

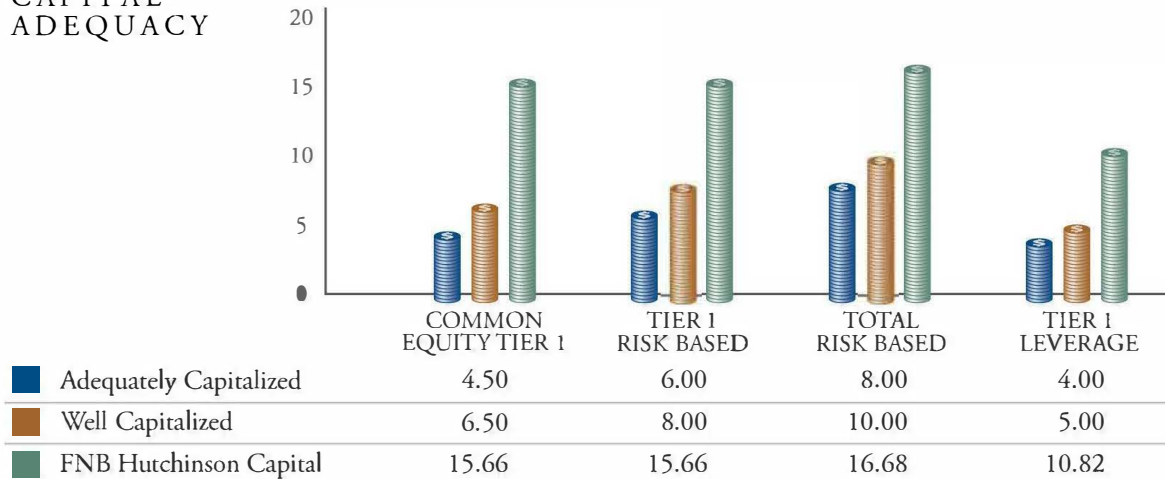


# FIRST NATIONAL BANK OF HUTCHINSON

May 6, 2015

To assist you in complying with the Interbank Liabilities requirements of Regulation F, we are pleased to provide the following financial information as of March 31, 2015:

## CAPITAL ADEQUACY



**No Supervisory Concerns**

## ASSET QUALITY

Nonperforming Loans/Total Loans	.75%
Nonperforming Loans/Primary Capital	3.36%
Loan Loss Reserve/Total Loans and Leases	1.36%
Net Loans and Lease Losses/Total Loans and Leases O.S.	.00%

## EARNINGS

Net Income/Total Assets (ROA)	.75%
Net Income/Primary Capital (ROE)	6.47%
Earning Assets/Total Assets	94.59%

## LIQUIDITY

Liquidity Ratio	32.66%
Total Loans and Leases/Total Deposits	59.72%

If you would like additional information please let me know.

Sincerely,

Mike Pritchett  
Executive Vice President & Manager

Correspondent Bank Services

620-694-2311

Enclosure

Institution Report

The First National Bank of Hutchinson  
Hutchinson - KS

FINANCIAL PROFILE

	Mar 2015-YTD	Dec 2014-YTD	Dec 2013-YTD	Dec 2012-YTD	Dec 2011-YTD
<b>Balance Sheet:</b>					
Total assets	628,465	621,131	599,709	613,227	553,542
Percent change in total assets	1.78%	3.57%	-2.20%	10.78%	0.68%
Held-to-maturity securities (Amort. cost)	0	0	0	0	0
Available-for-sale securities (Fair value)	232,314	235,255	234,208	0	0
Total securities	232,314	235,255	234,208	0	0
Total loans & leases	326,516	325,086	282,647	275,122	237,320
Allowance for loan & lease losses	4,449	4,283	3,996	4,282	3,549
Noninterest-bearing deposits	134,924	123,921	114,195	103,446	112,713
Noninterest-bearing deposits/Total deposits	24.68%	23.54%	21.78%	19.81%	24.16%
Interest-bearing deposits	411,782	402,565	410,004	418,840	353,753
Interest-bearing deposits/Total deposits	75.32%	76.46%	78.22%	80.19%	75.84%
Total deposits	546,706	526,486	524,199	522,286	466,466
Total other borrowings	5,150	19,450	6,685	15,190	9,604
Total liabilities	555,962	550,123	534,676	547,618	492,225
Total loans/Deposits	59.72%	61.75%	53.92%	52.68%	50.88%
<b>Annualized percent change for current period:</b>					
Percent change in total assets	4.72%	3.57%	-2.20%	10.78%	0.68%
Percent change in total loans	1.76%	15.01%	2.74%	15.93%	-5.36%
Percent change in total deposits	15.36%	0.44%	0.37%	11.97%	2.15%
<b>Capital:</b>					
Equity capital	72,041	70,526	64,573	65,240	60,815
GAAP tangible capital	71,080	69,541	63,463	64,007	60,216
GAAP tangible common equity	71,080	69,541	63,463	64,007	60,216
Core capital	68,427	69,357	64,928	61,540	57,197
Risk-based capital	72,876	73,640	68,924	65,822	60,746
Equity capital/Total assets	11.46%	11.35%	10.77%	10.64%	10.99%
GAAP tangible capital/Total assets	11.31%	11.20%	10.58%	10.44%	10.88%
GAAP tangible capital/Tangible assets	11.33%	11.21%	10.60%	10.46%	10.89%
Tangible common equity/Tangible assets	11.33%	11.21%	10.60%	10.46%	10.89%
Tier 1 common capital/Risk-weighted assets	15.34%	0.00%	0.00%	0.00%	0.00%
Core capital/Average assets	10.82%	11.34%	10.88%	10.21%	10.64%
Core capital/Risk-weighted assets	15.34%	16.48%	17.12%	16.32%	18.60%
Risk-based capital/Risk-weighted assets	16.34%	17.50%	18.18%	17.46%	19.75%
Risk-weighted assets/Total assets	69.54%	67.75%	63.23%	61.48%	55.56%
Cash dividends declared on common stock	564	677	1,253	384	1,445
Dividend payout ratio	49.78%	14.12%	29.48%	8.09%	33.13%
Capital formation ratio	3.23%	6.38%	4.59%	7.18%	5.20%
<b>Profitability:</b>					
Income (loss) before extraordinary items	1,133	4,794	4,250	4,749	4,361
Subchapter S tax adjustment	0	0	0	0	0
Income (Loss) before extraordinary items (Sub S adjusted)	1,133	4,794	4,250	4,749	4,361

Return on average assets	0.71%	0.78%	0.71%	0.85%	0.81%
Return on average assets (Sub S adjusted)	0.71%	0.78%	0.71%	0.85%	0.81%
Return on average equity	6.36%	7.09%	6.59%	7.53%	7.42%
Return on average equity (Sub S adjusted)	6.36%	7.09%	6.59%	7.53%	7.42%
Yield on average earning assets (tax adjusted)	3.21%	3.28%	3.31%	3.50%	3.79%
Cost of funds	0.19%	0.21%	0.28%	0.50%	0.91%
Net interest margin	3.07%	3.12%	3.10%	3.12%	3.09%
Noninterest income/Average assets	1.46%	1.48%	1.54%	1.53%	1.52%
Overhead expense/Average assets	3.34%	3.35%	3.37%	3.39%	3.18%
Efficiency ratio	76.05%	75.07%	75.44%	75.22%	71.59%
Number of full-time equivalent employees	178	178	174	169	162
Asset Quality:					
Provision for loan & lease losses	150	700	0	350	250
Loan loss allowance/Total loans	1.36%	1.32%	1.41%	1.56%	1.50%
Loan loss allowance/Nonperforming loans	182.86%	166.39%	137.84%	594.72%	270.92%
90 day past due loans & leases/Total loans	0.00%	0.03%	0.03%	0.02%	0.13%
Nonaccruing loans & leases/Total loans	0.75%	0.77%	0.99%	0.24%	0.42%
Nonperforming assets/Total assets	0.48%	0.50%	0.52%	0.18%	0.27%
Net charge-offs (Recoveries)/Average loans	-0.02%	0.14%	0.10%	-0.15%	0.25%
Nonperforming loans & debt sec./Equity capital & loan loss allowance	3.18%	3.44%	4.23%	1.04%	2.04%
Earnings coverage of net charge-offs	-9956.25%	1526.39%	1888.81%	-1629.50%	878.77%
Liquidity:					
Brokered deposits	15,730	8,003	10,474	303	0
Brokered deposits/Total deposits	2.88%	1.52%	2.00%	0.06%	0.00%
Brokered deposits/Total assets	2.50%	1.29%	1.75%	0.05%	0.00%
\$100000+ time deposits/Total assets	7.34%	6.63%	7.41%	7.69%	8.06%
Pledged securities/Total securities	64.29%	60.59%	56.27%	0.00%	0.00%
Interest-earning assets/Interest-bearing liabilities	143.65%	140.08%	135.51%	77.31%	79.53%
FIS Rating	2.88	2.78	2.76	3.04	3.2