

Madison County Financial, Inc.

Reports 2022 and 2021 Financial Results

MADISON, Nebraska, March 9, 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 and years ended December 31, 2022 and 2021.

The Company's net income for the three months ended December 31, 2022 was \$1.2 million or \$0.47 per diluted share, compared to net income of \$1.2 million or \$0.45 per diluted share for the same period in 2021. The Company's net income for the year ended December 31, 2022 was \$7.7 million or \$2.91 per diluted share, compared to net income of \$7.4 million or \$2.80 per diluted share for the same period in 2021.

Total assets increased \$63.6 million to \$596.3 million at December 31, 2022, compared to \$532.7 million at December 31, 2021, resulting from increases in investment securities classified as held to maturity, net loans, and interest receivable offset in part by a decrease in cash and cash equivalents and investment securities classified as available for sale. Federal Reserve Bank stock and Federal Home Loan Bank stock are required investments for institutions that are members of the Federal Reserve Bank 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, 2022, there were 2,680,368 issued and outstanding shares of common stock, par value \$0.01 per share, and at March 8, 2023, there were 2,667,133 issued and outstanding shares of common stock. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at December 31, 2022.

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,	
	2022	2021	2022	2021
	(Unaudited)			
Operating Data:				
Total interest income	\$ 5,891	\$ 4,441	\$ 20,171	\$ 18,445
Total interest expense	2,595	825	6,170	3,018
Net interest income	3,296	3,616	14,001	15,427
Credit for loan losses	-	-	(2,625)	(700)
Net interest income after provision for loan losses	3,296	3,616	16,626	16,127
Total non-interest income	732	769	2,781	3,425
Total non-interest expense	2,601	3,005	10,448	10,667
Income before income taxes	1,427	1,380	8,959	8,885
Income tax expense	185	189	1,260	1,473
Net income	\$ 1,242	\$ 1,191	\$ 7,699	\$ 7,412
Per Share Information:				
Net income per share, basic	\$ 0.49	\$ 0.47	\$ 3.03	\$ 2.94
Average common shares outstanding, basic	2,530,118	2,518,499	2,540,526	2,512,706
Net income per share, diluted	\$ 0.47	\$ 0.45	\$ 2.91	\$ 2.80
Average common shares outstanding, diluted	2,619,097	2,647,908	2,649,330	2,641,494
Basic tangible book value per share	\$ 33.22	\$ 31.88	\$ 33.22	\$ 31.88
Performance ratios (annualized for 3 month and 12 month periods):				
Return on average assets	0.82%	0.90%	1.31%	1.51%
Return on average equity	5.49%	5.45%	8.67%	8.78%
Efficiency ratio	64.57%	68.53%	62.26%	56.58%
Interest rate spread	1.82%	2.67%	2.20%	3.11%
Net interest margin	2.27%	2.86%	2.49%	3.31%

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

	December 31, 2022	December 31, 2021
(Unaudited)		
Financial Condition Data:		
Total assets	\$ 596,270	\$ 532,716
Securities, including FHLB and FRB Stock	117,827	110,496
Loans receivable, net of allowance for losses of \$6,405 and \$9,031, respectively	424,328	365,448
Deposits	485,249	413,309
Borrowings	13,200	20,700
Total liabilities	505,480	445,486
Stockholders' equity	90,790	87,230
 Balance Sheet Ratios:		
Securities, including FHLB and FRB Stock, as a percent of total assets	19.76%	20.74%
Tangible common equity as a percent of tangible assets	14.98%	16.09%
 Asset Quality Data:		
Nonaccrual loans	\$ 652	\$ 72
Accruing loans past due 90 days or more	-	4
 Asset Quality Ratios:		
Nonperforming assets as a percent of total assets	0.11%	0.01%
Nonperforming loans as a percent of total assets	0.11%	0.01%
Nonperforming loans as a percent of total loans	0.15%	0.02%
Net chargeoffs as a percent of average loans	0.00%	0.00%
Allowance for loan losses as a percent of total loans	1.49%	2.41%
Allowance for loan losses as a percent of nonperforming loans	982.36%	11882.89%
 Regulatory Capital ratios (Bank only):		
Total capital (to risk-weighted assets)	19.15%	19.06%
Tier 1 capital (to risk-weighted assets)	17.90%	17.80%
Tier 1 capital (to average assets)	13.81%	15.31%
Common Equity Tier 1 capital	17.90%	17.80%

SOURCE: Madison County Financial, Inc.