 and \$6,405, respective ⁽¹⁾	435,902	424,328
Deposits	453,781	485,249
Borrowings	43,766	13,200
Total liabilities	504,439	505,480
Stockholders' equity	90,215	90,790
Balance Sheet Ratios:		
Securities, including FHLB and FRB Stock, as a percent of total assets	20.34%	19.76%
Tangible common equity as a percent of tangible assets	14.93%	14.98%
Asset Quality Data:		
Nonaccrual loans	823	\$ 652
Accruing loans past due 90 days or more	-	-
Asset Quality Ratios:		
Nonperforming assets as a percent of total assets	0.14%	0.11%
Nonperforming loans as a percent of total assets	0.14%	0.11%
Nonperforming loans as a percent of total loans	0.19%	0.15%
Net chargeoffs as a percent of average loans	0.00%	0.00%
Allowance for credit losses on loans as a percent of total loans	1.44%	1.49%
Allowance for credit losses on loans as a percent of nonperforming loans	773.75%	982.36%
Regulatory Capital ratios (Bank only):		
Total capital (to risk-weighted assets)	18.86%	19.15%
Tier 1 capital (to risk-weighted assets)	17.61%	17.90%
Tier 1 capital (to average assets)	14.31%	13.81%
Common Equity Tier 1 capital	17.61%	17.90%

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SOURCE: Madison County Financial, Inc.