

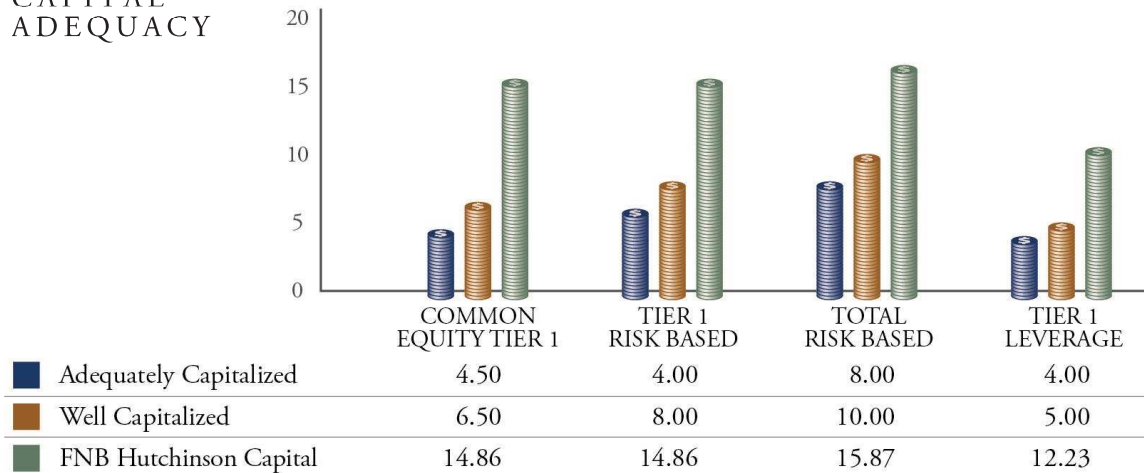


# FIRST NATIONAL BANK OF HUTCHINSON

May 2, 2019

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, 2019:

## CAPITAL ADEQUACY



### No Supervisory Concerns

## ASSET QUALITY

Nonperforming Loans/Total Loans	1.05%
Nonperforming Loans/Primary Capital	5.59%
Loan Loss Reserve/Total Loans and Leases	1.26%
Net Loans and Lease Losses/Total Loans and Leases O.S.	(.01%)

## EARNINGS

Net Income/Total Assets (ROA)	1.05%
Net Income/Primary Capital (ROE)	8.32%
Earning Assets/Total Assets	93.05%

## LIQUIDITY

Liquidity Ratio	18.01%
Total Loans and Leases/Total Deposits	85.12%

If you would like additional information please let me know.

Sincerely,

Mike Pritchett  
Executive Vice President & Manager

Correspondent Bank Services  
620.694.2311

Enclosure

The First National Bank of Hutchinson  
Hutchinson - KS

FINANCIAL PROFILE

	Mar 2019-QTR	Dec 2018-QTR	Dec 2017-QTR	Dec 2016-QTR	Dec 2015-QTR
<b>Balance Sheet:</b>					
Total assets	724,048	719,833	756,496	701,663	654,432
Percent change in total assets	0.75%	-4.85%	7.81%	7.22%	5.36%
Held-to-maturity secs (Amortized cost)	0	0	0	0	0
Available-for-sale secs (Fair value)	149,490	154,233	176,291	172,670	207,089
Total securities	150,548	154,233	176,291	172,670	207,089
Total loans & leases net of unearned inc	486,276	481,430	431,093	400,556	388,777
Allowance for loan & lease losses	6,117	5,989	5,492	4,863	4,570
Noninterest-bearing deposits	175,935	213,574	193,653	184,416	138,992
Noninterest-bearing deposits/Total depts	30.80%	36.58%	33.16%	31.94%	25.81%
Interest-bearing deposits	395,352	370,225	390,390	393,021	399,445
Interest-bearing deposits/Total deposits	69.20%	63.42%	66.84%	68.06%	74.19%
Total deposits	571,287	583,799	584,043	577,437	538,437
Total other borrowings	57,250	43,600	84,945	38,040	36,796
Total liabilities	633,034	632,133	673,534	621,365	580,066
Total loans/Depts	85.12%	82.47%	73.81%	69.37%	72.20%
Total Loans/Tot earn assets	71.53%	71.63%	60.75%	61.73%	62.46%
<b>Annualized percent change for current period:</b>					
Percent change in total assets	2.34%	7.02%	38.38%	28.66%	9.53%
Percent change in total securities	-9.56%	-15.45%	4.26%	-50.39%	-28.74%
Percent change in total loans	4.03%	10.58%	15.67%	2.66%	33.08%
Percent change in total deposits	-8.57%	27.53%	35.45%	27.03%	10.74%
Percent change in total other borrowings	125.23%	-154.78%	128.72%	125.41%	10.67%
<b>Capital:</b>					
Equity capital	90,564	87,250	82,512	79,749	73,855
GAAP tangible capital	89,613	86,299	81,561	78,798	72,904
GAAP tangible common equity	89,613	86,299	81,561	78,798	72,904
Core (Tier 1) capital	89,400	86,705	81,059	77,605	70,158
Percent Change in Core (Tier 1) capital	10.03%	6.97%	4.45%	10.61%	1.15%
Risk-based capital	95,517	92,694	86,551	82,468	74,728
Risk-weighted assets	601,692	599,380	546,767	512,656	502,632
Risk-weighted assets/Total assets	83.10%	83.27%	72.28%	73.06%	76.80%
Equity capital/Total assets	12.51%	12.12%	10.91%	11.37%	11.29%
GAAP tangible capital/Total assets	12.38%	11.99%	10.78%	11.23%	11.14%
GAAP tangible capital/Tangible assets	12.39%	12.00%	10.79%	11.25%	11.16%
Tangible common equity/Tangible assets	12.39%	12.00%	10.79%	11.25%	11.16%
Tier 1 common capital/Risk-weighted assets	14.86%	14.47%	14.83%	15.14%	13.96%
Tier 1 Leverage Ratio	12.23%	12.00%	11.29%	11.43%	11.04%
Tier 1 Capital Ratio	14.86%	14.47%	14.83%	15.14%	13.96%
Total Capital Ratio	15.87%	15.46%	15.83%	16.09%	14.87%
Cash dividends declared on common stock	677	1,128	2,031	2,088	677
Dividend payout ratio	35.74%	45.54%	191.78%	260.35%	66.05%
Capital formation ratio	5.58%	0.00%	0.00%	0.00%	0.00%
NCOs/Ending equity capital	-0.12%	0.67%	0.23%	0.30%	0.05%
<b>Profitability:</b>					
Inc (loss) bef disc ops & extra items	1,894	2,477	1,059	802	1,025
Subchapter S tax adjustment	0	0	0	0	0

Inc(Loss) bef disc ops&extra(Sub S adj)	1,894	2,477	1,059	802	1,025
Return on average assets	1.03%	1.37%	0.59%	0.47%	0.64%
Return on average assets (Sub S adjusted)	1.03%	1.37%	0.59%	0.47%	0.64%
Return on average equity	8.52%	11.53%	5.08%	4.04%	5.55%
Return on average equity (Sub S adjusted)	8.52%	11.53%	5.08%	4.04%	5.55%
Yield on avg earn assets (tax adj)	4.14%	4.22%	3.62%	3.53%	3.51%
Cost of funds	1.18%	1.11%	0.59%	0.23%	0.20%
Net interest margin	3.37%	3.49%	3.24%	3.37%	3.37%
Noninterest income/Average assets	1.34%	1.63%	1.35%	1.30%	1.28%
Overhead expense/Average assets	3.17%	3.06%	2.99%	3.56%	3.43%
Efficiency ratio	70.09%	63.59%	67.52%	80.68%	75.76%
Number of full-time equivalent employees	170	171	173	183	183

Asset Quality:

Provision for loan & lease losses	100	600	75	150	75
Loan loss allowance/Total loans	1.26%	1.24%	1.27%	1.21%	1.18%
Loan loss allowance/NPLs	120.29%	1820.36%	649.94%	1300.27%	1920.17%
90 day past due loans & leases/Total loans	0.06%	0.00%	0.01%	0.00%	0.02%
Nonaccruing loans & leases/Total loans	0.99%	0.07%	0.19%	0.09%	0.04%
NPAs/Total assets	0.72%	0.06%	0.11%	0.06%	0.07%
NCOs/Average loans	-0.02%	0.12%	0.05%	0.06%	0.01%
NPLs & debt secs/Equity cap+ALLL	5.26%	0.35%	0.96%	0.44%	0.30%
Earnings coverage of net charge-offs	-8435.71%	2078.23%	4647.92%	2050.85%	14760.00%
Adj Texas ratio (NPAs/Tang equity&ALLL)	5.42%	0.47%	0.97%	0.52%	0.57%
Adjusted NPAs/Total assets	0.72%	0.06%	0.11%	0.06%	0.07%

Liquidity:

Brokered deposits	0	0	110,259	67,437	19,248
Brokered deposits/Total deposits	0.00%	0.00%	18.88%	11.68%	3.57%
Brokered deposits/Total assets	0.00%	0.00%	14.57%	9.61%	2.94%
\$100000+ time deposits/Total assets	4.80%	4.33%	7.15%	4.81%	4.85%
Pledged securities/Total securities	75.78%	72.37%	74.19%	75.57%	68.78%
Int-earn assets/Int-bear liabs	150.21%	162.42%	149.28%	150.54%	142.69%

FIS Rating	-1	2.26	2.7	3.01	2.67
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All \$'s are in thousands

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