

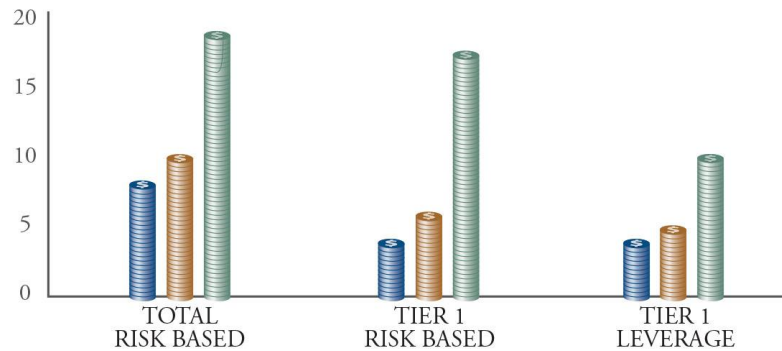


# FIRST NATIONAL BANK OF HUTCHINSON

February 6, 2015

To assist you in complying with the Interbank Liabilities requirements of Regulation F, we are pleased to provide the following financial information as of December 31, 2014:

## CAPITAL ADEQUACY



	TOTAL RISK BASED	TIER 1 RISK BASED	TIER 1 LEVERAGE
Adq. Cap.	8.00	4.00	4.00
Well Cap.	10.00	6.00	5.00
FNB Hutch	17.50	16.48	11.34

**Well Capitalized, No Supervisory Concerns**

## ASSET QUALITY

Nonperforming Loans/Total Loans	.79%
Nonperforming Loans/Primary Capital	3.63%
Loan Loss Reserve/Total Loans and Leases	1.32%
Net Loans and Lease Losses/Total Loans and Leases O.S.	.13%

## EARNINGS

Net Income/Total Assets (ROA)	.80%
Net Income/Primary Capital (ROE)	6.99%
Earning Assets/Total Assets	94.49%

## LIQUIDITY

Liquidity Ratio	32.51%
Total Loans and Leases/Total Deposits	61.75%

If you would like additional information please let me know.

Sincerely,

Mike Pritchett  
Executive Vice President & Manager

Correspondent Bank Services

620-694-2311

Enclosure

Institution Report

FIRST NATIONAL BANK OF HUTCHINSON, THE  
Hutchinson - KS

FINANCIAL PROFILE

	Dec 2014-YTD	Dec 2013-YTD	Dec 2012-YTD	Dec 2011-YTD	Dec 2010-YTD
<b>Balance Sheet:</b>					
Total assets	621,131	599,709	613,227	553,542	549,787
Percent change in total assets	3.57%	-2.20%	10.78%	0.68%	-4.88%
Held-to-maturity securities (Amort. cost)	0	0	0	0	0
Available-for-sale securities (Fair value)	235,255	234,208	236,468	229,925	190,628
Total securities	235,255	234,208	236,468	229,925	190,628
Total loans & leases	325,086	282,647	275,122	237,320	250,756
Allowance for loan & lease losses	4,283	3,996	4,282	3,549	3,935
Noninterest-bearing deposits	123,921	114,195	103,446	112,713	90,736
Noninterest-bearing deposits/Total deposits	23.54%	21.78%	19.81%	24.16%	19.87%
Interest-bearing deposits	402,565	410,004	418,840	353,753	365,899
Interest-bearing deposits/Total deposits	76.46%	78.22%	80.19%	75.84%	80.13%
Total deposits	526,486	524,199	522,286	466,466	456,635
Total other borrowings	19,450	6,685	21,690	22,104	31,175
Total liabilities	550,123	534,676	547,618	492,225	493,122
Total loans/Deposits	61.75%	53.92%	52.68%	50.88%	54.91%
<b>Annualized percent change for current period:</b>					
Percent change in total assets	3.57%	-2.20%	10.78%	0.68%	-4.88%
Percent change in total loans	15.01%	2.74%	15.93%	-5.36%	4.18%
Percent change in total deposits	0.44%	0.37%	11.97%	2.15%	-0.78%
<b>Capital:</b>					
Equity capital	70,526	64,573	65,240	60,815	56,122
GAAP tangible capital	69,541	63,463	64,007	60,216	55,459
GAAP tangible common equity	69,541	63,463	64,007	60,216	55,459
Core capital	69,357	64,928	61,540	57,197	54,218
Risk-based capital	73,640	68,924	65,822	60,746	58,153
Equity capital/Total assets	11.35%	10.77%	10.64%	10.99%	10.21%
GAAP tangible capital/Total assets	11.20%	10.58%	10.44%	10.88%	10.09%
GAAP tangible capital/Tangible assets	11.21%	10.60%	10.46%	10.89%	10.10%
Tangible common equity/Tangible assets	11.21%	10.60%	10.46%	10.89%	10.10%
Tier 1 common capital/Assets (applies only to RC-R Part I.B filers beginning 3-31-2014)	5.66%	5.43%	5.10%	5.31%	4.90%
Tier 1 common capital/Risk-weighted assets	16.48%	17.12%	16.32%	18.60%	17.12%
Core capital/Average assets	11.34%	10.88%	10.21%	10.64%	9.81%
Core capital/Risk-weighted assets	16.48%	17.12%	16.32%	18.60%	17.12%
Risk-based capital/Risk-weighted assets	17.50%	18.18%	17.46%	19.75%	18.36%
Risk-weighted assets/Total assets	67.75%	63.23%	61.48%	55.56%	57.61%
Cash dividends declared on common stock	677	1,253	384	1,445	925
Dividend payout ratio	14.12%	29.48%	8.09%	33.13%	30.85%
Capital formation ratio	6.38%	4.59%	7.18%	5.20%	3.80%
<b>Profitability:</b>					
Income (loss) before extraordinary items	4,794	4,250	4,749	4,361	2,998
Subchapter S tax adjustment	0	0	0	0	0
Income (Loss) before extraordinary items (Sub S adjusted)	4,794	4,250	4,749	4,361	2,998

Return on average assets	0.78%	0.71%	0.83%	0.81%	0.55%
Return on average assets (Sub S adjusted)	0.78%	0.71%	0.83%	0.81%	0.55%
Return on average equity	7.09%	6.59%	7.53%	7.42%	5.39%
Return on average equity (Sub S adjusted)	7.09%	6.59%	7.53%	7.42%	5.39%
Yield on average earning assets (tax adjusted)	3.28%	3.30%	3.47%	3.76%	3.87%
Cost of funds	0.21%	0.28%	0.50%	0.91%	1.25%
Net interest margin	3.12%	3.09%	3.10%	3.07%	2.90%
Noninterest income/Average assets	1.48%	1.54%	1.50%	1.52%	1.54%
Overhead expense/Average assets	3.35%	3.37%	3.31%	3.18%	3.51%
Efficiency ratio	75.07%	75.44%	75.22%	71.59%	82.05%
Number of full-time equivalent employees	178	174	169	162	168
Asset Quality:					
Provision for loan & lease losses	700	0	350	250	700
Loan loss allowance/Total loans	1.32%	1.41%	1.56%	1.50%	1.57%
Loan loss allowance/Nonperforming loans	166.39%	137.84%	594.72%	270.92%	198.24%
90 day past due loans & leases/Total loans	0.03%	0.03%	0.02%	0.13%	0.03%
Nonaccruing loans & leases/Total loans	0.77%	0.99%	0.24%	0.42%	0.76%
Nonperforming assets/Total assets	0.50%	0.52%	0.18%	0.27%	0.42%
Net charge-offs (Recoveries)/Average loans	0.14%	0.10%	-0.15%	0.25%	0.01%
Nonperforming loans & debt sec./Equity capital & loan loss allowance	3.44%	4.23%	1.04%	2.04%	3.31%
Earnings coverage of net charge-offs	1526.39%	1888.81%	-1629.50%	878.77%	13256.25%
Liquidity:					
Brokered deposits	8,003	10,474	303	0	2,000
Brokered deposits/Total deposits	1.52%	2.00%	0.06%	0.00%	0.44%
Brokered deposits/Total assets	1.29%	1.75%	0.05%	0.00%	0.36%
\$100000+ time deposits/Total assets	6.63%	7.41%	7.69%	8.06%	9.96%
Pledged securities/Total securities	60.59%	56.27%	58.61%	57.07%	70.60%
Interest-earning assets/Interest-bearing liabilities	140.08%	135.51%	129.85%	138.06%	127.58%
FIS Rating	2.78	2.76	2.76	2.92	3.5