



President's Message to Members

Ninety years ago, July 22, 1932, U.S. President Herbert Hoover signed in to law the Federal Home Loan Bank Act to support community lending institutions lower the cost of home ownership for their customers. For nine decades, including the Great Depression,

the Great Recession, and the COVID-19 global pandemic, the cooperative business structure of the FHLBanks has withstood the test of time. At their core, the 11 regional FHLBanks provide on-demand liquidity through secured collateralized funding (Advances) to member institutions to support mortgage lending and asset-liability balance sheet management needs. FHLB members are also owners of the cooperative and, therefore, have a voice and vested interest in running well-managed Banks. This reliable formula, combined with personalized service and tailored product development, has made the FHLBank System a true American success story of public-private partnerships, evolving to meet an ever-changing and sometimes volatile economic landscape.

Each of the district FHLBanks supports its members with products and services targeted to its local region. FHLB Cincinnati created a mortgage-matched advance in the 1990s, in response to community bankers' requests for a product that would allow a direct balance sheet match to mortgages originated by community lenders. In 2000, we established our mortgage purchase program (MPP), which allows us to purchase fixed-rate mortgages originated by our members, while giving members the flexibility to retain or sell servicing and earn additional income for well performing loans. More recently, we offered technical assistance and new Advance products to help members transition from the LIBOR benchmark rate to the SOFR index rate.

In the area of affordable housing, our well-established Affordable Housing Program has awarded \$829 million to fund housing in local communities. As a piece of this, we tailored the Welcome Home down payment assistance program to offer additional resources to Veterans, and we established several voluntary programs to address regional needs. Our Carol M. Peterson repair and rehabilitation fund helps seniors and persons with special needs stay in their homes. Our Disaster Reconstruction Program helps residents rebuild or replace homes damaged by natural disasters. During the height of the COVID-19 pandemic, we worked with Congress and our members to offer zero-interest Advances and accept paycheck protection program (PPP) loans as eligible collateral.

Regardless of the economic condition or the funding need, the FHLB has remained a trusted and reliable partner for our members for 90 years. This partnership starts with our people, who remain focused on supporting each other, serving our members, assisting our communities and executing on our mission. As our membership and mission have evolved to meet the needs of the market, the defining principle of the FHLB System has been our stability as a reliable funding source for liquidity and housing finance, especially during critical times of crisis. We appreciate the relationship with our members and will strive to keep your trust in the decades ahead.

Sincerely,



Andrew S. Howell
President and CEO

Director Election Process Begins

Nominations for candidates to be elected to the FHLB's Board of Directors are now being accepted. This year, Ohio members will elect one member director and Tennessee members will elect two member directors. All members will elect two independent directors. All directors will serve four-year terms commencing January 1, 2023.

Ohio and Tennessee member director nomination certificates and independent director application forms were due July 25. Ballots will be sent to members electronically on October 7, and results will be ratified by the Board and announced on November 17.

Please direct any questions to Melissa Dallas, FVP, Corporate Secretary at DirectorElection2022@fhlbcin.com, or to your Relationship Manager.

AHP Accepting Applications

The Affordable Housing Program is open for new applications through July 29. Please visit our website to view newly recorded webinars and other online resources for additional details and support.

Please keep in mind the Community Investment Program, Economic Development Program, Zero Interest Fund and the Disaster Reconstruction Program are open year round.

Should you have any questions, please contact Housing and Community Investment at 888-345-2246.

Community Partnership Award Winners

Congratulations to the winners of our inaugural Community Partnership Awards.

- Bank of Tennessee to benefit Appalachia Service Project
- Fifth Third Bank to benefit Family Scholar House
- Independence Bank to benefit Habitat for Humanity of Henderson Kentucky
- Huntington Bank to benefit HER Cincinnati

The 2022 Community Partnership Awards recognized the work of FHLB members in their local communities through a \$5,000 grant to the nonprofits they serve. For more information on the Community Partnership Awards and the winners, visit www.fhlbcin.com

FHLB Welcomes New Member

The FHLB welcomed the following new member stockholder in the last quarter:

- The First National Bank of Dennison, Dennison, Ohio





In Memoriam: Tom Muth

We are saddened to report longtime employee Tom Muth, AVP Relationship Manager, has passed away from cancer. Tom worked at the FHLB for more than 30 years serving our Ohio members, many of whom he considered dear friends. Tom's

insight, professionalism, dedication and integrity will long be remembered by all who knew and worked with him.

Disaster Reconstruction Program Replenished

FHLB Cincinnati's Disaster Reconstruction Program (DRP) has been replenished with an additional \$1.2 million, bringing the total funding currently available up to \$3.0 million. The new funding was approved by the FHLB's Board of Directors on June 16.

The original \$5.0 million voluntary fund was created in March 2012, following a series of tornadoes that devastated the district. Through the fund, households in federally or state-declared natural disasters are eligible to receive grants of up to \$20,000. To date, \$6.3 million has been disbursed to help 508 households rebuild.

MPP User Group Conference October 25

Join us in Cincinnati for the Annual Mortgage Purchase Program User Group Conference. This year's event will be held at the Renaissance Hotel in downtown Cincinnati on October 25. A variety of FHLB staff and outside speakers will be on hand to discuss the latest updates in the MPP and the industry. Registration will be available soon on www.fhlbcin.com.

Potential Excess Capital Stock Repurchase Tax Implications

The FHLB previously announced changes to the Capital Plan that will cause more members to experience excess capital stock repurchases. These repurchases may potentially have tax implications for your institution. Please reference the July 8 *NewsLine* distributed by email and on our Members Only website for more information.

FHLB Announces Kyle Lawler Retirement

Kyle Lawler, EVP and Chief Business Officer, has retired from the FHLB as of June 10 with more than 22 years of service. Previously announced changes to the management structure have ensured a successful transition of Kyle's duties.

We commend Kyle's commitment to the FHLB and thank him for his many years of dedicated service.

Financial Management Conference

Registration is now open for the Annual Financial Management Conference. This year's conference will take place in downtown Cincinnati, August 16-17 at the Westin Cincinnati Hotel.

Speakers include:

- Craig Dismuke, Stifel
- Sameer Somal, Blue Ocean Global Technology and Girl Power Talk
- Dave Lapham, Former Bengals Player and Current Broadcaster
- Ryan Hayhurst, The Baker Group
- Andrew Busch, Bering Productions Inc.
- Todd Taylor and Omar Hinojosa, Taylor Advisors
- Karen McCullough, Karen McCullough & Co.
- Brian Gardner, Stifel

On Tuesday, attendees are welcome to watch the Reds take on the Phillies at Great American Ballpark. Registration is available at www.fhlbcin.com. If you have any questions, contact the events team at events@fhlbcin.com or 877-925-3452.



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Dividend Declaration and Payment

At its June 16 meeting, the FHLB's Board of Directors declared a dividend for the first quarter 2022 at a 3.00 percent annualized rate. The dividend payment occurred June 16 in the form of cash.

Calendar

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| July 29 | AHP Applications Due | October 25 | MPP User Group Conference |
| August 16-17 | Financial Management Conference, Cincinnati, Ohio | November 17 | AHP Awards Announced |
| September 5 | Labor Day FHLB Closed | December 1 | Funding Requests Due for Welcome Home Program and Carol M. Peterson Housing Fund |
| October 7 | Director Election Ballots Sent | | |