

Madison County Financial, Inc.

Reports First Quarter 2017 Financial Results

MADISON, Nebraska, May 9, 2017. 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, 2017 and 2016.

The Company's net income for the three months ended March 31, 2017 was \$1.0 million or \$0.37 per diluted share, compared to net income of \$1.0 million or \$0.35 per diluted share for the same period in 2016.

Total assets decreased \$2.3 million to \$360.7 million at March 31, 2017, compared to \$363.0 million at December 31, 2016, resulting from decreases in cash and cash equivalents, and interest receivable, offset by increases in investment securities classified as available for sale, and investment securities classified as held to maturity. These changes in asset balances were impacted by a decrease in borrowings offset in part by an increase in deposits. As of March 31, 2017, there were 2,900,021 issued and outstanding shares of common stock, par value \$0.01 per share, and at May 8, 2017, there were 2,898,021 issued and outstanding shares of common stock. The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at March 31, 2017.

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,	
	2017	2016
	(Unaudited)	
Operating Data:		
Total interest income	\$ 3,627	\$ 3,684
Total interest expense	539	518
Net interest income	3,088	3,166
Provision for loan losses	90	315
Net interest income after provision for loan losses	2,998	2,851
Total non-interest income	592	594
Total non-interest expense	2,246	2,112
Income before income taxes	1,344	1,333
Income tax expense	321	333
Net income	\$ 1,023	\$ 1,000
Per Share Information:		
Net income per share, basic	\$ 0.38	\$ 0.35
Average common shares outstanding, basic	2,649,938	2,757,338
Net income per share, diluted	\$ 0.37	\$ 0.35
Average common shares outstanding, diluted	2,693,385	2,782,201
Basic tangible book value per share	\$ 22.97	\$ 21.33
Performance ratios (annualized for 3 month periods):		
Return on average assets	1.16%	1.13%
Return on average equity	6.03%	5.97%
Efficiency ratio	61.03%	56.17%
Interest rate spread	3.47%	3.57%
Net interest margin	3.67%	3.76%

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	March 31, 2017	December 31, 2016	
(Unaudited)			
Financial Condition Data:			
Total assets	\$ 360,711	\$ 362,977	
Securities, including FHLB Stock	69,149	66,309	
Loans held for sale	343	-	
Loans receivable, net of allowance for losses of \$9,539 and \$9,450, respectively	266,690	268,025	
Deposits	259,931	248,391	
Borrowings	26,800	42,400	
Total liabilities	291,548	294,988	
Stockholders' equity	69,163	67,989	
Balance Sheet Ratios:			
Securities, including FHLB Stock, as a percent of total asset	19.17%	18.27%	
Tangible common equity as a percent of tangible assets	18.60%	18.14%	
Asset Quality Data:			
Nonaccrual loans	\$ 455	\$ 672	
Accruing loans past due 90 days or more	-	88	
Asset Quality Ratios:			
Nonperforming assets as a percent of total assets	0.13%	0.21%	
Nonperforming loans as a percent of total assets	0.13%	0.21%	
Nonperforming loans as a percent of total loans	0.16%	0.27%	
Net chargeoffs as a percent of average loans	0.00%	0.00%	
Allowance for loan losses as a percent of total loans	3.45%	3.41%	
Allowance for loan losses as a percent of nonperforming loa	2096.48%	1243.42%	
Regulatory Capital ratios (Bank only):			
Total capital (to risk-weighted assets)	20.39%	20.77%	
Tier 1 capital (to risk-weighted assets)	19.12%	19.50%	
Tier 1 capital (to average assets)	17.99%	18.24%	
Common Equity Tier 1 capital	19.12%	19.50%	

SOURCE: Madison County Financial, Inc.