

Madison County Financial, Inc.

Reports Second Quarter 2022 Financial Results

MADISON, Nebraska, July 25, 2022. 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 six months ended June 30, 2022 and 2021.

The Company's net income for the three months ended June 30, 2022 was \$1.6 million or \$0.60 per diluted share, compared to net income of \$2.1 million or \$0.79 per diluted share for the same period in 2021. The Company's net income for the six months ended June 30, 2022 was \$3.7 million or \$1.40 per diluted share, compared to net income of \$4.2 million or \$1.60 per diluted share for the same period in 2021.

Total assets increased \$53.0 million to \$585.7 million at June 30, 2022, compared to \$532.7 million at December 31, 2021, resulting from increases in cash and cash equivalents, investment securities classified as held to maturity, and net loans, offset in part by a decrease in investment securities classified as available for sale.

As of June 30, 2022, there were 2,702,253 issued and outstanding shares of common stock, par value \$0.01 per share, and at July 22, 2022, the number of issued and outstanding shares of common stock remained at 2,702,253. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at June 30, 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 June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-----------|---------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| | (Unaudited) | | (Unaudited) | |
| Operating Data: | | | | |
| Total interest income | \$ 4,704 | \$ 4,823 | \$ 9,010 | \$ 8,991 |
| Total interest expense | 985 | 726 | 1,876 | 1,408 |
| Net interest income | 3,719 | 4,097 | 7,134 | 7,583 |
| Provision for loan losses | - | - | (1,000) | (700) |
| Net interest income after provision for loan losses | 3,719 | 4,097 | 8,134 | 8,283 |
| Total non-interest income | 668 | 997 | 1,350 | 1,869 |
| Total non-interest expense | 2,566 | 2,574 | 5,243 | 5,054 |
| Income before income taxes | 1,821 | 2,520 | 4,241 | 5,098 |
| Income tax expense | 235 | 417 | 504 | 874 |
| Net income | \$ 1,586 | \$ 2,103 | \$ 3,737 | \$ 4,224 |
| Per Share Information: | | | | |
| Net income per share, basic | \$ 0.62 | \$ 0.84 | \$ 1.47 | \$ 1.68 |
| Average common shares outstanding, basic | 2,555,202 | 2,511,017 | 2,545,729 | 2,509,622 |
| Net income per share, diluted | \$ 0.60 | \$ 0.79 | \$ 1.40 | \$ 1.60 |
| Average common shares outstanding, diluted | 2,660,255 | 2,642,888 | 2,661,738 | 2,634,377 |
| Basic tangible book value per share | \$ 31.91 | \$ 30.65 | \$ 31.91 | \$ 30.65 |
| Performance ratios (annualized for 6 month period): | | | | |
| Return on average assets | 1.09% | 1.76% | 1.30% | 1.88% |
| Return on average equity | 7.17% | 10.11% | 8.52% | 10.35% |
| Efficiency ratio | 58.49% | 50.53% | 61.80% | 53.47% |
| Interest rate spread | 2.48% | 3.41% | 2.42% | 3.25% |
| Net interest margin | 2.67% | 3.60% | 2.60% | 3.45% |

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

| | June 30, 2022 | December 31, 2021 |
|---|------------------|----------------------|
| (Unaudited) | | |
| Financial Condition Data: | | |
| Total assets | \$ 585,705 | \$ 532,716 |
| Securities, including FHLB and FRB Stock | 119,126 | 110,496 |
| Loans held for sale | 304 | - |
| Loans receivable, net of allowance for losses of \$8,030 and \$9,031, respectively | 389,380 | 365,448 |
| Deposits | 477,188 | 413,309 |
| Borrowings | 13,200 | 20,700 |
| Total liabilities | 497,697 | 445,486 |
| Stockholders' equity | 88,008 | 87,230 |
| Balance Sheet Ratios: | | |
| Securities, including FHLB and FRB Stock, as a percent of total assets | 20.34% | 20.74% |
| Tangible common equity as a percent of tangible assets | 14.77% | 16.09% |
| Asset Quality Data: | | |
| Nonaccrual loans | \$ 1,618 | \$ 72 |
| Accruing loans past due 90 days or more | - | 4 |
| Asset Quality Ratios: | | |
| Nonperforming assets as a percent of total assets | 0.28% | 0.01% |
| Nonperforming loans as a percent of total assets | 0.28% | 0.01% |
| Nonperforming loans as a percent of total loans | 0.41% | 0.02% |
| Net chargeoffs as a percent of average loans | 0.00% | 0.00% |
| Allowance for loan losses as a percent of total loans | 2.02% | 2.41% |
| Allowance for loan losses as a percent of nonperforming loans | 496.29% | 11882.89% |
| Regulatory Capital ratios (Bank only): | | |
| Total capital (to risk-weighted assets) | 18.62% | 19.06% |
| Tier 1 capital (to risk-weighted assets) | 17.36% | 17.80% |
| Tier 1 capital (to average assets) | 14.03% | 15.31% |
| Common Equity Tier 1 capital | 17.36% | 17.80% |

SOURCE: Madison County Financial, Inc.