

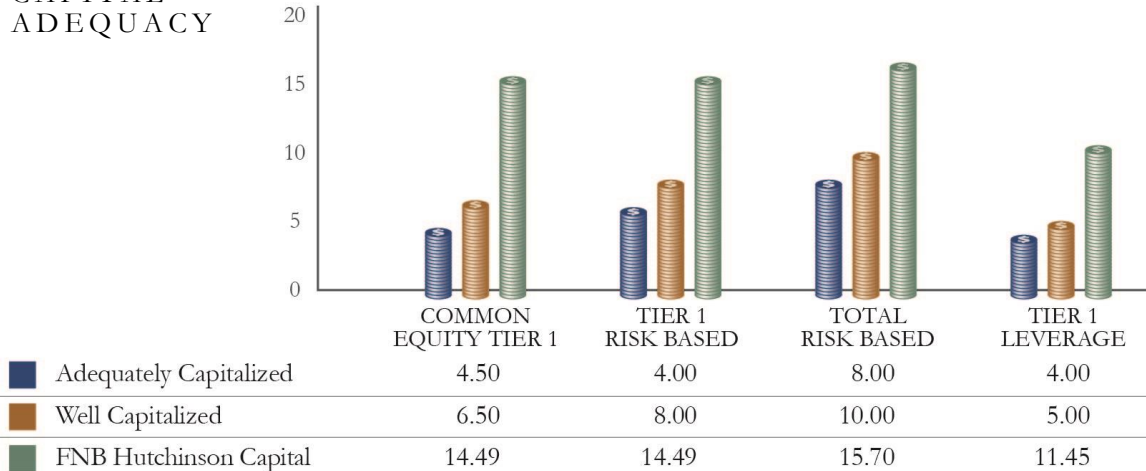


# FIRST NATIONAL BANK OF HUTCHINSON

August 3, 2020

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, 2020:

## CAPITAL ADEQUACY



No Supervisory Concerns

## ASSET QUALITY

Nonperforming Loans/Total Loans	.05%
Nonperforming Loans/Primary Capital	.25%
Loan Loss Reserve/Total Loans and Leases	1.48%
Net Loans and Lease Losses/Total Loans and Leases O.S.	(.01%)

## EARNINGS

Net Income/Total Assets (ROA)	.79%
Net Income/Primary Capital (ROE)	6.95%
Earning Assets/Total Assets	94.29%

## LIQUIDITY

Liquidity Ratio	39.67%
Total Loans and Leases/Total Deposits	77.55%

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 2020-YTD	Dec 2019-YTD	Dec 2018-YTD	Dec 2017-YTD	Dec 2016-YTD
<b>Balance Sheet:</b>					
Total assets	886,378	782,438	719,833	756,496	701,663
Percent change in total assets	21.49%	8.70%	-4.85%	7.81%	7.22%
Held-to-maturity secs (Amortized cost)	0	0	0	0	0
Available-for-sale secs (Fair value)	131,944	132,332	154,233	176,291	172,670
Total securities	133,488	133,608	154,233	176,291	172,670
Total loans & leases net of unearned inc	549,695	491,003	481,430	431,093	400,556
Allowance for loan & lease losses	8,115	6,160	5,989	5,492	4,863
Noninterest-bearing deposits	311,684	252,297	213,574	193,653	184,416
Noninterest-bearing deposits/Total depts	43.97%	40.44%	36.58%	33.16%	31.94%
Interest-bearing deposits	397,132	371,603	370,225	390,390	393,021
Interest-bearing deposits/Total deposits	56.03%	59.56%	63.42%	66.84%	68.06%
Total deposits	708,816	623,900	583,799	584,043	577,437
Total other borrowings	68,940	55,975	43,600	84,945	38,040
Total liabilities	785,229	685,867	632,133	673,534	621,365
Total loans/Depts	77.55%	78.70%	82.47%	73.81%	69.37%
Total Loans/Tot earn assets	65.14%	66.72%	71.63%	60.75%	61.73%
<b>Annualized percent change for current period:</b>					
Percent change in total assets	26.57%	8.70%	-4.85%	7.81%	7.22%
Percent change in total securities	-0.18%	-13.37%	-12.51%	2.10%	-16.62%
Percent change in total loans	23.91%	1.99%	11.68%	7.62%	3.03%
Percent change in total deposits	27.22%	6.87%	-0.04%	1.14%	7.24%
Percent change in total other borrowings	46.32%	28.38%	-48.67%	123.30%	3.38%
<b>Capital:</b>					
Equity capital	100,699	96,121	87,250	82,512	79,749
GAAP tangible capital	99,748	95,170	86,299	81,561	78,798
GAAP tangible common equity	99,748	95,170	86,299	81,561	78,798
Core (Tier 1) capital	97,016	93,723	86,705	81,059	77,605
Percent Change in Core (Tier 1) capital	5.86%	8.09%	6.97%	4.45%	10.61%
Risk-based capital	105,131	99,883	92,694	86,551	82,468
Risk-weighted assets	669,574	614,384	599,380	546,767	512,656
Risk-weighted assets/Total assets	75.54%	78.52%	83.27%	72.28%	73.06%
Equity capital/Total assets	11.36%	12.28%	12.12%	10.91%	11.37%
GAAP tangible capital/Total assets	11.25%	12.16%	11.99%	10.78%	11.23%
GAAP tangible capital/Tangible assets	11.27%	12.18%	12.00%	10.79%	11.25%
Tangible common equity/Tangible assets	11.27%	12.18%	12.00%	10.79%	11.25%
Tier 1 common capital/Risk-weighted assets	14.49%	15.25%	14.47%	14.83%	15.14%
Tier 1 Leverage Ratio	11.45%	12.65%	12.00%	11.29%	11.43%
Tier 1 Capital Ratio	14.49%	15.25%	14.47%	14.83%	15.14%
Total Capital Ratio	15.70%	16.26%	15.46%	15.83%	16.09%
Cash dividends declared on common stock	621	3,498	1,805	3,611	2,765
Dividend payout ratio	17.67%	37.66%	22.34%	63.24%	55.79%
Capital formation ratio	6.02%	6.64%	7.60%	2.63%	2.97%
NCOs/Ending equity capital	-0.06%	0.24%	0.40%	-0.37%	0.20%
<b>Profitability:</b>					
Inc (loss) bef disc ops & extra items	3,514	9,288	8,078	5,710	4,956
Subchapter S tax adjustment	0	0	0	0	0
Inc(Loss) bef disc ops&extra(Sub S adj)	3,514	9,288	8,078	5,710	4,956
Return on average assets	0.87%	1.27%	1.13%	0.82%	0.74%
Return on average assets (Sub S adjusted)	0.87%	1.27%	1.13%	0.82%	0.74%
Return on average equity	7.12%	10.02%	9.60%	6.93%	6.42%
Return on average equity (Sub S adjusted)	7.12%	10.02%	9.60%	6.93%	6.42%
Yield on avg earn assets (tax adj)	3.90%	4.32%	3.99%	3.66%	3.57%
Cost of funds	0.71%	1.17%	0.87%	0.41%	0.20%

Net interest margin	3.49%	3.57%	3.41%	3.38%	3.43%
Noninterest income/Average assets	1.18%	1.32%	1.40%	1.34%	1.40%
Overhead expense/Average assets	2.90%	3.20%	3.14%	3.14%	3.38%
Efficiency ratio	64.94%	68.48%	68.66%	69.67%	74.32%
Number of full-time equivalent employees	174	170	171	173	183
Asset Quality:					
Provision for loan & lease losses	1,927	402	850	325	450
Loan loss allowance/Total loans	1.48%	1.25%	1.24%	1.27%	1.21%
Loan loss allowance/NPLs	3233.07%	1765.04%	1820.36%	649.94%	1300.27%
90 day past due loans & leases/Total loans	0.00%	0.02%	0.00%	0.01%	0.00%
Nonaccruing loans & leases/Total loans	0.04%	0.05%	0.07%	0.19%	0.09%
NPAs/Total assets	0.03%	0.54%	0.06%	0.11%	0.06%
NCOs/Average loans	-0.01%	0.05%	0.08%	-0.07%	0.04%
NPLs & debt secs/Equity cap+ALLL	0.23%	0.34%	0.35%	0.96%	0.44%
Earnings coverage of net charge-offs	-22560.71%	4843.72%	2770.54%	-2774.67%	4485.99%
Adj Texas ratio (NPAs/Tang equity&ALLL)	0.23%	4.18%	0.47%	0.97%	0.52%
Adjusted NPAs/Total assets	0.03%	0.54%	0.06%	0.11%	0.06%
Liquidity:					
Brokered deposits	0	0	0	110,259	67,437
Brokered deposits/Total deposits	0.00%	0.00%	0.00%	18.88%	11.68%
Brokered deposits/Total assets	0.00%	0.00%	0.00%	14.57%	9.61%
\$100000+ time deposits/Total assets	5.32%	5.37%	4.33%	7.15%	4.81%
Pledged securities/Total securities	66.95%	63.41%	72.37%	74.19%	75.57%
Int-earn assets/Int-bear liabs	181.07%	172.12%	162.42%	149.28%	150.54%
Misc:					
Domestic Banking Offices(#)	6	6	6	6	7
FIS Rating	2.14	2.06	1.98	2.18	2.44

All \$'s are in thousands

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