

# Madison County Financial, Inc.

## Reports Third Quarter 2020 Financial Results

MADISON, Nebraska, November 2, 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 nine months ended September 30, 2020 and 2019.

The Company's net income for the three months ended September 30, 2020 was \$1.5 million or \$0.57 per diluted share, compared to net income of \$1.6 million or \$0.62 per diluted share for the same period in 2019. The Company's net income for the nine months ended September 30, 2020 was \$5.2 million or \$1.95 per diluted share, compared to net income of \$4.3 million or \$1.61 per diluted share for the same period in 2019.

Total assets increased \$7.4 million to \$436.9 million at September 30, 2020, compared to \$429.5 million at December 31, 2019, resulting from increases in cash and cash equivalents, investment securities classified as held to maturity, net loans, Federal Home Loan Bank Stock, and premises and equipment, offset in part by decreases in investment securities classified as available for sale.

As of September 30, 2020, there were 2,689,249 issued and outstanding shares of common stock, par value \$0.01 per share, and at November 1, 2020, there were 2,688,688 issued and outstanding shares of common stock. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at September 30, 2020.

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)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Unaudited)			
<b>Operating Data:</b>				
Total interest income	\$ 4,387	\$ 4,843	\$ 13,524	\$ 14,033
Total interest expense	<u>684</u>	<u>1,535</u>	<u>2,414</u>	<u>4,581</u>
Net interest income	3,703	3,308	11,110	9,452
Provision for loan losses	<u>75</u>	<u>-</u>	<u>250</u>	<u>-</u>
Net interest income after provision for loan losses	3,628	3,308	10,860	9,452
Total non-interest income	980	803	2,882	1,975
Total non-interest expense	<u>2,799</u>	<u>2,124</u>	<u>7,474</u>	<u>6,297</u>
Income before income taxes	1,809	1,987	6,268	5,130
Income tax expense	<u>313</u>	<u>345</u>	<u>1,105</u>	<u>831</u>
Net income	<u>\$ 1,496</u>	<u>\$ 1,642</u>	<u>\$ 5,163</u>	<u>\$ 4,299</u>
<b>Per Share Information:</b>				
Net income per share, basic	\$ 0.59	\$ 0.64	\$ 2.02	\$ 1.66
Average common shares outstanding, basic	2,519,781	2,562,627	2,536,674	2,571,241
Net income per share, diluted	\$ 0.57	\$ 0.62	\$ 1.95	\$ 1.61
Average common shares outstanding, diluted	2,627,462	2,654,516	2,636,164	2,665,762
Basic tangible book value per share	\$ 28.98	\$ 26.86	\$ 28.98	\$ 26.86
<b>Performance ratios (annualized for 9 month period):</b>				
Return on average assets	1.38%	1.55%	1.62%	1.39%
Return on average equity	7.45%	8.66%	8.75%	7.72%
Efficiency ratio	59.77%	51.67%	53.42%	55.11%
Interest rate spread	3.40%	2.84%	3.43%	2.74%
Net interest margin	3.60%	3.25%	3.67%	3.18%

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	September 30, 2020	December 31, 2019
(Unaudited)		
<b>Financial Condition Data:</b>		
Total assets	\$ 436,881	\$ 429,463
Securities, including FHLB and FRB Stock	72,650	74,145
Loans held for sale	128	217
Loans receivable, net of allowance for losses of \$9,976 and \$9,726, respectively	325,637	319,449
Deposits	304,656	293,298
Borrowings	44,400	52,800
Total liabilities	357,006	352,340
Stockholders' equity	79,875	77,123
 <b>Balance Sheet Ratios:</b>		
Securities, including FHLB and FRB Stock, as a percent of total assets	16.63%	17.26%
Tangible common equity as a percent of tangible assets	17.92%	17.57%
 <b>Asset Quality Data:</b>		
Nonaccrual loans	\$ 126	\$ 2,147
Accruing loans past due 90 days or more	-	-
 <b>Asset Quality Ratios:</b>		
Nonperforming assets as a percent of total assets	0.03%	0.50%
Nonperforming loans as a percent of total assets	0.03%	0.50%
Nonperforming loans as a percent of total loans	0.04%	0.65%
Net chargeoffs as a percent of average loans	0.00%	0.00%
Allowance for loan losses as a percent of total loans	2.97%	2.95%
Allowance for loan losses as a percent of nonperforming loans	7917.46%	453.00%
 <b>Regulatory Capital ratios (Bank only):</b>		
Total capital (to risk-weighted assets)	19.91%	20.27%
Tier 1 capital (to risk-weighted assets)	18.65%	19.01%
Tier 1 capital (to average assets)	17.55%	17.19%
Common Equity Tier 1 capital	18.65%	19.01%

SOURCE: Madison County Financial, Inc.