

FHLBank Tenth District Community Bank Trends

Quarterly Analysis / Q1 2023

Prepared by: Leslie Mondesir
AVP, Member Solutions Manager

The purpose of this analysis is to provide financial and performance trend data for member institutions headquartered in FHLBank's Tenth District comprised of Colorado, Kansas, Nebraska and Oklahoma.



Banking Themes

The tide has turned. Liquidity crunch. Margin compression. Market volatility. Uncertainty. These were the issues in focus across the banking industry as the first quarter of 2023 came to a close.

Large bank failures shocked the system as sudden liquidity needs could not be met and demonstrated that stressed liquidity positions could cause failure nearly overnight compared to the slower pace of an asset-quality related failure. Liquidity risk management and contingency funding plans were cast into the spotlight and are now undoubtedly top of mind with regulators as well.

Across the District, assets moved higher with growth in cash, security and loan balances expanding. Did we reach an inflection point for on-balance sheet liquidity? While deposit flows were mixed among members, there was migration of deposits in pursuit of higher rates. The use of wholesale funding continued to fill the liquidity gap for many institutions.

Wholesale sources were also utilized to build liquidity positions following the bank failures late in the first quarter 2023. Margins are under considerable pressure as financial institutions are feeling the squeeze of funding costs. Institutions have entered reserve build mode even as strong asset quality positions persist. Tangible equity positions rose again as unrealized loss positions in security portfolios saw some improvement.

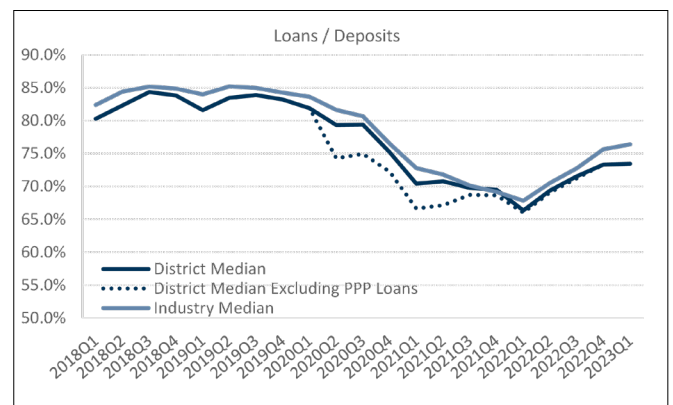
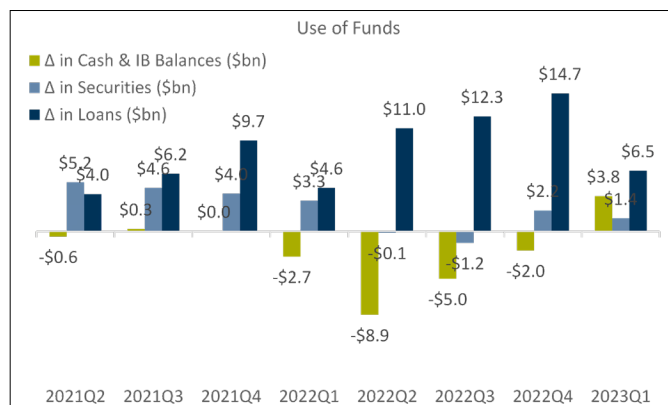
In the Details

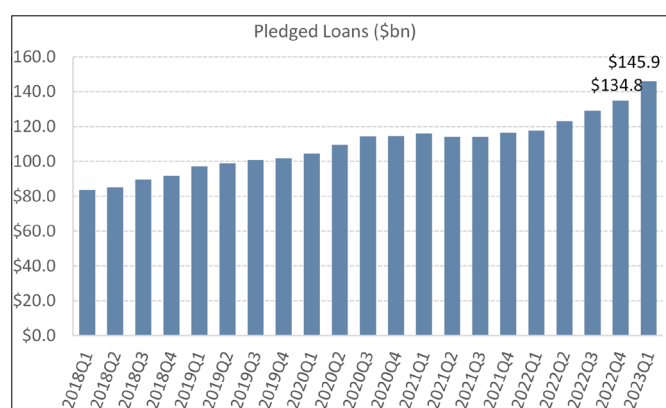
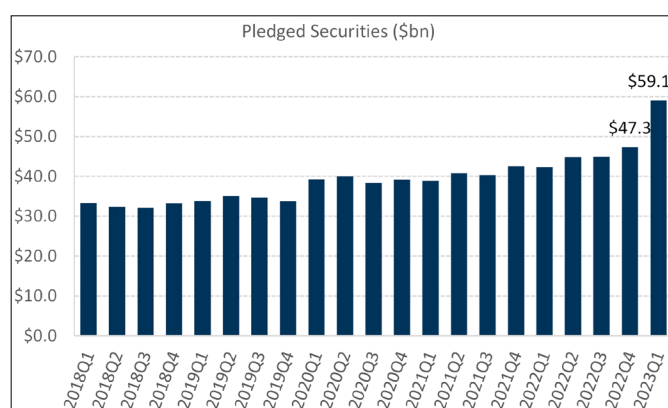
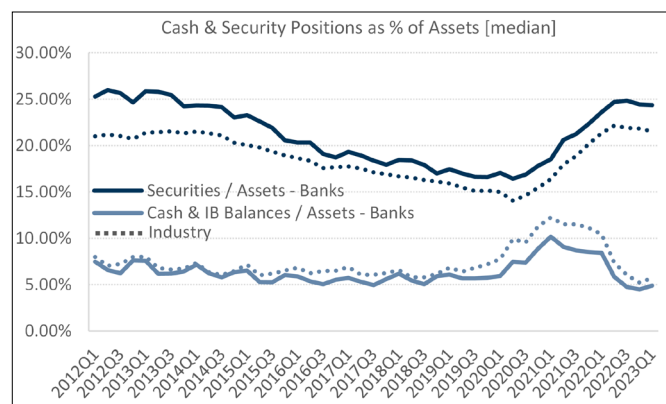
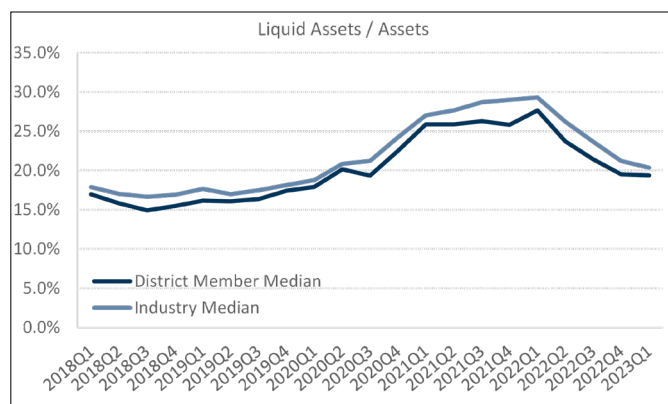
The pace of loan growth subsided during the first quarter of 2023, following seasonal patterns. However, the sentiment towards continued loan growth has dampened as financial institutions have noted slower loan activity on the horizon amid uncertainty and a blurry economic outlook. On a quarter-over-quarter basis, loan balances were up across all major loan categories except farm and ag-related lending, which is typical for this sector in the first quarter. The primary drivers of

lending activity were again residential and commercial real estate. Mortgage balances have continued to push higher even as loan rates remain elevated.

There was a build in aggregate cash balances during the three months ended March 31, 2023, after a year of declining balances. On a median basis, cash positions as a percent of assets reversed course and moved upward after declining for seven straight quarters. The build in cash positions was attributed, in part, to the fear and panic that radiated through the banking industry following the bank failures late in the first quarter 2023 as wholesale funding was utilized to help build a “buffer” against the potential for sudden deposit outflows.

Although investment portfolios in the aggregate expanded slightly for the second consecutive quarter, institutions were split between a decline and growth in security positions on a quarter-over-quarter





basis with slightly more members decreasing the size of their securities portfolio – both held-to-maturity (HTM) and available-for-sale (AFS). Interestingly, growth in AFS balances outpaced the increase in HTM positions for the first time since the Fed began raising rates in the first quarter of 2022. In terms of portfolio composition, mortgage-backed security holdings had the greatest gain of \$1.4 billion in the first quarter 2023 after balances fell over \$3 billion over the past several quarters. The growth in liquid asset balances was offset by the surge in pledged securities during the first quarter 2023, causing liquidity ratios to edge lower or remain relatively flat.

The rapid increase in pledged securities is likely attributed, in part, to establishing lines at the Fed's new Bank Term Funding Program (BTFP) and in part to increasing collateral pledged to the Federal Home Loan Bank. Given the underwater nature of most security portfolios, pledging these securities to increase access to funding is a practical alternative to selling securities to generate liquidity. Pledging additional collateral – both securities and loans – allows an institution to build ready access to additional liquidity in a time of need and prevents idle non-productive cash from sitting on balance sheet by converting non-saleable loans to liquidity. An improved total liquidity

position will help reduce examiner concern regarding liquidity through improved operating flexibility and strengthened contingency plans.

Unrealized loss positions in bond portfolios improved again during the quarter-ended March 31, 2023, as rate volatility was slightly favorable to institutions. During the fourth quarter of 2022, realized losses on sale of securities in AFS portfolios jumped with over 100 banks recognizing over \$100 million in aggregate losses. Recorded losses in the sale of available-for-sale securities during the first quarter of 2023 was much lower compared to the prior quarter as more institutions booked a gain,

helping to off-set some of the losses realized by the majority in selling institutions. Tangible capital positions gained back some lost ground during the first three months of 2023 and generally remain intact but under pressure with elevated interest rates while risk-based positions remain well-capitalized.

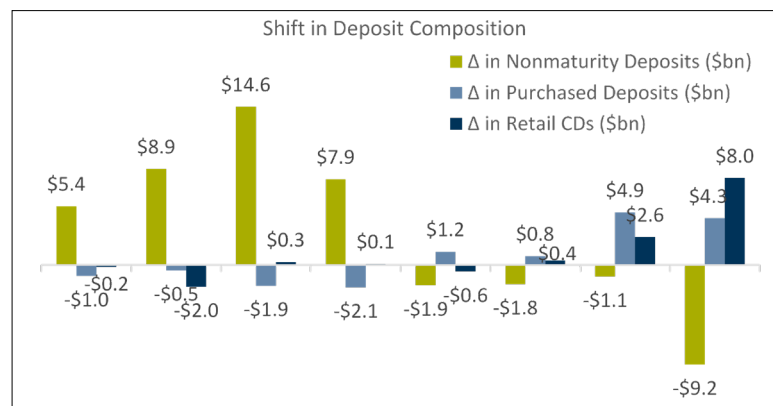
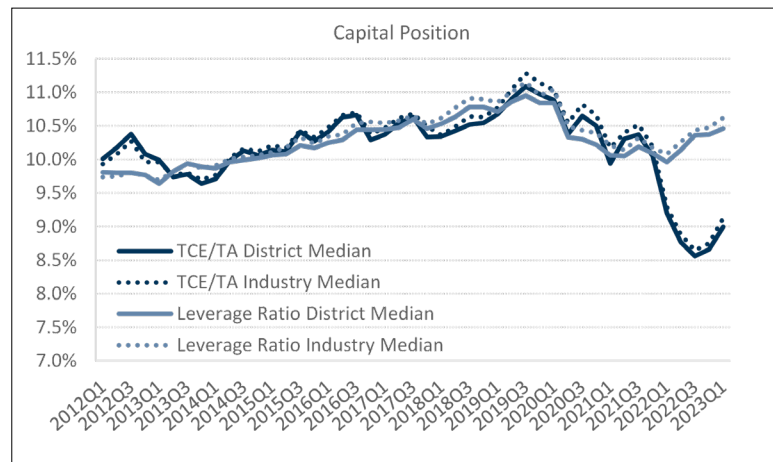
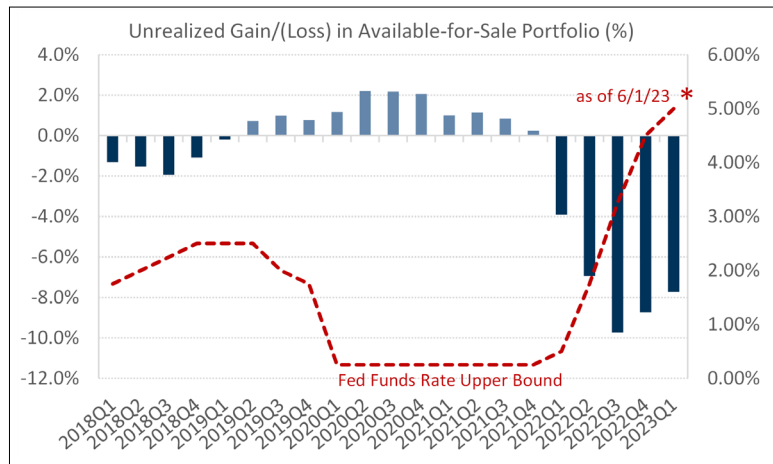
While aggregate deposit balances increased during the three months ended March 31, 2023, deposit flows among financial institutions were again mixed across the banking sector. The median deposit growth rate for District banks turned positive after three consecutive quarters of declines. Deposit growth just barely outpaced loan growth for the first time in four quarters, leaving loan-to-deposit ratios relatively unchanged.

As stated previously, there was a shift of deposits from non-maturity accounts into time deposits as consumers pursued higher rates and institutions have remained focused on retaining their deposit base. Higher rate offerings on both standard accounts and special promotions leads to cannibalization of deposits, or higher funding costs. Money market accounts saw the greatest runoff, followed by transaction accounts. There is expected to be some continued deposit disintermediation resulting from attractive yields in money market funds and other investment alternatives, such as the Treasury market.

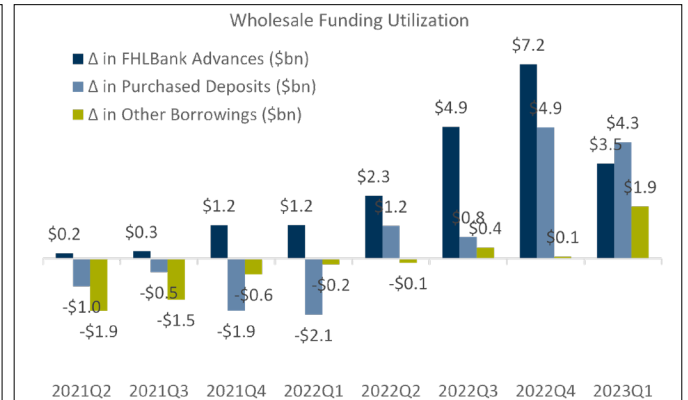
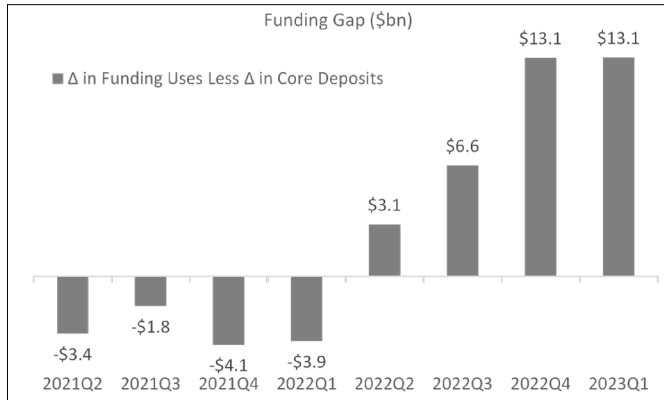
Estimated uninsured deposits held by financial institutions became center stage, along with diversity of a bank's deposit base, in March 2023 as the bank failures unfolded. The amount of estimated uninsured

deposits stated on both Silicon Valley Bank and Signature Bank call reports represented over 80 percent of total deposits at year-end 2022, over twice the amount estimated for Tenth

District members. Regulators will be focused on liquidity stress testing, cash flow monitoring and liquidity risk management for the foreseeable future.



*Purchased Deposits = Net Brokered Deposits (excludes brokered reciprocal deposits) + Listing Service Deposits



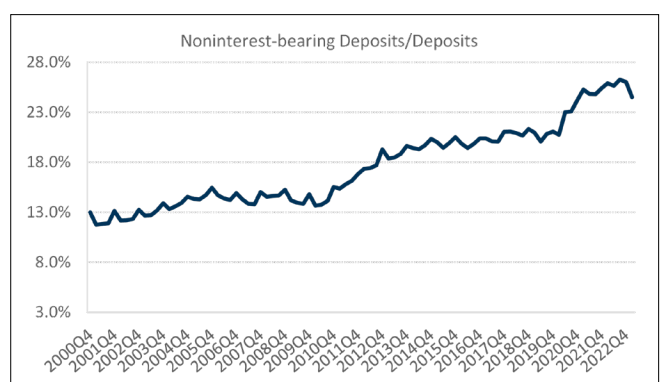
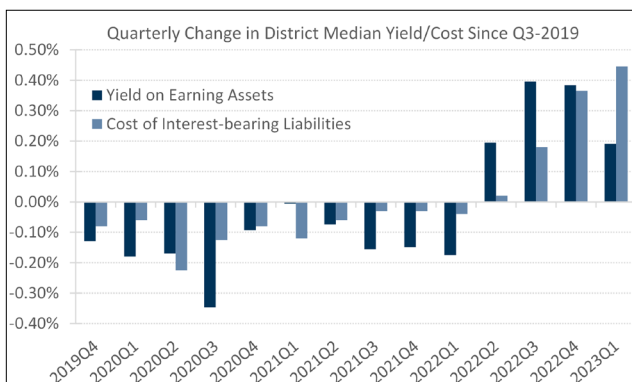
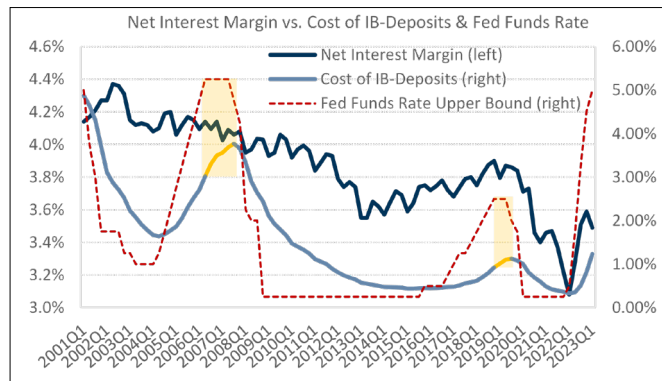
*Core Deposits = Total Deposits less Purchased Deposits

The use of non-core funding to supplement and fill the funding gap continued through the quarter-ended March 31, 2023, in addition to helping build some additional on-balance sheet liquidity. The growth in wholesale funding was attributed to further utilization of FHLBank advances and brokered deposits, along with newly created BTFP. While

brokered deposits may not be the most cost-effective funding source available to financial institutions, it does supplement deposit outflows and support loan-to-deposit ratios. Looking forward, the need for liquidity from alternative sources is likely to remain heightened due to the current loss position seen in most security portfolios and persistent

funding pressures – even as overall liquidity positions remain above their historical average.

After three quarters of impressive net interest margin expansion, the lagging effect of cost of funds in a rising rate environment was reflected in margin compression with significant headwinds on the horizon. The impact of rising rates

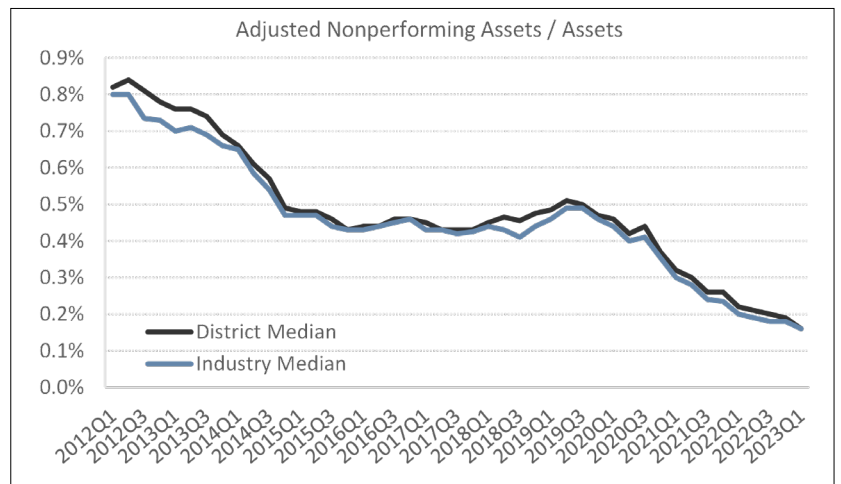
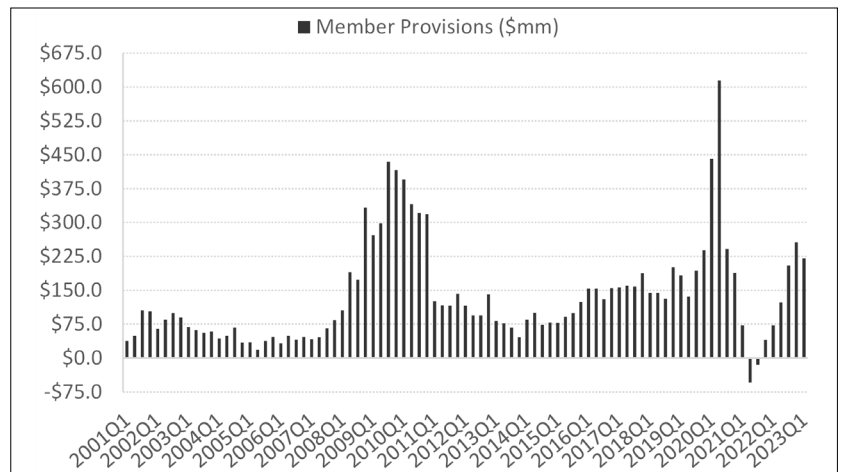


Source: S&P Global Market Intelligence.

on the liability side of the balance sheet was realized during the fourth quarter 2022 as margin expansion slowed but the continued growth in wholesale funding and acceleration in deposit pricing pressures intensified during the three months ended March 31, 2023. The elevated level of noninterest-bearing deposits represents yet another downside risk to a negative margin outlook should these deposits migrate into interest-bearing accounts. Noninterest-bearing deposits as a percent of total deposits peaked in the third quarter 2022 and have since moved slightly lower over the past two quarters but remain well above historical trends.

Profitability and efficiency ratios improved on both a year-over-year and quarter-over-quarter basis for the three months ended March 31, 2023. After posting record annual net interest income during the fourth quarter 2022, net interest income across the District fell in the first quarter 2023 as the growth in interest expense exceeded gains in interest income. First quarter earnings were positively impacted by sustained noninterest income and a decline in both noninterest expense and provision expense compared to the prior quarter.

About half of our District bank members recorded provision expense during the first quarter 2023 while the other half of bank members recorded no provision. Many continued to build reserves in the first quarter as credit containment concerns linger despite resilient asset quality positions among member financial institutions. Nonperforming assets stayed the course during the three



months ended March 31, 2023, declining for the tenth consecutive quarter. However, institutions will continue to monitor for tangible signs of deterioration amid the unclear economic outlook.

Looking Ahead

Caution for a downturn in economic activity and impending recession continues. The quest to rein in stubbornly high inflation and balance a strong labor market remain defining themes and complicates the Fed's monetary policy decision making. Economists have noted that the risk is

not that the Fed raises rates too much, but that it doesn't raise rates enough. Market volatility is likely to remain heightened with both domestic and global uncertainties.

Deposit price pressures will persist as rates remain elevated and competition further toughens as alternative investments remain attractive. A continued slowdown or pullback in lending could accompany today's murky economic outlook. With room to run for deposit betas and other profitability pressures, margin protection will be a top priority over the near term.

The ability for consumers to move money quickly also increases funding pressures. Deposit base stability and liquidity will remain top of mind due to the recent bank failures. Access to liquidity and collateral capacity will undoubtedly be a focus among regulators going forward. Additional fallout from the failures for institutions may result in the expectation to hold more cash on hand to serve as a buffer against unexpected outflows of deposits or to “secure” a greater portion of uninsured deposits. Understanding and knowing your deposit base will be critical.

In FHLBank Topeka’s April Financial Intelligence article in response to recent bank failures, *Liquidity Risk Management | More Than Checking a Box*, Dale Sheller with the Baker Group says, “In today’s environment, liquidity risk and

liability management can no longer be overlooked or ignored. Now is the time to dust off your contingency funding plan, liquidity monitoring tools and stress-testing procedures to ensure you have the best risk management practices in place.”

New Trends Report Addition

Member Performance Fact Sheets

On the following pages, you will find bank member performance fact sheets for institutions of various asset sizes (< \$100 million, \$100-\$500 million, \$500 million - \$1 billion and > \$1 billion), as well as fact sheets based on institutions’ geographic location (Colorado, Kansas, Nebraska, Oklahoma). The profile for each sector provides a two year and year-to-date comparison for an array of ratios related to balance sheet composition, liquidity, profitability, and asset

quality – along with aggregate balance sheet and income statement data. Additionally, a quartile distribution for the most recent quarter is also included. The addition of the new data sets will provide you with the ability to compare your institution’s performance with peers.

Request a Custom Analysis

If you’d like to see additional customized comparisons, check out the *Member Solutions page* on our website for a full list of our offerings.

The Member Solutions team and our Regional Account Managers work hand-in-hand to offer analysis and guidance to assist in understanding the value of FHLBank products and services. Use the form on the page to submit a request. We’ll be in touch with more information.

BANK MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Banks with Assets < \$100mm							
	At or For the Year Ended		YTD	Δ Since 2021	Quartile Distribution at 3/31/2023		< \$100mm Average
	2021	2022	2023		Top Quartile	Bottom Quartile	
Number	133	127	124	(9)			
Aggregate Balance Sheet (\$bn)							
Assets	\$ 8.2	\$ 7.9	\$ 7.6	\$ (0.6)			
Securities	2.0	2.1	2.1	0.2			
Gross Loans & Leases	4.6	4.5	4.2	(0.4)			
Deposits	6.9	6.6	6.4	(0.5)			
FHLBank Advances	0.2	0.2	0.2	0.0			
Brokered Deposits ⁽¹⁾	0.2	0.2	0.1	(0.1)			
Balance Sheet Ratios (median)							
Loans / Deposits	65.21%	66.99%	63.16%	(205 bps)	77.92%	46.55%	63.92%
Securities / Assets	21.92%	26.47%	26.94%	502 bps	41.16%	11.16%	27.72%
FHLBank Advances / Assets*	3.19%	5.37%	4.05%	86 bps	6.96%	1.88%	4.91%
TCE / TA	11.12%	9.96%	10.39%	(73 bps)	12.79%	7.82%	11.06%
Leverage Ratio	11.15%	11.77%	11.80%	65 bps	14.42%	9.58%	12.78%
Liquidity Ratios (median)							
Liquid Assets / Assets	32.66%	30.36%	31.05%	(161 bps)	42.22%	17.41%	31.64%
Wholesale Funding Utilization* ⁽²⁾	7.74%	9.73%	7.93%	18 bps	12.26%	2.79%	9.43%
Pledged Securities / Total Securities	37.16%	35.37%	37.61%	45 bps	65.48%	18.35%	40.66%
FHLBank Collateral Utilization*	37.22%	41.05%	31.41%	(581 bps)	52.91%	17.28%	37.19%
Pledged Lending Value / Assets	10.20%	12.38%	12.82%	262 bps	19.18%	7.15%	14.28%
Aggregate Income Statement (\$mm)							
Net Interest Income	\$ 270.7	\$ 254.7	\$ 66.5				
Interest Expense	32.2	33.3	15.6				
Provision	6.7	3.6	1.3				
Noninterest Income	53.8	43.9	11.4				
Profitability Ratios (median)							
ROAA (c-corp)	0.61%	0.61%	0.88%	27 bps	1.28%	0.39%	0.86%
ROAE (c-corp)	5.34%	6.02%	8.01%	267 bps	12.06%	3.42%	7.44%
ROAA (s-corp)	1.12%	0.99%	1.16%	4 bps	1.67%	0.66%	1.40%
ROAE (s-corp)	9.40%	10.65%	14.08%	468 bps	19.97%	8.14%	15.70%
Net Interest Margin (FTE)	3.35%	3.25%	3.54%	19 bps	4.28%	3.05%	3.72%
Efficiency Ratio (FTE)	70.88%	72.65%	68.55%	(234 bps)	57.94%	79.36%	69.75%
Yield on Earning Assets	3.86%	3.68%	4.34%	48 bps	5.25%	3.72%	4.56%
Yield on Loans	5.90%	5.44%	5.90%	(1 bps)	6.62%	5.28%	6.03%
Cost of Interest-bearing Funds	0.55%	0.57%	1.15%	60 bps	1.50%	0.83%	1.20%
Cost of Interest-bearing Deposits	0.47%	0.46%	1.00%	53 bps	1.48%	0.70%	1.10%
Asset Quality Ratios (median)							
Adjusted NPAs / Assets ⁽³⁾	0.29%	0.18%	0.12%	(18 bps)	0.00%	0.80%	0.56%
Reserves / Loans	1.51%	1.47%	1.54%	3 bps	2.09%	1.20%	1.76%
Net Charge-Offs / Average Loans	0.00%	0.00%	0.00%	0 bps	0.00%	(0.02%)	(0.04%)

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Excludes reciprocal deposits.

(2) Defined as [Total Borrowings + Brokered Deposits (includes reciprocal deposits)] / [Total Borrowings + Deposits]

(3) Adjusted for U.S. government guaranteed portion of loans.

BANK MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Banks with Assets \$100mm - \$500mm								
	At or For the Year Ended		YTD	Δ Since 2021	Quartile Distribution at 3/31/2023		\$100-\$500mm Average	
	2021	2022	2023		Top Quartile	Bottom Quartile		
Number	296	295	294	(2)				
Aggregate Balance Sheet (\$bn)								
Assets	\$ 74.1	\$ 73.6	\$ 73.0	\$ (1.1)				
Securities	17.5	18.5	18.0	0.6				
Gross Loans & Leases	44.7	47.0	46.6	2.0				
Deposits	63.4	63.2	62.7	(0.7)				
FHLBank Advances	1.8	2.5	2.3	0.5				
Brokered Deposits ⁽¹⁾	1.2	1.7	1.8	0.6				
Balance Sheet Ratios (median)								
Loans / Deposits	69.85%	74.01%	74.05%	420 bps	89.35%	58.05%	73.95%	
Securities / Assets	22.49%	25.30%	23.88%	139 bps	36.22%	13.35%	25.13%	
FHLBank Advances / Assets*	2.66%	3.77%	3.26%	59 bps	7.04%	1.40%	4.91%	
TCE / TA	10.19%	8.70%	9.12%	(108 bps)	10.81%	7.19%	9.23%	
Leverage Ratio	10.16%	10.45%	10.61%	45 bps	12.27%	9.37%	11.09%	
Liquidity Ratios (median)								
Liquid Assets / Assets	25.47%	18.90%	18.70%	(678 bps)	28.38%	12.58%	21.18%	
Wholesale Funding Utilization* ⁽²⁾	4.98%	7.24%	7.11%	213 bps	15.55%	2.83%	10.48%	
Pledged Securities / Total Securities	43.57%	45.76%	48.14%	458 bps	68.10%	29.03%	47.95%	
FHLBank Collateral Utilization*	37.97%	38.15%	29.37%	(861 bps)	53.20%	14.24%	35.96%	
Pledged Lending Value / Assets	11.78%	14.03%	14.65%	287 bps	22.22%	9.26%	16.50%	
Aggregate Income Statement (\$mm)								
Net Interest Income	\$ 2,364.1	\$ 2,422.8	\$ 633.2					
Interest Expense	252.2	312.0	182.7					
Provision	60.7	74.2	10.3					
Noninterest Income	571.7	498.7	98.6					
Profitability Ratios (median)								
ROAA (c-corp)	1.02%	0.95%	1.13%	11 bps	1.46%	0.75%	1.12%	
ROAE (c-corp)	9.47%	9.82%	10.73%	127 bps	14.49%	7.13%	10.79%	
ROAA (s-corp)	1.41%	1.22%	1.32%	(9 bps)	1.75%	0.94%	1.36%	
ROAE (s-corp)	13.00%	14.77%	17.03%	403 bps	21.42%	11.94%	17.33%	
Net Interest Margin (FTE)	3.47%	3.42%	3.58%	11 bps	4.08%	3.07%	3.61%	
Efficiency Ratio (FTE)	62.50%	63.10%	62.36%	(14 bps)	53.35%	72.65%	63.17%	
Yield on Earning Assets	3.85%	3.83%	4.61%	76 bps	5.13%	3.97%	4.62%	
Yield on Loans	5.43%	5.16%	5.68%	25 bps	6.16%	5.13%	5.69%	
Cost of Interest-bearing Funds	0.47%	0.61%	1.36%	89 bps	1.82%	0.98%	1.43%	
Cost of Interest-bearing Deposits	0.42%	0.53%	1.22%	80 bps	1.70%	0.90%	1.31%	
Asset Quality Ratios (median)								
Adjusted NPAs / Assets ⁽³⁾	0.19%	0.19%	0.16%	(4 bps)	0.01%	0.49%	0.42%	
Reserves / Loans	1.37%	1.33%	1.33%	(4 bps)	1.69%	1.11%	1.46%	
Net Charge-Offs / Average Loans	0.01%	0.00%	0.00%	(1 bps)	0.01%	(0.01%)	0.05%	

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Excludes reciprocal deposits.

(2) Defined as [Total Borrowings + Brokered Deposits (includes reciprocal deposits)] / [Total Borrowings + Deposits]

(3) Adjusted for U.S. government guaranteed portion of loans.

BANK MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Banks with Assets \$500mm - \$1bn								
	At or For the Year Ended		YTD	Δ Since 2021	Quartile Distribution at 3/31/2023		\$500mm - \$1bn Average	
	2021	2022	2023		Top Quartile	Bottom Quartile		
Number	69	70	68	(1)				
Aggregate Balance Sheet (\$bn)								
Assets	\$ 50.3	\$ 50.6	\$ 48.3	\$ (1.9)				
Securities	12.0	12.3	11.1	(0.9)				
Gross Loans & Leases	31.1	33.8	32.2	1.2				
Deposits	42.7	43.2	41.7	(1.0)				
FHLBank Advances	1.3	1.9	1.3	(0.0)				
Brokered Deposits ⁽¹⁾	1.1	1.4	1.3	0.2				
Balance Sheet Ratios (median)								
Loans / Deposits	71.79%	80.58%	79.00%	720 bps	89.25%	69.12%		76.83%
Securities / Assets	22.96%	21.29%	21.79%	(117 bps)	34.92%	10.63%		23.49%
FHLBank Advances / Assets*	2.38%	3.33%	2.74%	35 bps	6.52%	1.57%		3.95%
TCE / TA	9.13%	8.40%	8.56%	(58 bps)	9.37%	7.35%		8.55%
Leverage Ratio	9.39%	9.81%	9.94%	54 bps	10.69%	9.15%		10.26%
Liquidity Ratios (median)								
Liquid Assets / Assets	22.61%	15.56%	16.84%	(577 bps)	23.69%	12.13%		19.38%
Wholesale Funding Utilization* ⁽²⁾	6.15%	8.91%	7.17%	102 bps	13.64%	1.75%		8.80%
Pledged Securities / Total Securities	45.02%	39.36%	43.99%	(103 bps)	63.75%	25.46%		43.62%
FHLBank Collateral Utilization*	38.36%	37.16%	34.83%	(353 bps)	61.63%	17.27%		39.53%
Pledged Lending Value / Assets	10.91%	13.05%	13.16%	225 bps	18.47%	9.49%		14.59%
Aggregate Income Statement (\$mm)								
Net Interest Income	\$ 1,603.6	\$ 1,665.6	\$ 408.4					
Interest Expense	158.7	236.1	140.5					
Provision	53.4	52.4	8.6					
Noninterest Income	351.1	298.5	74.6					
Profitability Ratios (median)								
ROAA (c-corp)	1.27%	1.18%	0.95%	(32 bps)	1.14%	0.64%		0.96%
ROAE (c-corp)	11.38%	12.12%	10.47%	(91 bps)	14.37%	6.59%		12.34%
ROAA (s-corp)	1.59%	1.52%	1.41%	(19 bps)	1.93%	0.95%		1.55%
ROAE (s-corp)	15.59%	17.77%	19.03%	344 bps	23.53%	13.26%		18.94%
Net Interest Margin (FTE)	3.51%	3.51%	3.45%	(6 bps)	3.91%	3.18%		3.52%
Efficiency Ratio (FTE)	57.36%	59.01%	62.04%	468 bps	54.94%	73.24%		62.60%
Yield on Earning Assets	3.87%	3.93%	4.62%	75 bps	5.34%	4.07%		4.70%
Yield on Loans	5.09%	5.01%	5.65%	55 bps	5.94%	5.25%		5.63%
Cost of Interest-bearing Funds	0.40%	0.67%	1.70%	130 bps	2.11%	1.06%		1.65%
Cost of Interest-bearing Deposits	0.36%	0.54%	1.45%	109 bps	1.86%	0.88%		1.48%
Asset Quality Ratios (median)								
Adjusted NPAs / Assets ⁽³⁾	0.26%	0.15%	0.12%	(15 bps)	0.02%	0.63%		0.35%
Reserves / Loans	1.38%	1.33%	1.38%	0 bps	1.65%	1.20%		1.44%
Net Charge-Offs / Average Loans	0.01%	0.02%	0.00%	(1 bps)	0.02%	(0.01%)		0.03%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Excludes reciprocal deposits.

(2) Defined as [Total Borrowings + Brokered Deposits (includes reciprocal deposits)] / [Total Borrowings + Deposits]

(3) Adjusted for U.S. government guaranteed portion of loans.

BANK MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Banks with Assets > \$1bn								
	At or For the Year Ended		YTD	Δ Since 2021	Quartile Distribution at 3/31/2023		> \$1bn Bottom Quartile	
	2021	2022	2023		Top Quartile	Average		
Number	52	58	63	11				
Aggregate Balance Sheet (\$bn)								
Assets	\$ 300.5	\$ 325.7	\$ 338.1	\$ 37.6				
Securities	68.9	71.5	74.6	5.7				
Gross Loans & Leases	181.4	216.5	225.3	43.9				
Deposits	250.2	260.6	266.2	16.0				
FHLBank Advances	13.3	27.4	31.9	18.6				
Brokered Deposits ⁽¹⁾	5.6	9.9	14.2	8.6				
Balance Sheet Ratios (median)								
Loans / Deposits	71.68%	77.62%	77.44%	577 bps	96.08%	68.48%	82.45%	
Securities / Assets	20.58%	21.97%	21.11%	53 bps	31.54%	12.62%	22.47%	
FHLBank Advances / Assets*	1.98%	5.05%	5.23%	325 bps	10.51%	2.19%	7.93%	
TCE / TA	8.96%	8.11%	7.88%	(108 bps)	10.75%	8.36%	9.58%	
Leverage Ratio	9.22%	9.26%	9.32%	11 bps	10.45%	8.72%	10.00%	
Liquidity Ratios (median)								
Liquid Assets / Assets	24.21%	17.19%	15.02%	(919 bps)	21.29%	10.82%	16.83%	
Wholesale Funding Utilization* ⁽²⁾	4.32%	10.11%	11.30%	699 bps	19.04%	6.56%	14.46%	
Pledged Securities / Total Securities	38.49%	44.03%	52.35%	1,386 bps	71.32%	30.31%	49.49%	
FHLBank Collateral Utilization*	23.87%	39.19%	38.56%	1,469 bps	64.08%	22.53%	41.51%	
Pledged Lending Value / Assets	14.06%	17.08%	17.99%	393 bps	24.61%	10.70%	18.74%	
Income Statement (\$mm)								
Net Interest Income	\$ 8,559.6	\$ 10,120.7	\$ 2,743.2	\$ (5,816.4)				
Interest Expense	685.8	1,429.2	1,138.6	452.8				
Provision	(77.2)	530.4	199.9	277.2				
Noninterest Income	3,555.1	3,068.3	724.5	(2,830.6)				
Profitability Ratios								
ROAA (c-corp)	1.27%	1.11%	0.95%	(32 bps)	1.35%	0.65%	1.02%	
ROAE (c-corp)	12.65%	12.86%	11.26%	(139 bps)	15.49%	8.04%	12.39%	
ROAA (s-corp)	1.59%	1.48%	1.40%	(19 bps)	1.67%	1.27%	1.91%	
ROAE (s-corp)	16.01%	19.93%	18.48%	248 bps	24.45%	14.27%	20.35%	
Net Interest Margin (FTE)	3.14%	3.24%	3.15%	2 bps	3.63%	2.81%	3.28%	
Efficiency Ratio (FTE)	59.91%	58.89%	61.37%	146 bps	51.75%	69.16%	61.11%	
Yield on Earning Assets	3.32%	3.68%	4.62%	130 bps	4.97%	4.15%	4.69%	
Yield on Loans	4.60%	4.70%	5.41%	82 bps	5.81%	4.89%	5.47%	
Cost of Interest-bearing Funds	0.32%	0.67%	2.00%	168 bps	2.53%	1.62%	2.02%	
Cost of Interest-bearing Deposits	0.28%	0.55%	1.72%	143 bps	2.13%	1.18%	1.75%	
Asset Quality Ratios								
Adjusted NPAs / Assets ⁽³⁾	0.36%	0.28%	0.27%	(9 bps)	0.08%	0.44%	0.33%	
Reserves / Loans	1.27%	1.16%	1.22%	(5 bps)	1.44%	1.03%	1.29%	
Net Charge-Offs / Average Loans	0.03%	0.02%	0.01%	(2 bps)	0.04%	(0.01%)	0.05%	

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Excludes reciprocal deposits.

(2) Defined as [Total Borrowings + Brokered Deposits (includes reciprocal deposits)] / [Total Borrowings + Deposits]

(3) Adjusted for U.S. government guaranteed portion of loans.

BANK MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Banks Headquartered in Colorado								
	At or For the Year Ended		YTD	Δ Since 2021	Quartile Distribution at 3/31/2023		Colorado Average	
	2021	2022	2023		Top Quartile	Bottom Quartile		
Number	67							
<u>Aggregate Balance Sheet (\$bn)</u>								
Assets	\$	82.8	\$	93.2	\$	96.7	\$	13.9
Securities		25.5		25.3		25.4		(0.1)
Gross Loans & Leases		46.5		60.4		62.3		15.8
Deposits		73.3		81.0		81.9		8.6
FHLBank Advances		1.1		3.4		4.4		3.3
Brokered Deposits ⁽¹⁾		0.3		2.3		3.9		3.6
<u>Balance Sheet Ratios (median)</u>								
Loans / Deposits		67.24%		70.37%		74.61%		737 bps
Securities / Assets		21.56%		20.77%		23.40%		184 bps
FHLBank Advances / Assets*		1.28%		2.64%		4.08%		280 bps
TCE / TA		9.54%		8.96%		9.30%		(24 bps)
Leverage Ratio		9.75%		10.33%		10.63%		88 bps
<u>Liquidity Ratios (median)</u>								
Liquid Assets / Assets		30.09%		21.86%		20.32%		(977 bps)
Wholesale Funding Utilization* ⁽²⁾		3.07%		7.45%		8.04%		497 bps
Pledged Securities / Total Securities		32.00%		32.48%		46.03%		1,403 bps
FHLBank Collateral Utilization*		20.73%		25.70%		22.47%		174 bps
Pledged Lending Value / Assets		13.66%		18.49%		18.69%		504 bps
<u>Aggregate Income Statement (\$mm)</u>								
Interest Income	\$	2,331.3	\$	3,047.6	\$	981.4		
Interest Expense		104.9		230.8		231.9		
Provision		12.9		105.3		17.0		
Noninterest Income		623.1		599.7		149.0		
<u>Profitability Ratios (median)</u>								
ROAA (c-corp)		1.01%		0.99%		1.09%		8 bps
ROAE (c-corp)		10.04%		9.63%		9.99%		(5 bps)
ROAA (s-corp)		1.56%		1.42%		1.49%		(7 bps)
ROAE (s-corp)		15.59%		18.20%		20.72%		513 bps
Net Interest Margin (FTE)		3.51%		3.57%		3.72%		21 bps
Efficiency Ratio (FTE)		63.16%		62.10%		64.73%		157 bps
Yield on Earning Assets		3.73%		3.89%		4.64%		91 bps
Yield on Loans		5.43%		5.17%		5.57%		14 bps
Cost of Interest-bearing Funds		0.34%		0.40%		1.06%		72 bps
Cost of Interest-bearing Deposits		0.32%		0.37%		0.95%		63 bps
<u>Asset Quality Ratios (median)</u>								
Adjusted NPAs / Assets ⁽³⁾		0.16%		0.14%		0.14%		(2 bps)
Reserves / Loans		1.30%		1.26%		1.25%		(5 bps)
Net Charge-Offs / Average Loans		0.00%		0.00%		0.00%		0 bps

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Excludes reciprocal deposits.

(2) Defined as [Total Borrowings + Brokered Deposits (includes reciprocal deposits)] / [Total Borrowings + Deposits]

(3) Adjusted for U.S. government guaranteed portion of loans.

BANK MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Banks Headquartered in Kansas							
	At or For the Year Ended		YTD 2023	Δ Since 2021	Quartile Distribution at 3/31/2023		Kansas Average
	2021	2022			Top Quartile	Bottom Quartile	
Number			185				
Aggregate Balance Sheet (\$bn)							
Assets	\$ 87.2	\$ 89.4	\$ 90.4	\$ 3.2			
Securities	24.0	23.7	23.8	(0.3)			
Gross Loans & Leases	51.0	57.2	58.2	7.2			
Deposits	72.8	74.5	74.6	1.8			
FHLBank Advances	3.2	5.2	5.5	2.3			
Brokered Deposits ⁽¹⁾	1.3	2.7	3.5	2.2			
Balance Sheet Ratios (median)							
Loans / Deposits	64.39%	68.34%	68.82%	443 bps	87.01%	54.41%	69.88%
Securities / Assets	28.71%	30.02%	30.52%	181 bps	41.41%	17.01%	29.26%
FHLBank Advances / Assets*	3.29%	4.39%	4.10%	81 bps	8.34%	2.16%	5.71%
TCE / TA	10.10%	8.36%	8.65%	(145 bps)	10.70%	6.70%	9.14%
Leverage Ratio	10.09%	10.43%	10.39%	30 bps	12.46%	8.83%	11.35%
Liquidity Ratios (median)							
Liquid Assets / Assets	28.05%	19.93%	19.79%	(826 bps)	32.83%	12.57%	23.55%
Wholesale Funding Utilization* ⁽²⁾	5.44%	7.64%	7.96%	252 bps	13.69%	2.98%	10.58%
Pledged Securities / Total Securities	45.56%	46.63%	49.90%	434 bps	69.94%	33.23%	49.63%
FHLBank Collateral Utilization*	35.17%	34.25%	33.58%	(159 bps)	52.98%	17.21%	37.07%
Pledged Lending Value / Assets	12.24%	14.41%	14.65%	241 bps	21.44%	9.36%	15.95%
Aggregate Income Statement (\$mm)							
Interest Income	\$ 2,735.2	\$ 3,112.8	\$ 968.7				
Interest Expense	299.7	485.7	286.3				
Provision	20.8	50.6	19.0				
Noninterest Income	796.8	676.2	174.2				
Profitability Ratios (median)							
ROAA (c-corp)	1.01%	0.89%	0.93%	(8 bps)	1.26%	0.68%	1.03%
ROAE (c-corp)	8.85%	9.81%	10.40%	155 bps	13.54%	7.09%	10.96%
ROAA (s-corp)	1.18%	1.07%	1.14%	(4 bps)	1.60%	0.79%	1.30%
ROAE (s-corp)	11.55%	14.32%	15.82%	427 bps	22.41%	10.27%	17.46%
Net Interest Margin (FTE)	3.32%	3.17%	3.26%	(6 bps)	3.78%	2.91%	3.39%
Efficiency Ratio (FTE)	64.45%	66.50%	64.19%	(26 bps)	56.17%	74.60%	65.59%
Yield on Earning Assets	3.64%	3.59%	4.22%	57 bps	4.81%	3.76%	4.35%
Yield on Loans	5.34%	4.96%	5.41%	7 bps	5.98%	5.06%	5.59%
Cost of Interest-bearing Funds	0.47%	0.62%	1.30%	83 bps	1.65%	0.93%	1.38%
Cost of Interest-bearing Deposits	0.39%	0.51%	1.11%	72 bps	1.53%	0.82%	1.21%
Asset Quality Ratios (median)							
Adjusted NPAs / Assets ⁽³⁾	0.26%	0.14%	0.11%	(15 bps)	0.01%	0.40%	0.38%
Reserves / Loans	1.43%	1.35%	1.31%	(12 bps)	1.74%	1.15%	1.50%
Net Charge-Offs / Average Loans	0.01%	0.00%	0.00%	(1 bps)	0.01%	(0.01%)	0.01%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Excludes reciprocal deposits.

(2) Defined as [Total Borrowings + Brokered Deposits (includes reciprocal deposits)] / [Total Borrowings + Deposits]

(3) Adjusted for U.S. government guaranteed portion of loans.

BANK MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Banks Headquartered in Nebraska								
	At or For the Year Ended		YTD 2023	Δ Since 2021	Quartile Distribution at 3/31/2023		Nebraska Average	
	2021	2022			Top Quartile	Bottom Quartile		
Number			142					
Aggregate Balance Sheet (\$bn)								
Assets	\$ 92.5	\$ 98.8	\$ 99.6	\$ 7.1				
Securities	19.5	21.6	21.7	2.2				
Gross Loans & Leases	59.9	68.2	68.7	8.8				
Deposits	79.5	82.3	84.0	4.5				
FHLBank Advances	2.0	5.3	4.2	2.2				
Brokered Deposits ⁽¹⁾	2.0	3.7	5.0	3.0				
Balance Sheet Ratios (median)								
Loans / Deposits	76.76%	80.34%	77.46%	71 bps	90.05%	58.89%	74.60%	
Securities / Assets	20.15%	20.74%	21.19%	105 bps	33.22%	14.22%	24.42%	
FHLBank Advances / Assets*	2.91%	4.87%	4.17%	126 bps	7.27%	1.60%	5.39%	
TCE / TA	10.05%	8.72%	9.11%	(94 bps)	11.15%	7.95%	9.81%	
Leverage Ratio	10.19%	10.23%	10.33%	14 bps	12.29%	9.41%	11.15%	
Liquidity Ratios (median)								
Liquid Assets / Assets	23.68%	18.29%	20.84%	(284 bps)	31.44%	12.93%	23.86%	
Wholesale Funding Utilization* ⁽²⁾	7.75%	10.21%	8.49%	73 bps	16.48%	3.35%	11.01%	
Pledged Securities / Total Securities	37.24%	38.02%	40.22%	298 bps	59.94%	20.02%	40.73%	
FHLBank Collateral Utilization*	38.90%	46.07%	34.02%	(488 bps)	56.13%	16.21%	38.37%	
Pledged Lending Value / Assets	11.76%	14.89%	15.64%	388 bps	21.68%	9.48%	16.01%	
Aggregate Income Statement (\$mm)								
Interest Income	\$ 3,406.4	\$ 4,075.8	\$ 1,315.7					
Interest Expense	267.4	467.6	338.2					
Provision	63.1	388.6	147.0					
Noninterest Income	1,000.5	826.8	182.7					
Profitability Ratios (median)								
ROAA (c-corp)	1.04%	0.89%	0.97%	(7 bps)	1.34%	0.58%	0.97%	
ROAE (c-corp)	8.94%	8.49%	9.80%	87 bps	13.98%	6.04%	9.21%	
ROAA (s-corp)	1.44%	1.23%	1.35%	(9 bps)	1.71%	0.97%	1.44%	
ROAE (s-corp)	13.85%	13.44%	16.05%	220 bps	19.72%	11.31%	15.94%	
Net Interest Margin (FTE)	3.34%	3.24%	3.40%	6 bps	3.79%	2.86%	3.37%	
Efficiency Ratio (FTE)	61.09%	62.37%	62.25%	116 bps	55.55%	71.43%	63.67%	
Yield on Earning Assets	3.88%	3.80%	4.52%	64 bps	5.01%	4.00%	4.53%	
Yield on Loans	5.20%	4.88%	5.47%	28 bps	5.92%	5.00%	5.51%	
Cost of Interest-bearing Funds	0.57%	0.71%	1.52%	95 bps	2.03%	1.08%	1.55%	
Cost of Interest-bearing Deposits	0.49%	0.60%	1.40%	90 bps	1.83%	0.99%	1.41%	
Asset Quality Ratios (median)								
Adjusted NPAs / Assets ⁽³⁾	0.17%	0.15%	0.14%	(3 bps)	0.00%	0.46%	0.41%	
Reserves / Loans	1.39%	1.35%	1.41%	3 bps	1.77%	1.20%	1.55%	
Net Charge-Offs / Average Loans	0.00%	0.00%	0.00%	0 bps	0.00%	(0.01%)	0.05%	

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Excludes reciprocal deposits.

(2) Defined as [Total Borrowings + Brokered Deposits (includes reciprocal deposits)] / [Total Borrowings + Deposits]

(3) Adjusted for U.S. government guaranteed portion of loans.

BANK MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Banks Headquartered in Oklahoma							
	At or For the Year Ended		YTD 2023	Δ Since 2021	Quartile Distribution at 3/31/2023		Oklahoma Average
	2021	2022			Top Quartile	Bottom Quartile	
Number			155				
Aggregate Balance Sheet (\$bn)							
Assets	\$ 170.5	\$ 176.4	\$ 180.2	\$ 9.7			
Securities	31.3	33.9	35.0	3.7			
Gross Loans & Leases	104.4	116.0	119.2	14.8			
Deposits	137.5	135.9	136.4	(1.1)			
FHLBank Advances	10.2	18.1	21.5	11.3			
Brokered Deposits ⁽¹⁾	4.5	4.4	5.0	0.5			
Balance Sheet Ratios (median)							
Loans / Deposits	71.79%	75.03%	75.34%	355 bps	88.28%	61.20%	74.30%
Securities / Assets	16.20%	19.13%	18.36%	216 bps	33.52%	7.91%	21.94%
FHLBank Advances / Assets*	1.85%	2.28%	2.19%	34 bps	6.29%	1.38%	4.38%
TCE / TA	10.20%	8.89%	9.06%	(114 bps)	11.28%	7.24%	9.37%
Leverage Ratio	10.14%	10.43%	10.52%	38 bps	12.36%	9.23%	11.12%
Liquidity Ratios (median)							
Liquid Assets / Assets	24.31%	17.80%	17.56%	(675 bps)	28.23%	13.01%	21.48%
Wholesale Funding Utilization* ⁽²⁾	6.60%	6.80%	6.42%	(18 bps)	15.92%	2.20%	9.85%
Pledged Securities / Total Securities	47.57%	45.46%	50.27%	270 bps	69.16%	24.13%	46.79%
FHLBank Collateral Utilization*	38.19%	38.62%	33.08%	(511 bps)	64.45%	14.99%	40.44%
Pledged Lending Value / Assets	9.79%	12.29%	12.97%	318 bps	19.03%	7.68%	14.09%
Aggregate Income Statement (\$mm)							
Interest Income	\$ 5,459.6	\$ 6,238.7	\$ 2,063.0				
Interest Expense	456.8	826.6	621.0				
Provision	(53.3)	116.0	37.3				
Noninterest Income	2,111.3	1,806.8	403.3				
Profitability Ratios (median)							
ROAA (c-corp)	1.10%	1.13%	1.18%	8 bps	1.62%	0.75%	1.12%
ROAE (c-corp)	10.48%	11.11%	12.32%	184 bps	14.75%	7.51%	11.57%
ROAA (s-corp)	1.51%	1.35%	1.43%	(8 bps)	1.95%	0.97%	1.55%
ROAE (s-corp)	13.48%	15.65%	17.20%	373 bps	20.42%	12.76%	17.35%
Net Interest Margin (FTE)	3.70%	3.77%	3.80%	10 bps	4.38%	3.31%	3.94%
Efficiency Ratio (FTE)	63.44%	63.05%	62.29%	(115 bps)	52.06%	71.97%	63.06%
Yield on Earning Assets	4.07%	4.21%	4.95%	88 bps	5.76%	4.33%	5.04%
Yield on Loans	5.61%	5.50%	6.07%	46 bps	6.65%	5.64%	6.18%
Cost of Interest-bearing Funds	0.45%	0.56%	1.48%	103 bps	2.17%	1.03%	1.59%
Cost of Interest-bearing Deposits	0.41%	0.53%	1.43%	102 bps	1.94%	0.95%	1.49%
Asset Quality Ratios (median)							
Adjusted NPAs / Assets ⁽³⁾	0.39%	0.29%	0.25%	(14 bps)	0.06%	0.76%	0.59%
Reserves / Loans	1.35%	1.34%	1.35%	0 bps	1.78%	1.10%	1.53%
Net Charge-Offs / Average Loans	0.03%	0.02%	0.00%	(3 bps)	0.06%	(0.01%)	0.04%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Excludes reciprocal deposits.

(2) Defined as [Total Borrowings + Brokered Deposits (includes reciprocal deposits)] / [Total Borrowings + Deposits]

(3) Adjusted for U.S. government guaranteed portion of loans.