

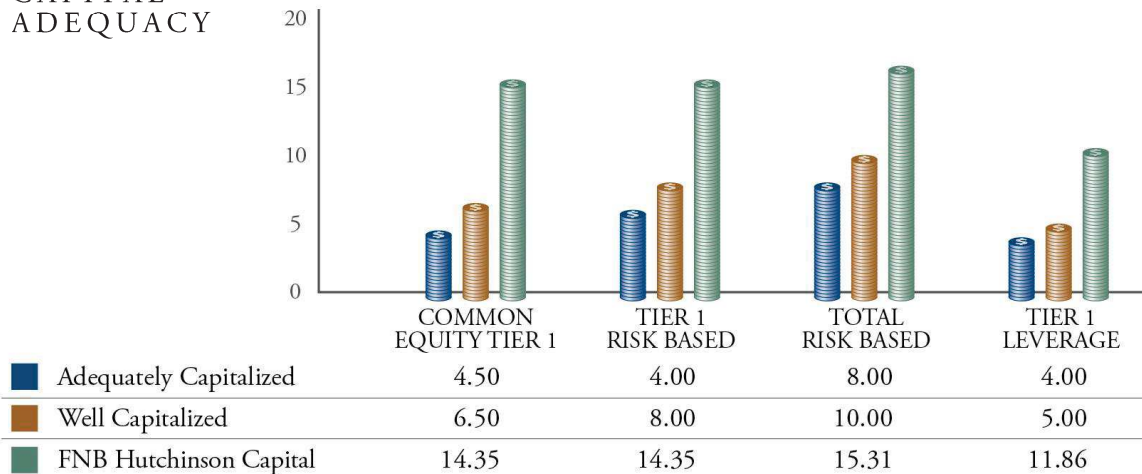


FIRST NATIONAL BANK OF HUTCHINSON

August 1, 2018

To assist you in complying with the Interbank Liabilities requirements of Regulation F, we are pleased to provide the following financial information as of June 30, 2018:

CAPITAL ADEQUACY



No Supervisory Concerns

ASSET QUALITY

Nonperforming Loans/Total Loans	.15%
Nonperforming Loans/Primary Capital	.80%
Loan Loss Reserve/Total Loans and Leases	1.22%
Net Loans and Lease Losses/Total Loans and Leases O.S.	.02%

EARNINGS

Net Income/Total Assets (ROA)	1.10%
Net Income/Primary Capital (ROE)	9.07%
Earning Assets/Total Assets	92.51%

LIQUIDITY

Liquidity Ratio	15.80%
Total Loans and Leases/Total Deposits	81.38%

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

	Jun 2018-YTD	Dec 2017-YTD	Dec 2016-YTD	Dec 2015-YTD	Dec 2014-YTD
Balance Sheet:					
Total assets	697,597	756,496	701,663	654,432	621,131
Percent change in total assets	0.97%	7.81%	7.22%	5.36%	3.57%
Held-to-maturity secs (Amortized cost)	0	0	0	0	0
Available-for-sale secs (Fair value)	167,852	176,291	172,670	207,089	235,255
Total securities	167,852	176,291	172,670	207,089	235,255
Total loans & leases net of unearned inc	454,483	431,093	400,556	388,777	325,086
Allowance for loan & lease losses	5,537	5,492	4,863	4,570	4,283
Noninterest-bearing deposits	171,625	193,653	184,416	138,992	123,921
Noninterest-bearing deposits/Total depts	30.73%	33.16%	31.94%	25.81%	23.54%
Interest-bearing deposits	386,878	390,390	393,021	399,445	402,565
Interest-bearing deposits/Total deposits	69.27%	66.84%	68.06%	74.19%	76.46%
Total deposits	558,503	584,043	577,437	538,437	526,486
Total other borrowings	50,380	84,945	38,040	36,796	19,450
Total liabilities	613,339	673,534	621,365	580,066	550,123
Total loans/Depos	81.38%	73.81%	69.37%	72.20%	61.75%
Annualized percent change for current period:					
Percent change in total assets	-15.57%	7.81%	7.22%	5.36%	3.57%
Percent change in total loans	10.85%	7.62%	3.03%	19.59%	15.01%
Percent change in total deposits	-8.75%	1.14%	7.24%	2.27%	0.44%
Capital:					
Equity capital	83,808	82,512	79,749	73,855	70,526
GAAP tangible capital	82,857	81,561	78,798	72,904	69,541
GAAP tangible common equity	82,857	81,561	78,798	72,904	69,541
Core (Tier 1) capital	83,207	81,059	77,605	70,158	69,357
Percent Change in Core (Tier 1) capital	2.51%	4.45%	10.61%	1.15%	6.82%
Risk-based capital	88,744	86,551	82,468	74,728	73,640
Risk-weighted assets	579,772	546,767	512,656	502,632	420,812
Risk-weighted assets/Total assets	83.11%	72.28%	73.06%	76.80%	67.75%
Equity capital/Total assets	12.01%	10.91%	11.37%	11.29%	11.35%
GAAP tangible capital/Total assets	11.88%	10.78%	11.23%	11.14%	11.20%
GAAP tangible capital/Tangible assets	11.89%	10.79%	11.25%	11.16%	11.21%
Tangible common equity/Tangible assets	11.89%	10.79%	11.25%	11.16%	11.21%
Tier 1 common capital/Risk-weighted assets	14.35%	14.83%	15.14%	13.96%	0.00%
Tier 1 Leverage Ratio	11.86%	11.29%	11.43%	11.04%	11.34%
Tier 1 Capital Ratio	14.35%	14.83%	15.14%	13.96%	16.48%
Total Capital Ratio	15.31%	15.83%	16.09%	14.87%	17.50%
Cash dividends declared on common stock	451	3,611	2,765	1,918	677
Dividend payout ratio	11.80%	63.24%	55.79%	38.32%	14.12%
Capital formation ratio	8.17%	2.63%	2.97%	4.38%	6.38%
NCOs/Ending equity capital	0.25%	-0.37%	0.20%	0.12%	0.59%
Profitability:					
Inc (loss) bef disc ops & extra items	3,821	5,710	4,956	5,005	4,794
Subchapter S tax adjustment	0	0	0	0	0
Inc(Loss) bef disc ops&extra(Sub S adj)	3,821	5,710	4,956	5,005	4,794
Return on average assets	1.05%	0.82%	0.74%	0.78%	0.78%
Return on average assets (Sub S adjusted)	1.05%	0.82%	0.74%	0.78%	0.78%
Return on average equity	9.21%	6.93%	6.42%	6.91%	7.09%
Return on average equity (Sub S adjusted)	9.21%	6.93%	6.42%	6.91%	7.09%

Yield on avg earn assets (tax adj)	3.84%	3.66%	3.57%	3.40%	3.28%
Cost of funds	0.74%	0.41%	0.20%	0.19%	0.21%
Net interest margin	3.34%	3.38%	3.43%	3.27%	3.12%
Noninterest income/Average assets	1.26%	1.34%	1.40%	1.39%	1.48%
Overhead expense/Average assets	3.08%	3.14%	3.38%	3.35%	3.35%
Efficiency ratio	69.96%	69.67%	74.32%	74.28%	75.07%
Number of full-time equivalent employees	176	173	183	183	178
Asset Quality:					
Provision for loan & lease losses	150	325	450	375	700
Loan loss allowance/Total loans	0.00%	1.27%	1.21%	1.18%	1.32%
Loan loss allowance/NPLs	0.00%	649.94%	1300.27%	1920.17%	166.39%
90 day past due loans & leases/Total loans	0.00%	0.01%	0.00%	0.02%	0.03%
Nonaccruing loans & leases/Total loans	0.00%	0.19%	0.09%	0.04%	0.77%
NPAs/Total assets	0.00%	0.11%	0.06%	0.07%	0.50%
NCOs/Average loans	0.05%	-0.07%	0.04%	0.03%	0.14%
NPLs & debt secs/Equity cap+ALLL	0.00%	0.96%	0.44%	0.30%	3.44%
Earnings coverage of net charge-offs	4307.62%	-2774.67%	4485.99%	7520.45%	1526.39%
Adj Texas ratio (NPAs/Tang equity&ALLL)	0.00%	0.97%	0.52%	0.57%	4.18%
Adjusted NPAs/Total assets	0.00%	0.11%	0.06%	0.07%	0.50%
Liquidity:					
Brokered deposits	994	110,259	67,437	19,248	8,003
Brokered deposits/Total deposits	0.18%	18.88%	11.68%	3.57%	1.52%
Brokered deposits/Total assets	0.14%	14.57%	9.61%	2.94%	1.29%
\$100000+ time deposits/Total assets	6.28%	7.15%	4.81%	4.85%	6.63%
Pledged securities/Total securities	78.18%	74.19%	75.57%	68.78%	60.59%
Int-earn assets/Int-bear liabs	44.91%	149.28%	150.54%	142.69%	140.08%
FIS Rating	-1	2.46	2.71	2.67	2.78

All \$'s are in thousands

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