

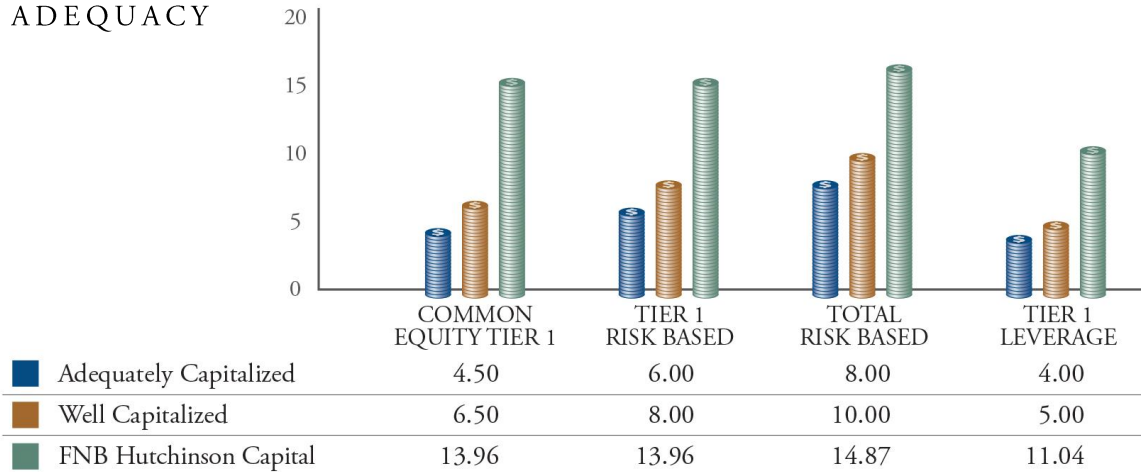


# FIRST NATIONAL BANK OF HUTCHINSON

February 2, 2016

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, 2015:

## CAPITAL ADEQUACY



**No Supervisory Concerns**

## ASSET QUALITY

|  |       |
|--|-------|
| Nonperforming Loans/Total Loans                        | .06%  |
| Nonperforming Loans/Primary Capital                    | .32%  |
| Loan Loss Reserve/Total Loans and Leases               | 1.18% |
| Net Loans and Lease Losses/Total Loans and Leases O.S. | .02%  |

## EARNINGS

|                                  |        |
|----------------------------------|--------|
| Net Income/Total Assets (ROA)    | .79%   |
| Net Income/Primary Capital (ROE) | 6.93%  |
| Earning Assets/Total Assets      | 94.42% |

## LIQUIDITY

|                                       |        |
|---------------------------------------|--------|
| Liquidity Ratio                       | 23.30% |
| Total Loans and Leases/Total Deposits | 72.20% |

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

|  | Dec 2015-YTD | Dec 2014-YTD | Dec 2013-YTD | Dec 2012-YTD | Dec 2011-YTD |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Balance Sheet:</b>                                |              |              |              |              |              |
| Total assets   | 654,432      | 621,131      | 599,709      | 613,227      | 553,542      |
| Percent change in total assets                       | 5.36%        | 3.57%        | -2.20%       | 10.78%       | 0.68%        |
| Held-to-maturity secs (Amortized cost)               | 0            | 0            | 0            | 0            | 0            |
| Available-for-sale secs (Fair value)                 | 207,089      | 235,255      | 234,208      | 236,468      | 229,925      |
| Total securities                                     | 207,089      | 235,255      | 234,208      | 236,468      | 229,925      |
| Total loans & leases net of unearned inc             | 388,777      | 325,086      | 282,647      | 275,122      | 237,320      |
| Allowance for loan & lease losses                    | 4,570        | 4,283        | 3,996        | 4,282        | 3,549        |
| Noninterest-bearing deposits                         | 138,992      | 123,921      | 114,195      | 103,446      | 112,713      |
| Noninterest-bearing deposits/Total depts             | 25.81%       | 23.54%       | 21.78%       | 19.81%       | 24.16%       |
| Interest-bearing deposits                            | 399,445      | 402,565      | 410,004      | 418,840      | 353,753      |
| Interest-bearing deposits/Total deposits             | 74.19%       | 76.46%       | 78.22%       | 80.19%       | 75.84%       |
| Total deposits                                       | 538,437      | 526,486      | 524,199      | 522,286      | 466,466      |
| Total other borrowings                               | 36,796       | 19,450       | 6,685        | 21,690       | 22,104       |
| Total liabilities                                    | 580,066      | 550,123      | 534,676      | 547,618      | 492,225      |
| Total loans/Depts                                    | 72.20%       | 61.75%       | 53.92%       | 52.68%       | 50.88%       |
| <b>Annualized percent change for current period:</b> |              |              |              |              |              |
| Percent change in total assets                       | 5.36%        | 3.57%        | -2.20%       | 10.78%       | 0.68%        |
| Percent change in total loans                        | 19.59%       | 15.01%       | 2.74%        | 15.93%       | -5.36%       |
| Percent change in total deposits                     | 2.27%        | 0.44%        | 0.37%        | 11.97%       | 2.15%        |
| <b>Capital:</b>                                      |              |              |              |              |              |
| Equity capital                                       | 73,855       | 70,526       | 64,573       | 65,240       | 60,815       |
| GAAP tangible capital                                | 72,904       | 69,541       | 63,463       | 64,007       | 60,216       |
| GAAP tangible common equity                          | 72,904       | 69,541       | 63,463       | 64,007       | 60,216       |
| Core (Tier 1) capital                                | 70,158       | 69,357       | 64,928       | 61,540       | 57,197       |
| Percent Change in Core (Tier 1) capital              | 1.15%        | 6.82%        | 5.51%        | 7.59%        | 5.49%        |
| Risk-based capital                                   | 74,728       | 73,640       | 68,924       | 65,822       | 60,746       |
| Risk-weighted assets                                 | 502,632      | 420,812      | 379,206      | 376,997      | 307,540      |
| Risk-weighted assets/Total assets                    | 76.80%       | 67.75%       | 63.23%       | 61.48%       | 55.56%       |
| Equity capital/Total assets                          | 11.29%       | 11.35%       | 10.77%       | 10.64%       | 10.99%       |
| GAAP tangible capital/Total assets                   | 11.14%       | 11.20%       | 10.58%       | 10.44%       | 10.88%       |
| GAAP tangible capital/Tangible assets                | 11.16%       | 11.21%       | 10.60%       | 10.46%       | 10.89%       |
| Tangible common equity/Tangible assets               | 11.16%       | 11.21%       | 10.60%       | 10.46%       | 10.89%       |
| Tier 1 common capital/Risk-weighted assets           | 13.96%       | 0.00%        | 0.00%        | 0.00%        | 0.00%        |
| Tier 1 Leverage Ratio                                | 11.04%       | 11.34%       | 10.88%       | 10.21%       | 10.63%       |
| Tier 1 Capital Ratio                                 | 13.96%       | 16.48%       | 17.12%       | 16.32%       | 18.60%       |
| Total Capital Ratio                                  | 14.87%       | 17.50%       | 18.18%       | 17.46%       | 19.75%       |
| Cash dividends declared on common stock              | 1,918        | 677          | 1,253        | 384          | 1,445        |
| Dividend payout ratio                                | 38.32%       | 14.12%       | 29.48%       | 8.09%        | 33.13%       |
| Capital formation ratio                              | 4.38%        | 6.38%        | 4.59%        | 7.18%        | 5.20%        |
| NCOs/Ending equity capital                           | 0.12%        | 0.59%        | 0.44%        | -0.59%       | 1.05%        |
| <b>Profitability:</b>                                |              |              |              |              |              |
| Income (loss) before extraordinary items             | 5,005        | 4,794        | 4,250        | 4,749        | 4,361        |
| Subchapter S tax adjustment                          | 0            | 0            | 0            | 0            | 0            |
| Inc (Loss) bef extra items (Sub S adj)               | 5,005        | 4,794        | 4,250        | 4,749        | 4,361        |
| Return on average assets                             | 0.78%        | 0.78%        | 0.71%        | 0.83%        | 0.81%        |

|  |          |          |          |           |         |
|--|----------|----------|----------|-----------|---------|
| Return on average assets (Sub S adjusted)  | 0.78%    | 0.78%    | 0.71%    | 0.83%     | 0.81%   |
| Return on average equity                   | 6.91%    | 7.09%    | 6.59%    | 7.53%     | 7.42%   |
| Return on average equity (Sub S adjusted)  | 6.91%    | 7.09%    | 6.59%    | 7.53%     | 7.42%   |
| Yield on avg earn assets (tax adj)         | 3.40%    | 3.28%    | 3.30%    | 3.47%     | 3.76%   |
| Cost of funds                              | 0.19%    | 0.21%    | 0.28%    | 0.50%     | 0.91%   |
| Net interest margin                        | 3.27%    | 3.12%    | 3.09%    | 3.10%     | 3.07%   |
| Noninterest income/Average assets          | 1.39%    | 1.48%    | 1.54%    | 1.50%     | 1.52%   |
| Overhead expense/Average assets            | 3.35%    | 3.35%    | 3.37%    | 3.31%     | 3.18%   |
| Efficiency ratio                           | 74.28%   | 75.07%   | 75.44%   | 75.22%    | 71.59%  |
| Number of full-time equivalent employees   | 183      | 178      | 174      | 169       | 162     |
| Asset Quality:                             |          |          |          |           |         |
| Provision for loan & lease losses          | 375      | 700      | 0        | 350       | 250     |
| Loan loss allowance/Total loans            | 1.18%    | 1.32%    | 1.41%    | 1.56%     | 1.50%   |
| Loan loss allowance/NPLs                   | 1920.17% | 166.39%  | 137.84%  | 594.72%   | 270.92% |
| 90 day past due loans & leases/Total loans | 0.02%    | 0.03%    | 0.03%    | 0.02%     | 0.13%   |
| Nonaccruing loans & leases/Total loans     | 0.04%    | 0.77%    | 0.99%    | 0.24%     | 0.42%   |
| NPAs/Total assets                          | 0.07%    | 0.50%    | 0.52%    | 0.18%     | 0.27%   |
| NCOs/Average loans                         | 0.03%    | 0.14%    | 0.10%    | -0.15%    | 0.25%   |
| NPLs & debt secs/Equity cap+ALLL           | 0.30%    | 3.44%    | 4.23%    | 1.04%     | 2.04%   |
| Earnings coverage of net charge-offs       | 7520.45% | 1526.39% | 1888.81% | -1629.50% | 878.77% |
| Adj Texas ratio (NPAs/Tang equity&ALLL)    | 0.57%    | 4.18%    | 4.60%    | 1.61%     | 2.37%   |
| Liquidity:                                 |          |          |          |           |         |
| Brokered deposits                          | 19,248   | 8,003    | 10,474   | 303       | 0       |
| Brokered deposits/Total deposits           | 3.57%    | 1.52%    | 2.00%    | 0.06%     | 0.00%   |
| Brokered deposits/Total assets             | 2.94%    | 1.29%    | 1.75%    | 0.05%     | 0.00%   |
| \$100000+ time deposits/Total assets       | 4.85%    | 6.63%    | 7.41%    | 7.69%     | 8.06%   |
| Pledged securities/Total securities        | 68.78%   | 60.59%   | 56.27%   | 58.61%    | 57.07%  |
| Int-earn assets/Int-bear liabs             | 142.69%  | 140.08%  | 135.51%  | 129.85%   | 138.06% |
| FIS Rating                                 | 2.67     | 2.78     | 2.76     | 2.76      | 3.2     |