

# Madison County Financial, Inc.'s Bank Subsidiary Applies for State Commercial Bank Charter

Madison, Nebraska, March 7, 2017. Madison County Financial, Inc. (OTC Pink: MCBK) (the "Company"), the holding company for Madison County Bank (the "Bank"), announced today that the Bank has applied to the Nebraska Department of Banking and Finance for permission to convert to a Nebraska state commercial bank charter.

Jeff Warnemunde, President and Chief Executive Officer, said, "The proposed conversion to a state commercial bank charter is an important step in the Bank's evolution from a traditional thrift institution focused primarily on residential mortgage lending to a full-service community financial institution."

Upon conversion, the converted Bank will continue to operate under the name "Madison County Bank" and will become a Nebraska state banking corporation. The Federal Deposit Insurance Corporation (the "FDIC") will continue to insure the converted Bank's deposit accounts to the fullest extent permitted by law, without interruption. The Company will operate as the bank holding company for the converted Bank and will continue to be regulated by the Federal Reserve Board (the "FRB").

The charter conversion is expected to be effective in the second calendar quarter of 2017, subject to the receipt of regulatory approval.

Madison County Bank, a federally chartered, FDIC-insured savings bank, was organized in 1888. The Bank is headquartered in Madison, Nebraska, and provides financial services to individuals, families and businesses through its seven banking offices located in Northeast Nebraska.