

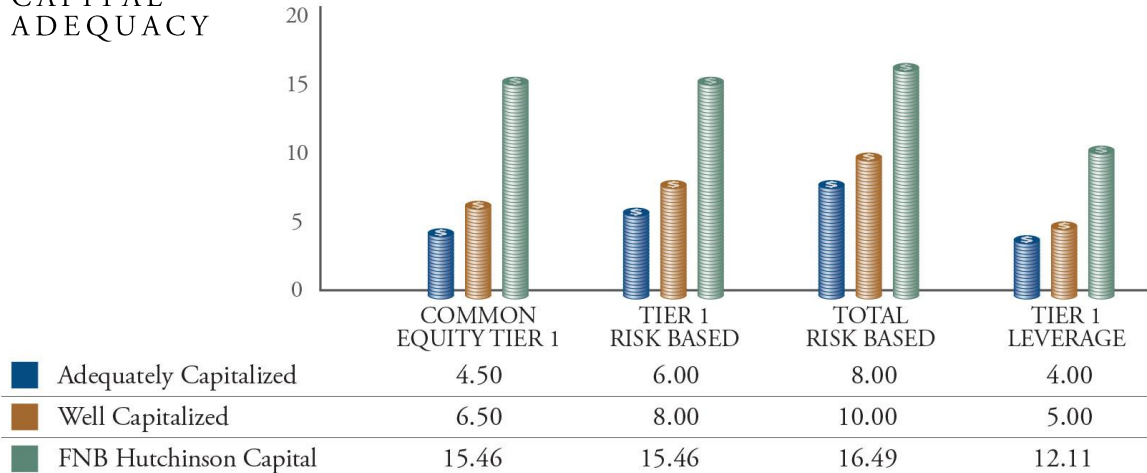


FIRST NATIONAL BANK OF HUTCHINSON

November 6, 2017

To assist you in complying with the Interbank Liabilities requirements of Regulation F, we are pleased to provide the following financial information as of September 30, 2017:

CAPITAL ADEQUACY



No Supervisory Concerns

ASSET QUALITY

Nonperforming Loans/Total Loans	.03%
Nonperforming Loans/Primary Capital	.14%
Loan Loss Reserve/Total Loans and Leases	1.32%
Net Loans and Lease Losses/Total Loans and Leases O.S.	(.08)%

EARNINGS

Net Income/Total Assets (ROA)	.91%
Net Income/Primary Capital (ROE)	7.44%
Earning Assets/Total Assets	92.41%

LIQUIDITY

Liquidity Ratio	23.57%
Total Loans and Leases/Total Deposits	77.32%

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

	Sep 2017-YTD	Dec 2016-YTD	Dec 2015-YTD	Dec 2014-YTD	Dec 2013-YTD
Balance Sheet:					
Total assets	690,263	701,663	654,432	621,131	599,709
Percent change in total assets	5.42%	7.22%	5.36%	3.57%	-2.20%
Held-to-maturity secs (Amortized cost)	0	0	0	0	0
Available-for-sale secs (Fair value)	174,435	172,670	207,089	235,255	234,208
Total securities	174,435	172,670	207,089	235,255	234,208
Total loans & leases net of unearned inc	414,844	400,556	388,777	325,086	282,647
Allowance for loan & lease losses	5,465	4,863	4,570	4,283	3,996
Noninterest-bearing deposits	166,037	184,416	138,992	123,921	114,195
Noninterest-bearing deposits/Total depts	30.95%	31.94%	25.81%	23.54%	21.78%
Interest-bearing deposits	370,461	393,021	399,445	402,565	410,004
Interest-bearing deposits/Total deposits	69.05%	68.06%	74.19%	76.46%	78.22%
Total deposits	536,498	577,437	538,437	526,486	524,199
Total other borrowings	64,265	38,040	36,796	19,450	6,685
Total liabilities	605,470	621,365	580,066	550,123	534,676
Total loans/Depts	77.32%	69.37%	72.20%	61.75%	53.92%
Annualized percent change for current period:					
Percent change in total assets	-2.17%	7.22%	5.36%	3.57%	-2.20%
Percent change in total loans	4.76%	3.03%	19.59%	15.01%	2.74%
Percent change in total deposits	-9.45%	7.24%	2.27%	0.44%	0.37%
Capital:					
Equity capital	84,343	79,749	73,855	70,526	64,573
GAAP tangible capital	83,392	78,798	72,904	69,541	63,463
GAAP tangible common equity	83,392	78,798	72,904	69,541	63,463
Core (Tier 1) capital	81,783	77,605	70,158	69,357	64,928
Percent Change in Core (Tier 1) capital	8.78%	10.61%	1.15%	6.82%	5.51%
Risk-based capital	87,248	82,468	74,728	73,640	68,924
Risk-weighted assets	529,105	512,656	502,632	420,812	379,206
Risk-weighted assets/Total assets	76.65%	73.06%	76.80%	67.75%	63.23%
Equity capital/Total assets	12.22%	11.37%	11.29%	11.35%	10.77%
GAAP tangible capital/Total assets	12.08%	11.23%	11.14%	11.20%	10.58%
GAAP tangible capital/Tangible assets	12.10%	11.25%	11.16%	11.21%	10.60%
Tangible common equity/Tangible assets	12.10%	11.25%	11.16%	11.21%	10.60%
Tier 1 common capital/Risk-weighted assets	15.46%	15.14%	13.96%	0.00%	0.00%
Tier 1 Leverage Ratio	12.11%	11.43%	11.04%	11.34%	10.88%
Tier 1 Capital Ratio	15.46%	15.14%	13.96%	16.48%	17.12%
Total Capital Ratio	16.49%	16.09%	14.87%	17.50%	18.18%
Cash dividends declared on common stock	1,580	2,765	1,918	677	1,253
Dividend payout ratio	33.97%	55.79%	38.32%	14.12%	29.48%
Capital formation ratio	5.13%	2.97%	4.38%	6.38%	4.59%
NCOs/Ending equity capital	-0.56%	0.20%	0.12%	0.59%	0.44%
Profitability:					
Inc (loss) bef disc ops & extra items	4,651	4,956	5,005	4,794	4,250
Subchapter S tax adjustment	0	0	0	0	0
Inc(Loss) bef disc ops&extra(Sub S adj)	4,651	4,956	5,005	4,794	4,250
Return on average assets	0.90%	0.74%	0.78%	0.78%	0.71%
Return on average assets (Sub S adjusted)	0.90%	0.74%	0.78%	0.78%	0.71%
Return on average equity	7.53%	6.42%	6.91%	7.09%	6.59%
Return on average equity (Sub S adjusted)	7.53%	6.42%	6.91%	7.09%	6.59%
Yield on avg earn assets (tax adj)	3.68%	3.57%	3.40%	3.28%	3.30%
Cost of funds	0.29%	0.20%	0.19%	0.21%	0.28%
Net interest margin	3.44%	3.43%	3.27%	3.12%	3.09%
Noninterest income/Average assets	1.34%	1.40%	1.39%	1.48%	1.54%

Overhead expense/Average assets	3.19%	3.38%	3.35%	3.35%	3.37%
Efficiency ratio	70.39%	74.32%	74.28%	75.07%	75.44%
Number of full-time equivalent employees	175	183	183	178	174
Asset Quality:					
Provision for loan & lease losses	250	450	375	700	0
Loan loss allowance/Total loans	1.32%	1.21%	1.18%	1.32%	1.41%
Loan loss allowance/NPLs	4631.36%	1300.27%	1920.17%	166.39%	137.84%
90 day past due loans & leases/Total loans	0.01%	0.00%	0.02%	0.03%	0.03%
Nonaccruing loans & leases/Total loans	0.02%	0.09%	0.04%	0.77%	0.99%
NPAs/Total assets	0.02%	0.06%	0.07%	0.50%	0.52%
NCOs/Average loans	-0.11%	0.04%	0.03%	0.14%	0.10%
NPLs & debt secs/Equity cap+ALLL	0.13%	0.44%	0.30%	3.44%	4.23%
Earnings coverage of net charge-offs	-1762.50%	4485.99%	7520.45%	1526.39%	1888.81%
Adj Texas ratio (NPAs/Tang equity&ALLL)	0.13%	0.52%	0.57%	4.18%	4.60%
Adjusted NPAs/Total assets	0.02%	0.06%	0.07%	0.50%	0.52%
Liquidity:					
Brokered deposits	72,604	67,437	19,248	8,003	10,474
Brokered deposits/Total deposits	13.53%	11.68%	3.57%	1.52%	2.00%
Brokered deposits/Total assets	10.52%	9.61%	2.94%	1.29%	1.75%
\$100000+ time deposits/Total assets	5.09%	4.81%	4.85%	6.63%	7.41%
Pledged securities/Total securities	73.89%	75.57%	68.78%	60.59%	56.27%
Int-earn assets/Int-bear liabs	147.99%	150.54%	142.69%	140.08%	135.51%
FIS Rating	2.46	2.76	2.67	2.78	2.76

All \$'s are in thousands

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