

Madison County Financial, Inc.

Reports First Quarter 2019 Financial Results

MADISON, Nebraska, May 3, 2019. 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, 2019 and 2018.

The Company's net income for the three months ended March 31, 2019 was \$1.2 million or \$0.46 per diluted share, compared to net income of \$1.4 million or \$0.50 per diluted share for the same period in 2018. The decrease in net income was a result of a \$644,000 increase in interest expense, offset by a \$497,000 increase in interest income and a \$55,000 increase in noninterest income.

Total assets decreased \$1.7 million to \$409.6 million at March 31, 2019, compared to \$411.3 million at December 31, 2018, resulting primarily from decreases in cash and cash equivalents and interest receivable, offset by increases in investment securities available for sale and net loans.

As of March 31, 2019, there were 2,770,121 issued and outstanding shares of common stock, par value \$0.01 per share, and at May 2, 2019, there were 2,760,621 issued and outstanding shares of common stock. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at March 31, 2019.

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,	
	2019	2018
	(Unaudited)	
Operating Data:		
Total interest income	\$ 4,475	\$ 3,978
Total interest expense	1,489	845
Net interest income	2,986	3,133
Provision for loan losses	-	-
Net interest income after provision for loan losses	2,986	3,133
Total non-interest income	601	546
Total non-interest expense	2,105	2,102
Income before income taxes	1,482	1,577
Income tax expense	234	218
Net income	\$ 1,248	\$ 1,359
Per Share Information:		
Net income per share, basic	\$ 0.48	\$ 0.51
Average common shares outstanding, basic	2,582,412	2,628,800
Net income per share, diluted	\$ 0.46	\$ 0.50
Average common shares outstanding, diluted	2,675,547	2,712,326
Basic tangible book value per share	\$ 26.10	\$ 24.11
Performance ratios (annualized for 3 month period):		
Return on average assets	1.25%	1.44%
Return on average equity	6.86%	7.80%
Efficiency ratio	58.68%	57.14%
Interest rate spread	2.65%	3.14%
Net interest margin	3.10%	3.43%

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	March 31, 2019	December 31, 2018
(Unaudited)		
Financial Condition Data:		
Total assets	\$ 409,573	\$ 411,293
Securities, including FHLB and FRB Stock	76,470	76,203
Loans held for sale	81	142
Loans receivable, net of allowance for losses of \$9,726 and \$9,725, respectively	307,393	305,614
Deposits	288,237	282,092
Borrowings	41,300	51,600
Total liabilities	335,100	338,208
Stockholders' equity	74,473	73,085
Balance Sheet Ratios:		
Securities, including FHLB and FRB Stock, as a percent of total assets	18.67%	18.53%
Tangible common equity as a percent of tangible assets	17.75%	17.33%
Asset Quality Data:		
Nonaccrual loans	\$ 2,052	\$ 2,062
Accruing loans past due 90 days or more	-	-
Asset Quality Ratios:		
Nonperforming assets as a percent of total assets	0.50%	0.50%
Nonperforming loans as a percent of total assets	0.50%	0.50%
Nonperforming loans as a percent of total loans	0.65%	0.65%
Net chargeoffs as a percent of average loans	0.00%	0.00%
Allowance for loan losses as a percent of total loans	3.07%	3.08%
Allowance for loan losses as a percent of nonperforming loans	473.98%	471.63%
Regulatory Capital ratios (Bank only):		
Total capital (to risk-weighted assets)	20.73%	20.60%
Tier 1 capital (to risk-weighted assets)	19.47%	19.34%
Tier 1 capital (to average assets)	17.26%	17.25%
Common Equity Tier 1 capital	19.47%	19.34%

SOURCE: Madison County Financial, Inc.