FDIC State Profile

Kansas

Second Quarter 2015

ECONOMIC INDICATORS

Employment Growth Rates (change from year ago, unless noted)	Q2-15	Q1-15	Q2-14	2014	2013
Total Nonfarm (share of trailing four quarter employment in parentheses)	0.7%	1.2%	1.7%	1.5%	1.2%
Manufacturing (12%)	-1.0%	-0.9%	1.0%	0.9%	0.1%
Other (non-manufacturing) Goods-Producing (5%)	2.8%	2.0%	6.7%	4.7%	3.5%
Private Service-Providing (65%)	1.1%	1.9%	2.0%	1.8%	1.7%
Government (18%)	-0.3%	0.0%	-0.2%	-0.1%	-0.5%
Unemployment Rate (% of labor force)	4.4%	4.2%	4.5%	4.4%	5.2%

Other Indicators (change from year ago, unless noted)	Q2-15	Q1-15	Q2-14	2014	2013
Single-Family Home Permits	24.1%	16.8%	1.1%	-2.8%	17.3%
Multifamily Building Permits	70.5%	-18.3%	-72.5%	14.7%	26.0%
Home Price Index	3.8%	4.0%	3.0%	2.8%	1.1%
Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level)	2.62	2.15	2.88	2.52	2.87

BANKING TRENDS

General Information	Q2-15	Q1-15	Q2-14	2014	2013
Institutions (#)	277	279	287	281	290
Total Assets (in millions)	65,564	66,744	63,784	66,018	63,305
New Institutions (# < 3 years)	0	0	0	0	0
Subchapter S Institutions	140	141	148	142	149

Asset Quality	Q2-15	Q1-15	Q2-14	2014	2013
Past-Due and Nonaccrual Loans / Total Loans (median %)	1.11	1.38	1.47	1.12	1.52
Noncurrent Loans / Total Loans (median %)	0.49	0.51	0.69	0.42	0.70
ALLL/Total Loans (median %)	1.47	1.50	1.53	1.48	1.57
ALLL/Noncurrent Loans (median multiple)	2.36	2.31	1.81	2.95	1.94
Net Loan Losses / Total Loans (median %)	0.00	0.00	0.00	0.05	0.04

Capital / Earnings	Q2-15	Q1-15	Q2-14	2014	2013
Tier 1 Leverage (median %)	10.29	10.27	10.19	10.19	10.06
Return on Assets (median %)	0.98	0.88	0.87	0.84	0.80
Pretax Return on Assets (median %)	1.14	1.06	1.09	0.98	0.93
Net Interest Margin (median %)	3.46	3.40	3.44	3.45	3.40
Yield on Earning Assets (median %)	3.90	3.86	3.92	3.94	3.96
Cost of Funding Earning Assets (median %)	0.37	0.37	0.40	0.39	0.48
Provisions to Avg. Assets (median %)	0.01	0.02	0.01	0.05	0.04
Noninterest Income to Avg. Assets (median %)	0.43	0.45	0.46	0.48	0.49
Overhead to Avg. Assets (median %)	2.67	2.66	2.73	2.75	2.78

Liquidity/Sensitivity	Q2-15	Q1-15	Q2-14	2014	2013
Net Loans to Assets (median %)	58.30	55.60	55.09	56.80	54.22
Noncore Funding to Assets (median %)	8.91	8.07	8.10	8.75	8.28
Long-term Assets to Assets (median %, call filers)	32.36	32.05	33.19	31.57	31.63
Brokered Deposits (number of institutions)	75	75	71	76	73
Brokered Deposits to Assets (median % for those above)	3.63	2.62	3.51	2.28	3.64

Loan Concentrations (median % of Total Risk-Based Capital)	Q2-15	Q1-15	Q2-14	2014	2013
Commercial and Industrial	65.46	62.65	63.82	64.15	63.10
Commercial Real Estate	74.65	79.17	78.64	75.40	78.80
Construction & Development	8.33	7.98	7.46	7.64	6.96
Multifamily Residential Real Estate	0.97	1.28	1.66	1.34	1.63
Nonresidential Real Estate	53.95	54.10	56.38	55.54	58.10
Residential Real Estate	107.45	104.47	97.99	106.88	105.07
Consumer	19.53	19.84	21.01	20.31	21.89
Agriculture	138.58	134.30	132.81	139.27	130.98

BANKING PROFILE

Largest Deposit Markets (from 2014 Summary of Deposits)	Institutions in Market	Deposits ($ millions)	Asset Distribution	Institutions
Kansas City, MO-KS	136	46,605	< $100 million	143 (51.6%)
Wichita, KS	56	13,934	$100 million to $250 million	76 (27.4%)
Topeka, KS	39	4,946	$250 million to $1 billion	49 (17.7%)
Manhattan, KS	22	2,304	$1 billion to $10 billion	9 (3.2%)
St. Joseph, MO-KS	22	2,105	> $10 billion	0 (0%)

PREPARING FOR A RISING RATE ENVIRONMENT:

WITH A LOOK BACK OVER 15 YEARS

The last fifteen years in the banking industry proved to be a roller coaster ride. With new innovations and extreme highs to crushing blows, the industry is now demonstrating its ultimate strength and commitment to rebuilding.

The 90s prepped our wild ride with the Gramm-Leach-Bliley Act[1] permitting further consolidation in financial services. Commercial and investment banking subsidiaries were now allowed to be owned by umbrella Financial Holding Companies. Some experts say this may have played a role in the financial crisis of 2007 and 2008. Others say the new rules allowed buyouts to occur rather than bankruptcies.

By the mid to late 90s we were introduced to a new style of banking. Internet Banks operated completely online with no physical brick and mortar location to serve their clients. With this new threat, typical financial institutions now had to compete against institutions with little or no overhead.

After the world survived the Y2K scare, ecommerce and the Internet were booming. But by March of 2000 the leaders separated from those that jumped on the dot-com bandwagon. Then September of 2001 brought a sense of insecurity never experienced by most Americans on their soil. Our homeland was under attack. The USA Patriot Act created new investigative tools and ways to deter terrorist acts. While important, this new regulation caused headaches for Compliance and BSA Officers at financial institutions. An overhaul to account opening procedures and regular FinCEN list reviews were now required carrying steep penalties for noncompliance.

START

2000

March 2000
The dot-com bubble bursts.

2001

September 11, 2001
Terrorist attacks are carried out in NYC and Washington D.C.

October 26, 2001
The USA PATRIOT Act is signed into law by President George W. Bush.

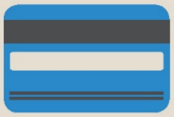
December, 2001
Eight US Banks have at least 1 million online users.
19 million US households are accessing bank accounts online.

2002

June 30, 2002
The Sarbanes-Oxley Act of 2002 is signed into law in reaction to major corporate and accounting scandals. (Enron, WorldCom, and Tyco International)

2003

For the first time, electronic payments (automatic transactions, credit cards, and debit cards) totaling $44.5 billion outnumber paper checks which total $36.7 billion.



December 4, 2003
The Fair and Accurate Credit Transactions Act of 2003 (FACT ACT) is signed into law by President George W. Bush.

Initial shocks early in the decade reversed course as the Mid 2000s was a period of growth and prosperity. Unemployment and inflation were at stable levels and the economy was gaining momentum. Consumers had buying power and they used it. Mortgage rates were at historic lows and financial institutions were issuing more loans than ever before. Average home prices in the United States more than doubled between 1998 and 2006, the sharpest increase recorded in US history[2]. Homeownership rates hit a record high of 69%[3]. The introduction of Apples' iPhone in January 2007 started a shift from banking via personal computer to banking via smartphone. In March of 2007 the Dow Jones Industrial Average hit a record high making it the longest Bull Run in 80 years. Life was good...

2004

Both J.P. Morgan Chase and Bank of America report more than $1 trillion of bank and non-bank assets.

October 28, 2004
The Check Clearing for the 21st Century Act of 2003 (Check 21) takes effect.

2005

The Federal Reserve changes Prime Rate 8 times.

2006

January 31, 2006
Alan Greenspan steps down after more than 18 years as chairman of the Federal Reserve and is succeeded by Ben Bernanke.

February 15, 2006
The Federal Deposit Insurance Reform Act of 2005 increases the coverage limit for retirement accounts to $250,000.

October 19, 2006
The Dow Jones Industrial Average closes above 12,000 for the first time.

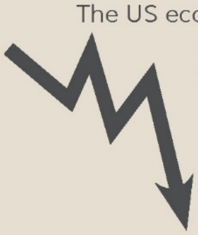
2007

January 9, 2007
The introduction of Apples' iPhone starts a shift from banking via personal computer to banking via smartphone.

March, 2007
The Monthly House Price Indexes for Census Divisions and U.S. peak at 226.96.

May 4, 2007
The Dow Jones Industrial Average hits another record high, making this the longest bull run in 80 years.

December, 2007
The US economy enters



"THE GREAT RECESSION"

2008

And then it all came crashing down... In December of 2007 the US economy officially entered "the Great Recession".

The chips begin to fall; teaser periods on mortgages came to an end, home values dropped, and mortgage defaults on subprime loans skyrocketed.

The financial sector started feeling the pinch with JP Morgan Chase acquiring Bear Stearns in March of 2008, followed by the Lehman Brothers bankruptcy and the American International Group (AIG) $85 billion bailout in September. On October 3, 2008 President George W. Bush signed into law the Trouble Asset Relief Program (TARP).

As Americans felt things couldn't get any worse, they did... on March 2, 2009 the Dow Jones Industrial Average fell below the 7,000 level for the first time since 1997[4]. A sense of panic set in as unemployment continued to rise to a record high of 10%[5] and inflation hit negative numbers.

The Federal Reserve scrambled and infused an unparalleled amount of monetary assistance to ensure economic recovery. By the end of 2009 the light could be seen at the end of the tunnel. Growth was slow, but things were moving in the right direction. As the dust began to settle, all eyes turned to how to prevent this from happening again. Financial reform was in the spotlight again on July 21, 2010 when President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The goal of Dodd-Frank was to improve accountability and transparency in the financial system, to end "too big to fail", to protect the American taxpayer by ending bailouts, and to protect consumers from abusive financial services practices.

March 16, 2008
Bear Stearns is acquired by JPMorganChase.

September 15, 2008
Lehman Brothers files the largest bankruptcy in U.S. history.

September 17, 2008
The Federal Reserve loans $85 billion to American International Group (AIG).

October 3, 2008
The Troubled Asset Relief Program (TARP) is signed into law.

December, 2008
Quantitative easing begins.

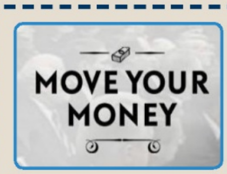
October 11, 2008
The Dow Jones Industrial Average caps its worst week with its highest volatility day ever recorded in its 112 year history.

December 19, 2008
The U.S. auto industry bailout is approved.

2009

March 2, 2009
The Dow Jones Industrial Average drops below 7000 for the first time since 1997.

"THE GREAT RECESSION" ends June, 2009



December, 2009
The Move Your Money Campaign launches in an effort to move money out of big banks and invest into small community banks.

2010

July 21, 2010
Insurance coverage for deposits is permanently raised to $250,000.

Financial institutions now had until October 1, 2011 to comply with the new regulations set forth in Dodd-Frank. This caused more than headaches, but near nightmares, for compliance departments. For those institutions not lucky enough to have an entire department to take on the burden, most had to hire additional staff. The reduction of interchange fee income, a result of the Durbin Amendment, was an additional damaging factor.

Things started looking up in 2012. Credit Unions hit $1 Trillion in Total Assets and by October the nation's foreclosures fell to a 5-year low. Mortgage rates hit new all-time lows and the refinance market was growing. The stock market continued to rally, posting record highs.

2011

September 17, 2011

October 1, 2011
The Dodd–Frank Wall Street Reform and Consumer Protection Act goes into effect.

November 5, 2011
Bank Transfer Day, a consumer activism initiative, calls for a voluntary switch from commercial banks to not-for-profit credit unions.

2012

March, 2012
Credit Unions hit 1 Trillion in Total Assets.

October 11, 2012
The nation's foreclosures fall to a 5-year low.

2013

July 11, 2013
The Dow Jones Industrial Average and S&P 500 close at record highs of 15,460 and 1,675, respectively, with the NASDAQ hitting 3,578, its highest level in ten years.

October 1, 2013
The Federal government shuts down for 16 days.

2014

February 1, 2014
Janet Yellen takes over as chairman of the Federal Reserve.

August 26, 2014
The S&P 500 closes above 2,000 for the first time.

October, 2014
Quantitative easing ends.

2015

January 6, 2015
WTI crude oil price falls to $48.46 a barrel, the first time it has been below $50 since April 2009.

March 2, 2015
The NASDAQ closes above 5,000 for first time since 2000.

September 17, 2015
Amid much anticipation, The Federal Open Market Committee (FOMC) decides not to increase the Federal Funds Rate. Will they change in 2015?

WHAT'S NEXT?

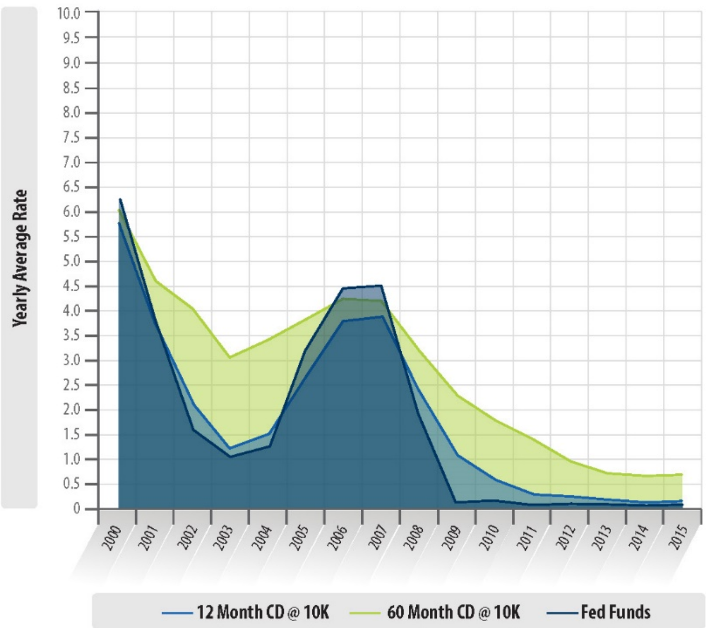
The last two years have been a waiting game as the economy continues to improve slowly and the Federal Reserve has held the Fed Funds rate at near zero. It is not a question of if rates will move, but when. As of the most recent FOMC meeting September 17, 2015, committee members are still confident an increase will happen in 2015.

REFERENCES

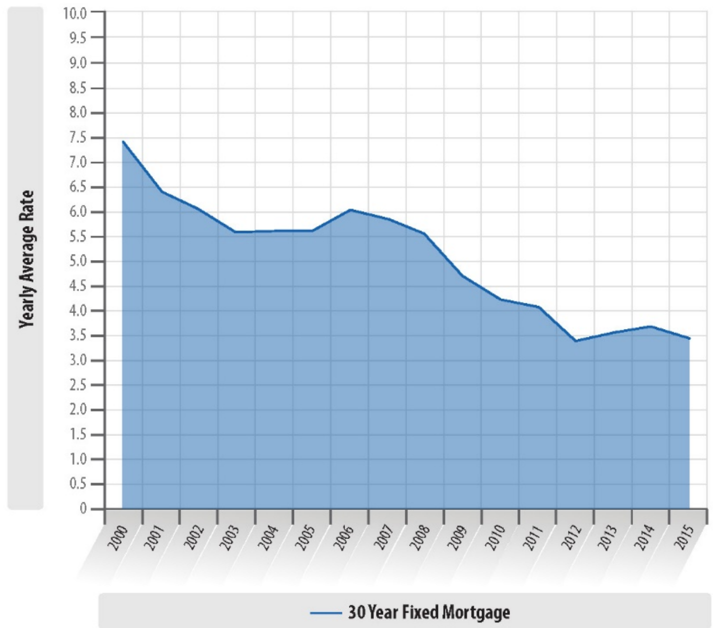
1. http://www.federalreservehistory.org/Events/DetailView/53
2. http://www.federalreservehistory.org/Events/DetailView/66
3. http://www.census.gov/housing/hvs/data/q215ind.html
4. http://www.bloomberg.com/bw/stories/2009-03-02/stocks-plunge-with-dow-falling-below-7-000businessweek-business-news-stock-market-and-financial-advice
5. http://www.usinflationcalculator.com/inflation/current-inflation-rates/

Banking Landscape: 2000-2015

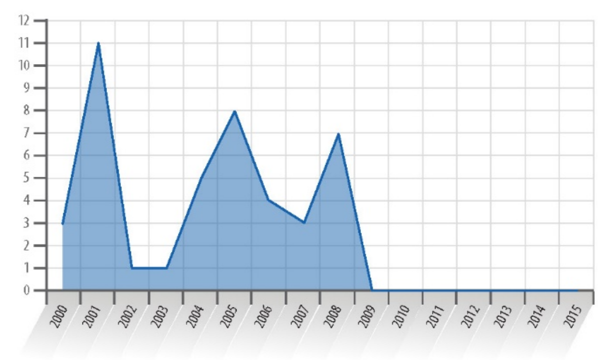
Deposit Products and Fed Funds



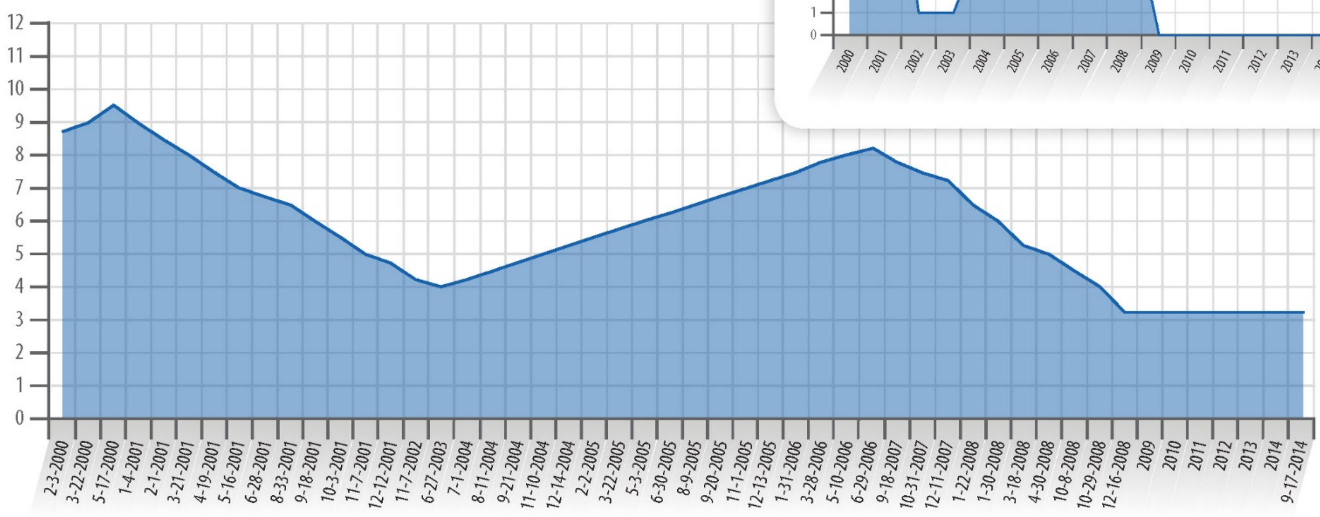
Loan Product



of Prime Rate Changes

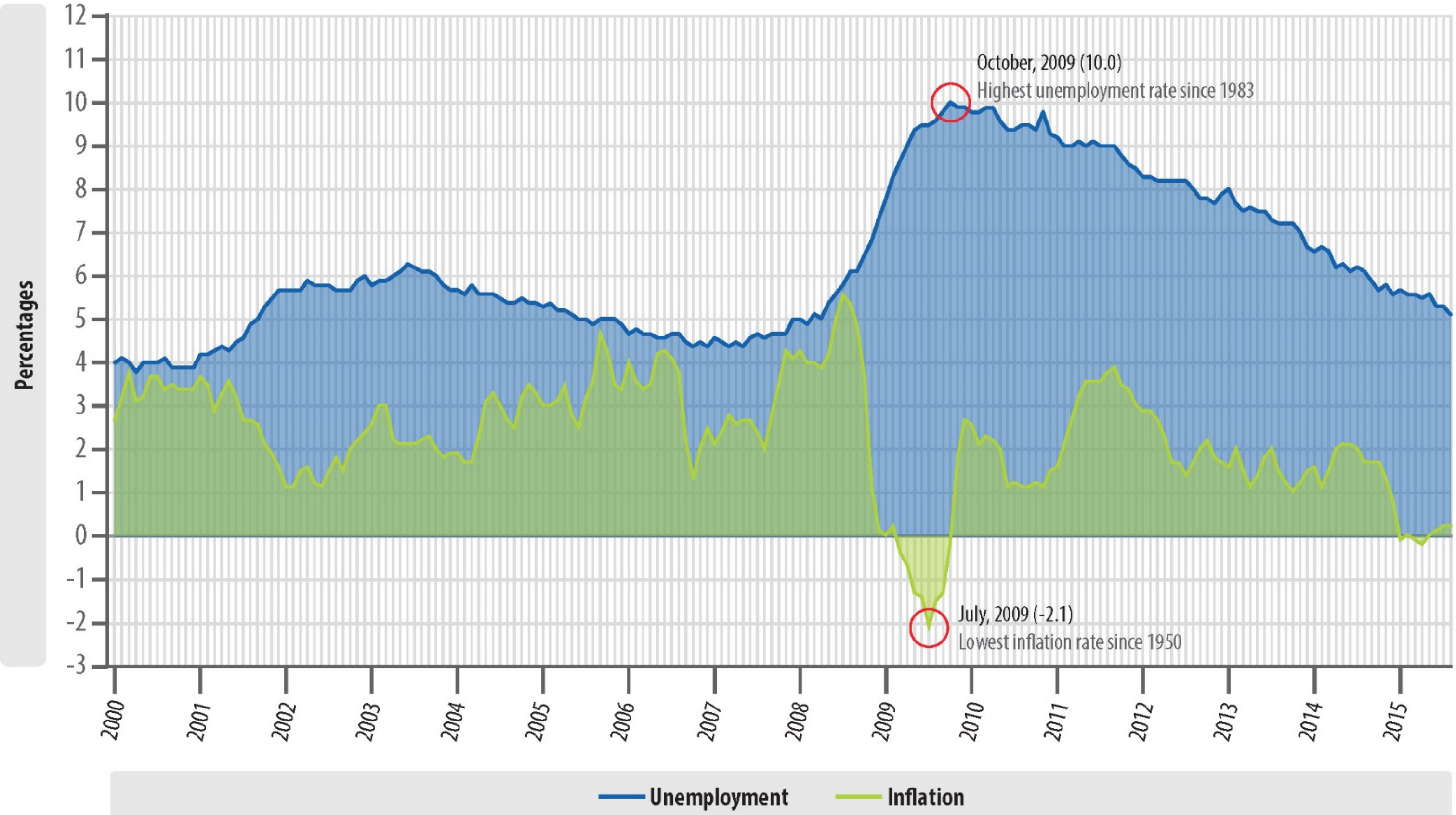


Prime Rate

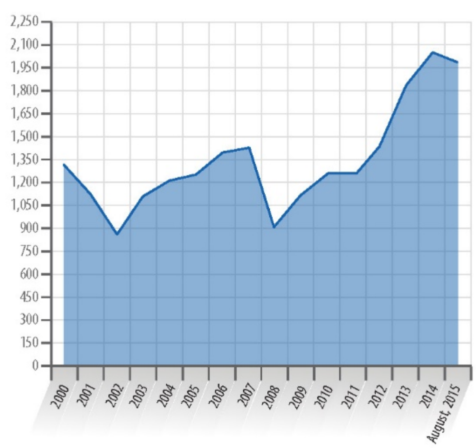


Economy Landscape: 2000-2015

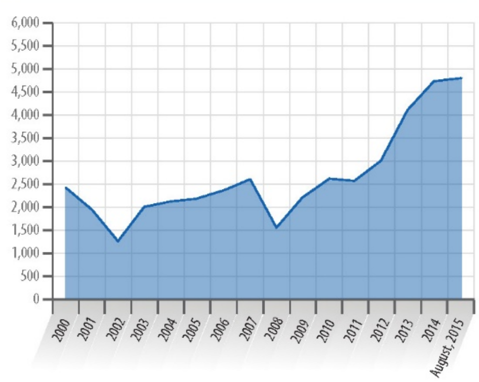
Unemployment vs. Inflation



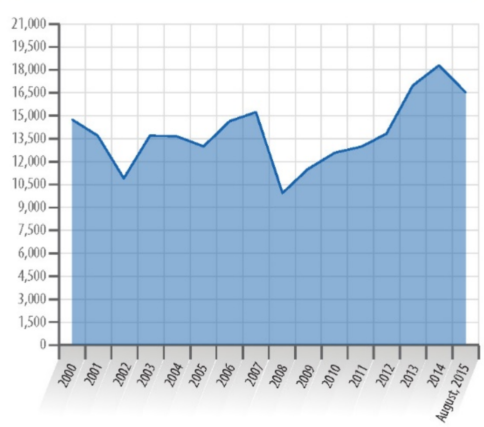
S&P 500



NASDAQ



DOW Jones



Statistics At A Glance

Historical Trends

As of June 30, 2015

Dollar Amounts in Billions		2015 YTD	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Commercial Banks		5,472	5,605	5,846	6,071	6,274	6,518	6,828	7,075	7,279	7,397	7,523	7,628	7767
New Reporters		0	0	1	0	3	9	25	89	164	178	166	122	110
Mergers		133	238	203	172	165	184	152	261	282	305	269	261	224
Savings Institutions		876	904	966	1,012	1,083	1,140	1,184	1,230	1,255	1,283	1,310	1,348	1,414
New Reporters		0	0	1	0	0	2	6	9	17	16	13	6	8
Mergers		19	35	29	36	31	13	27	32	39	37	41	58	49
Problem Institutions														
Number		228	291	467	651	813	884	702	252	76	50	52	80	116
Assets	$	57	87	153	233	319	390	403	159	22	8	7	28	30
Combined Dep. Ins. Fund														
Fund Balance	$	67.6	62.8	47.2	33.0	11.8	-7.4	-20.9	17.3	52.4	50.2	48.6	47.5	46.0
Insured Deposits	$	6,351	6,204	6,011	7,405	6,973	6,302	5,408	4,751	4,292	4,154	3,891	3,622	3,453
Reserve Ratio	%	1.06	1.01	0.79	0.45	0.17	-0.12	-0.39	0.36	1.22	1.21	1.25	1.31	1.33
Number Failed Institutions		5	18	24	51	92	157	140	25	3	0	0	4	3
Failed Assets*	$	6.389	2.914	6.044	11.617	34.923	92.085	169.709	371.945	2.615	0.000	0.000	0.170	0.947
Number Assisted Institutions		0	0	0	0	0	0	8	5	0	0	0	0	0
Assisted Assets*	$	0.000	0.000	0.000	0.000	0.000	0.000	1,917.482	1,306.042	0.000	0.000	0.000	0.000	0.000
Estimated Losses(DIF)**	$	0.814	0.417	1.321	2.673	7.027	16.937	27.736	18.288	0.155	0.000	0.000	0.004	0.063
Resolution Receivables***	$	14.862	18.181	16.345	23.120	28.549	29.533	38.409	15.766	0.808	0.482	0.533	0.722	0.784
Number of FDIC Employees**** (Includes RTC before 1996)		6,470	6,631	7,254	7,476	7,973	8,150	6,557	4,988	4,532	4,476	4,514	5,078	5,311

Dollar Amounts in Billions		2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Commercial Banks		7,887	8,080	8,315	8,580	8,774	9,143	9,528	9,941	10,452	10,959	11,463	11,921	12,343
New Reporters		91	126	190	230	188	187	145	102	50	58	72	105	163
Mergers		276	354	452	416	557	598	552	606	548	501	425	443	389
Savings Institutions		1,467	1,534	1,589	1,642	1,690	1,780	1,926	2,030	2,152	2,262	2,390	2,561	2,815
New Reporters		4	20	33	40	33	12	12	9	18	9	8	9	28
Mergers		56	63	81	80	114	127	108	116	109	111	84	72	64
Problem Institutions														
Number		136	114	94	79	84	92	117	193	318	575	1,066	1,430	1,496
Assets	$	39	40	24	10	11	6	12	31	73	348	601	837	647
Combined Dep. Ins. Fund														
Fund Balance	$	43.8	41.4	41.7	39.7	39.4	37.7	35.7	28.8	23.8	14.3	0.2	-6.9	4.1
Insured Deposits	$	3,384	3,217	3,055	2,869	2,850	2,746	2,690	2,664	2,589	2,603	2,678	2,733	2,785
Reserve Ratio	%	1.29	1.29	1.37	1.38	1.38	1.37	1.33	1.08	0.92	0.55	0.01	-0.25	0.15
Number Failed Institutions		11	4	7	8	3	1	6	8	15	50	179	268	381
Failed Assets*	$	2.873	1.822	0.410	1.592	0.290	0.028	0.233	1.226	1.601	9.977	89.555	143.455	146.586
Number Assisted Institutions		0	0	0	0	0	0	0	0	0	0	2	3	1
Assisted Assets*	$	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.033	0.079	0.014
Estimated Losses(DIF)**	$	0.426	0.306	0.032	0.614	0.223	0.005	0.061	0.113	0.191	0.900	6.909	14.624	18.838
Resolution Receivables***	$	0.793	1.429	0.354	0.805	0.757	1.114	4.45	4.143	8.197	13.396	27.824	18.675	12.935
Number of FDIC Employees**** (Includes RTC before 1996)		5,430	6,167	6,452	7,266	7,359	7,793	9,151	11,856	17,526	20,994	22,459	22,586	19,247

* Prior years have been revised to reflect failed/assisted assets as reported on the Call Report for the quarter prior to failure/assistance.

** Includes RTC resolutions from 1990-1995, excludes Transaction Account Guarantee program (TAG) losses from inception in 2008 until the program ended in 2011.

*** Includes remaining receivership assets from prior years

**** Beginning in 2008, FDIC began reporting the number of FDIC employees based on a new, full-time equivalent methodology.
Prior years have been revised to reflect the number of employees as reported in the FDIC Annual Report.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