

Madison County Financial, Inc.

Reports First Quarter 2023 Financial Results

MADISON, Nebraska, May 11, 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 months ended March 31, 2023 and 2022.

The Company's net income for the three months ended March 31, 2023 was \$724,000 or \$0.28 per diluted share, compared to net income of \$2.1 million or \$0.81 per diluted share for the same period in 2022. The decrease in net income was primarily attributable to changes in the overall interest rate environment, which resulted in a decrease in the Company's net income for the 2023 period compared to the 2022 period.

Total assets increased \$27.0 million to \$623.3 million at March 31, 2023, compared to \$596.3 million at December 31, 2022, resulting primarily from increases in cash and cash equivalents and investment securities available for sale, offset by a decrease in net loans and interest receivable.

As of March 31, 2023, there were 2,675,435 issued and outstanding shares of common stock, par value \$0.01 per share, and at May 10, 2023, there remained 2,675,435 issued and outstanding shares of common stock. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at March 31, 2023.

The Company adopted the current expected credit loss (“CECL”) accounting standard on January 1, 2023 and no adjustment in the allowance was made for this adoption; however, there was a \$50,000 additional loss provision which occurred during the quarter ended March 31, 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 March 31,	
	2023	2022
	(Unaudited)	
Operating Data:		
Total interest income	\$ 6,070	\$ 4,306
Total interest expense	3,408	891
Net interest income	2,662	3,415
Provision/credit for loan losses	50	(1,000)
Net interest income after provision for loan losses	2,612	4,415
Total non-interest income	508	682
Total non-interest expense	2,417	2,677
Income before income taxes	703	2,420
Income tax expense/benefit	(21)	269
Net income	\$ 724	\$ 2,151
Per Share Information:		
Net income per share, basic	\$ 0.29	\$ 0.85
Average common shares outstanding, basic	2,527,605	2,536,176
Net income per share, diluted	\$ 0.28	\$ 0.81
Average common shares outstanding, diluted	2,613,139	2,663,141
Basic tangible book value per share	\$ 33.45	\$ 32.19
Performance ratios (annualized for 3 month period):		
Return on average assets	0.47%	1.53%
Return on average equity	3.23%	9.88%
Efficiency ratio	76.25%	65.34%
Interest rate spread	1.24%	2.35%
Net interest margin	1.82%	2.54%

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	March 31, 2023	December 31, 2022
(Unaudited)		
Financial Condition Data:		
Total assets	\$ 623,306	\$ 596,270
Securities, including FHLB and FRB Stock	119,905	117,827
Loans receivable, net of allowance for losses of \$6,455 and \$6,405, respectively	413,423	424,328
Deposits	511,329	485,249
Borrowings	13,200	13,200
Total liabilities	532,090	505,480
Stockholders' equity	91,216	90,790
 Balance Sheet Ratios:		
Securities, including FHLB and FRB Stock, as a percent of total assets	19.24%	19.76%
Tangible common equity as a percent of tangible assets	14.40%	14.98%
 Asset Quality Data:		
Nonaccrual loans	\$ 719	\$ 652
Accruing loans past due 90 days or more	-	-
 Asset Quality Ratios:		
Nonperforming assets as a percent of total assets	0.12%	0.11%
Nonperforming loans as a percent of total assets	0.12%	0.11%
Nonperforming loans as a percent of total loans	0.17%	0.15%
Net chargeoffs as a percent of average loans	0.00%	0.00%
Allowance for loan losses as a percent of total loans	1.54%	1.49%
Allowance for loan losses as a percent of nonperforming loans	897.77%	982.36%
 Regulatory Capital ratios (Bank only):		
Total capital (to risk-weighted assets)	19.65%	19.15%
Tier 1 capital (to risk-weighted assets)	18.40%	17.90%
Tier 1 capital (to average assets)	13.36%	13.81%
Common Equity Tier 1 capital	18.40%	17.90%

SOURCE: Madison County Financial, Inc.