

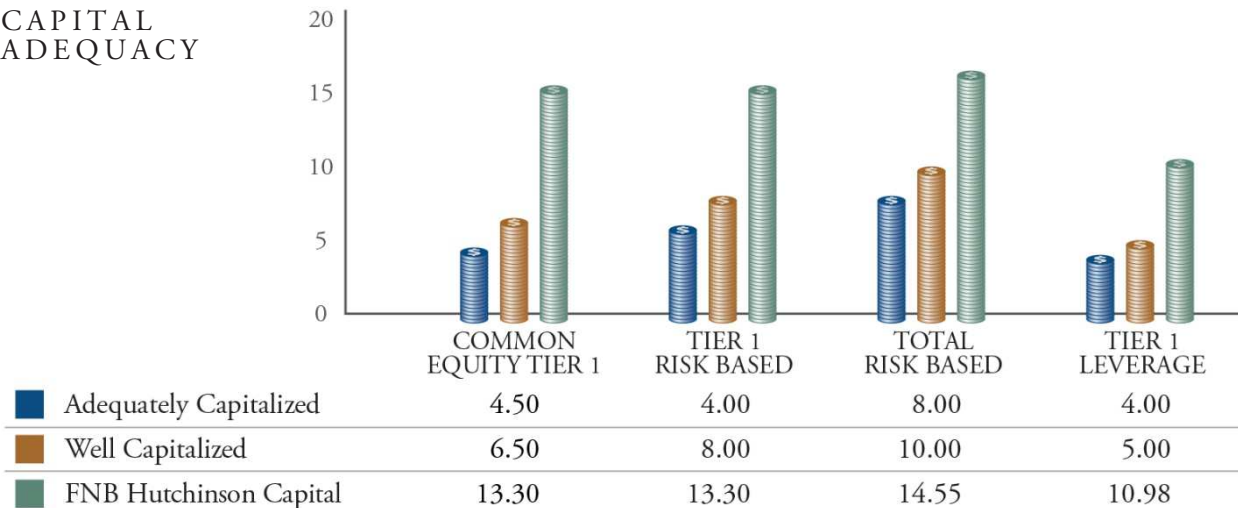


# FIRST NATIONAL BANK OF HUTCHINSON

August 2, 2021

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, 2021:

## CAPITAL ADEQUACY



### No Supervisory Concerns

## ASSET QUALITY

Nonperforming Loans/Total Loans	.00%
Nonperforming Loans/Primary Capital	.02%
Loan Loss Reserve/Total Loans and Leases	1.53%
Net Loans and Lease Losses/Total Loans and Leases O.S.	.00%

## EARNINGS

Net Income/Total Assets (ROA)	1.51%
Net Income/Primary Capital (ROE)	13.19%
Earning Assets/Total Assets	94.09%

## LIQUIDITY

Liquidity Ratio	26.08%
Total Loans and Leases/Total Deposits	80.29%

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 2021-YTD	Dec 2020-YTD	Dec 2019-YTD	Dec 2018-YTD	Dec 2017-YTD
<b>Balance Sheet:</b>					
Total assets	885,019	896,918	782,438	719,833	756,496
Percent change in total assets	-0.15%	14.63%	8.70%	-4.85%	7.81%
Held-to-maturity secs (Amortized cost)	0	0	0	0	0
Available-for-sale secs (Fair value)	211,925	166,341	132,332	154,233	176,291
Total securities	213,366	167,803	133,608	154,233	176,291
Total loans & leases net of unearned inc	606,350	574,818	491,003	481,430	431,093
Allowance for loan & lease losses	9,273	8,936	6,160	5,989	5,492
Noninterest-bearing deposits	307,055	339,837	252,297	213,574	193,653
Noninterest-bearing deposits/Total depts	40.66%	44.73%	40.44%	36.58%	33.16%
Interest-bearing deposits	448,180	419,888	371,603	370,225	390,390
Interest-bearing deposits/Total deposits	59.34%	55.27%	59.56%	63.42%	66.84%
Total deposits	755,235	759,725	623,900	583,799	584,043
Total other borrowings	21,830	27,340	55,975	43,600	84,945
Total liabilities	783,731	794,112	685,867	632,133	673,534
Total loans/Depts	80.29%	75.66%	78.70%	82.47%	73.81%
Total Loans/Tot earn assets	72.01%	67.34%	66.72%	71.63%	60.75%
<b>Annualized percent change for current period:</b>					
Percent change in total assets	-2.65%	14.63%	8.70%	-4.85%	7.81%
Percent change in total securities	54.31%	25.59%	-13.37%	-12.51%	2.10%
Percent change in total loans	10.97%	17.07%	1.99%	11.68%	7.62%
Percent change in total deposits	-1.18%	21.77%	6.87%	-0.04%	1.14%
Percent change in total other borrowings	-40.31%	-51.16%	28.38%	-48.67%	123.30%
<b>Capital:</b>					
Equity capital	100,838	102,356	96,121	87,250	82,512
GAAP tangible capital	99,887	101,405	95,170	86,299	81,561
GAAP tangible common equity	99,887	101,405	95,170	86,299	81,561
Core (Tier 1) capital	98,384	98,808	93,723	86,705	81,059
Percent Change in Core (Tier 1) capital	1.41%	5.43%	8.09%	6.97%	4.45%
Risk-based capital	107,644	107,586	99,883	92,694	86,551
Risk-weighted assets	739,880	702,075	614,384	599,380	546,767
Risk-weighted assets/Total assets	83.60%	78.28%	78.52%	83.27%	72.28%
Equity capital/Total assets	11.39%	11.41%	12.28%	12.12%	10.91%
GAAP tangible capital/Total assets	11.29%	11.31%	12.16%	11.99%	10.78%
GAAP tangible capital/Tangible assets	11.30%	11.32%	12.18%	12.00%	10.79%
Tangible common equity/Tangible assets	11.30%	11.32%	12.18%	12.00%	10.79%
Tier 1 common capital/Risk-weighted assets	13.30%	14.07%	15.25%	14.47%	14.83%
Tier 1 Leverage Ratio	10.98%	11.04%	12.65%	12.00%	11.29%
Tier 1 Capital Ratio	13.30%	14.07%	15.25%	14.47%	14.83%
Total Capital Ratio	14.55%	15.32%	16.26%	15.46%	15.83%
Cash dividends declared on common stock	6,207	4,062	3,498	1,805	3,611
Dividend payout ratio	92.93%	46.43%	37.66%	22.34%	63.24%
Capital formation ratio	0.92%	4.88%	6.64%	7.60%	2.63%
NCOs/Ending equity capital	0.03%	0.10%	0.24%	0.40%	-0.37%
<b>Profitability:</b>					
Inc (loss) bef disc ops & extra items	6,679	8,748	9,288	8,078	5,710
Subchapter S tax adjustment	0	0	0	0	0
Inc(Loss) bef disc ops&extra(Sub S adj)	6,679	8,748	9,288	8,078	5,710
Return on average assets	1.47%	1.03%	1.27%	1.13%	0.82%
Return on average assets (Sub S adjusted)	1.47%	1.03%	1.27%	1.13%	0.82%
Return on average equity	13.12%	8.74%	10.02%	9.60%	6.93%
Return on average equity (Sub S adjusted)	13.12%	8.74%	10.02%	9.60%	6.93%

Yield on avg earn assets (tax adj)	3.61%	3.59%	4.32%	3.99%	3.66%
Cost of funds	0.22%	0.52%	1.17%	0.87%	0.41%
Net interest margin	3.49%	3.29%	3.57%	3.41%	3.38%
Noninterest income/Average assets	1.17%	1.30%	1.32%	1.40%	1.34%
Overhead expense/Average assets	2.86%	2.92%	3.20%	3.14%	3.14%
Efficiency ratio	63.28%	65.76%	68.48%	68.66%	69.67%
Number of full-time equivalent employees	172	171	170	171	173
Asset Quality:					
Provision for loan & lease losses	350	2,877	402	850	325
Loan loss allowance/Total loans	1.53%	1.55%	1.25%	1.24%	1.27%
Loan loss allowance/NPLs	46365.00%	7446.67%	1765.04%	1820.36%	649.94%
90 day past due loans & leases/Total loans	0.00%	0.01%	0.02%	0.00%	0.01%
Nonaccruing loans & leases/Total loans	0.00%	0.01%	0.05%	0.07%	0.19%
NPAs/Total assets	0.00%	0.01%	0.54%	0.06%	0.11%
NCOs/Average loans	0.00%	0.02%	0.05%	0.08%	-0.07%
NPLs & debt secs/Equity cap+ALLL	0.02%	0.11%	0.34%	0.35%	0.96%
Earnings coverage of net charge-offs	55353.85%	13375.25%	4843.72%	2770.54%	-2774.67%
Adj Texas ratio (NPAs/Tang equity&ALLL)	0.02%	0.11%	4.18%	0.47%	0.97%
Adjusted NPAs/Total assets	0.00%	0.01%	0.54%	0.06%	0.11%
Liquidity:					
Brokered deposits	1	0	0	0	110,259
Brokered deposits/Total deposits	0.00%	0.00%	0.00%	0.00%	18.88%
Brokered deposits/Total assets	0.00%	0.00%	0.00%	0.00%	14.57%
\$100000+ time deposits/Total assets	5.54%	5.49%	5.37%	4.33%	7.15%
Pledged securities/Total securities	39.53%	47.87%	63.41%	72.37%	74.19%
Int-earn assets/Int-bear liabs	179.15%	190.88%	172.12%	162.42%	149.28%
Misc:					
Domestic Banking Offices(No.)	6	6	6	6	6
1 Year Growth No. Domestic Offices	0.00%	0.00%	0.00%	0.00%	-14.29%
FedFis Rating	1.54	2.06	2.06	1.98	2.18

All \$'s are in thousands

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