



Federal Home Loan Bank of Des Moines

REGIONAL MEMBER MEETING

ATTENDEE REMINDERS

- Materials for today's presentations can be found at:
www.fhlbdm.com/2019rmm-materials
- If you registered for **CPE credit**, please remember you must complete the following steps to receive your credit:
 - Sign in and sign out to indicate the hours you were present today, our CPE table is located near registration.
 - Complete and turn in the meeting survey, please remember to fill out the personal information at the end of the survey.
 - Certificates of Completion for those who accomplished the requirements will be mailed in late June – early July.

AGENDA



1. FHLB DES MOINES OVERVIEW



2. MEMBER STRATEGIES AND SOLUTIONS



FHLB DES MOINES OVERVIEW

FHLB DES MOINES OVERVIEW

Power of Partnership

- 2018 was an excellent year for the FHLB Des Moines driven by strong advances levels, wider margins, and broad utilization of our products and services
- Nearly **66%** of our members utilized at least one product from the Bank
- Member penetration rate of **2.83%** suggests FHLB Des Moines is funding almost 3.0% of depository balance sheets
- Strong advances level of **\$106.3 billion** and a growing MPF footprint
- 17 new members and **\$53 million** contributed to our Affordable Housing Program
- Bank is scaled to contemplate increases and decreases in member demand for advances

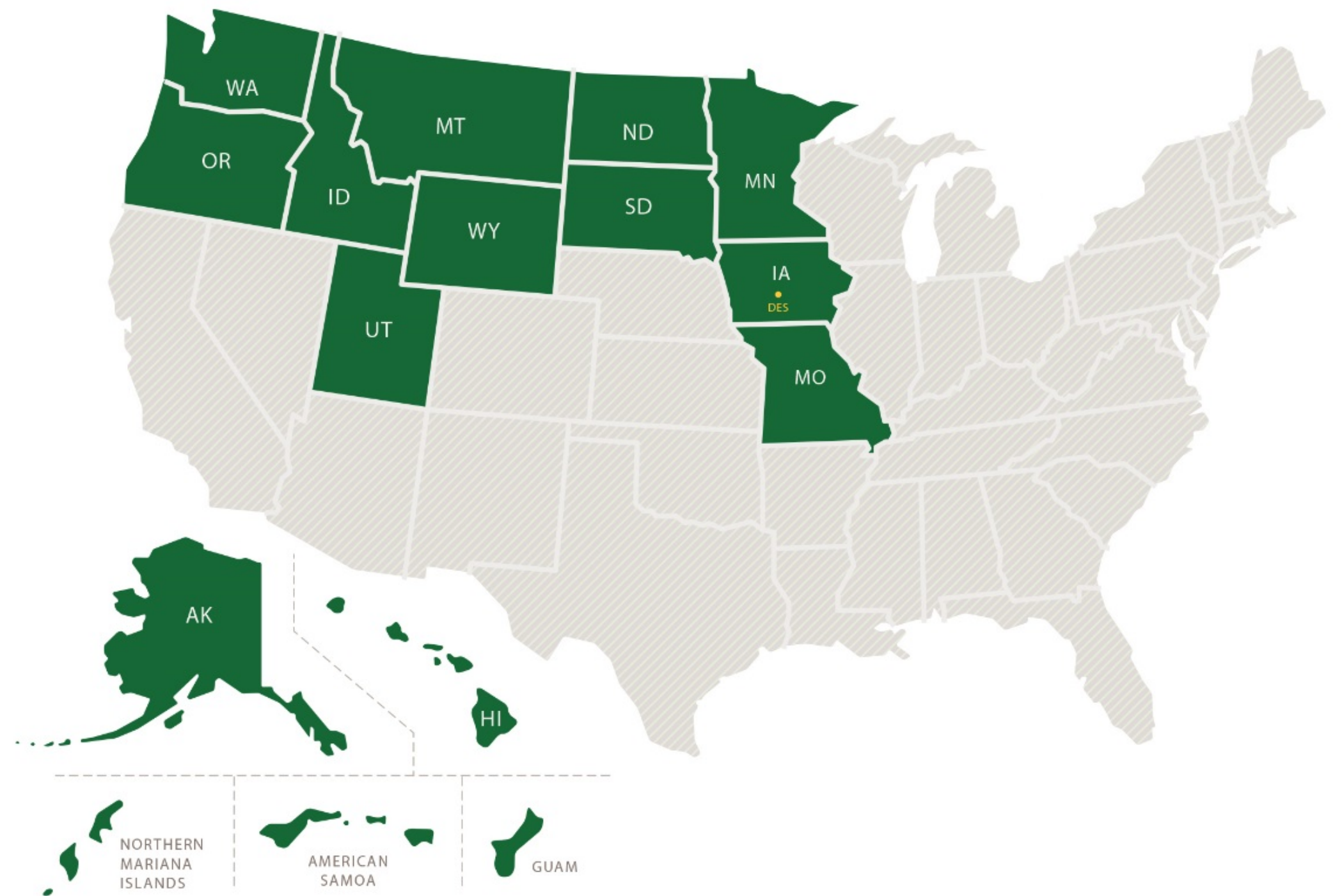


Data as of December 31, 2018, unless noted differently. Data subject to rounding.

FHLB DES MOINES OVERVIEW

Power of Partnership

- Headquartered in Des Moines, Iowa
- Western Office in Seattle, Washington
- District includes 13 states and three U.S. Pacific Territories
- Over 1,350 members
- Supports mortgage lending, economic development and affordable housing
- Represented by 74 Member of Congress including 26 Senators



Data as of December 31, 2018, unless noted differently. Data subject to rounding.

FHLB DES MOINES OVERVIEW

Power of Partnership

Operating Results (\$ Millions)	For the Quarter Ended December 31, 2018	For the Quarter Ended December 31, 2017	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
Net interest income	\$155	\$153	\$635	\$650
Net Income	\$100	\$116	\$460	\$518
Net Interest Margin	.42%	.40%	.43%	.39%
Return on Average Equity	5.31%	6.43%	6.21%	7.01%
Return on Average Capital Stock	7.47%	8.77%	8.67%	9.20%
Return on Average Assets	.27%	.30%	.31%	.31%
Regulatory Capital Ratio	5.27%	5.03%	5.27%	5.03%

- 77.9% of Bank assets in the form of advances and mortgages
- Bank is well capitalized: 5.27% Regulatory Capital Ratio as of December 31, 2018
- Rising rates and higher average advance balances beneficial to net interest income
- Slight asset sensitivity source of margin improvement
- Balance sheet scalable as demand changes

Statement of Condition (\$ Millions)	December 31, 2018	December 31, 2017
Outstanding Advances	\$106,323	\$102,613
Investments	\$31,777	\$34,452
Mortgage Loans	\$7,835	\$7,096
Total Assets	\$146,515	\$145,099
Retained Earnings	\$2,050	\$1,839
Total Regulatory Capital	\$7,719	\$7,292



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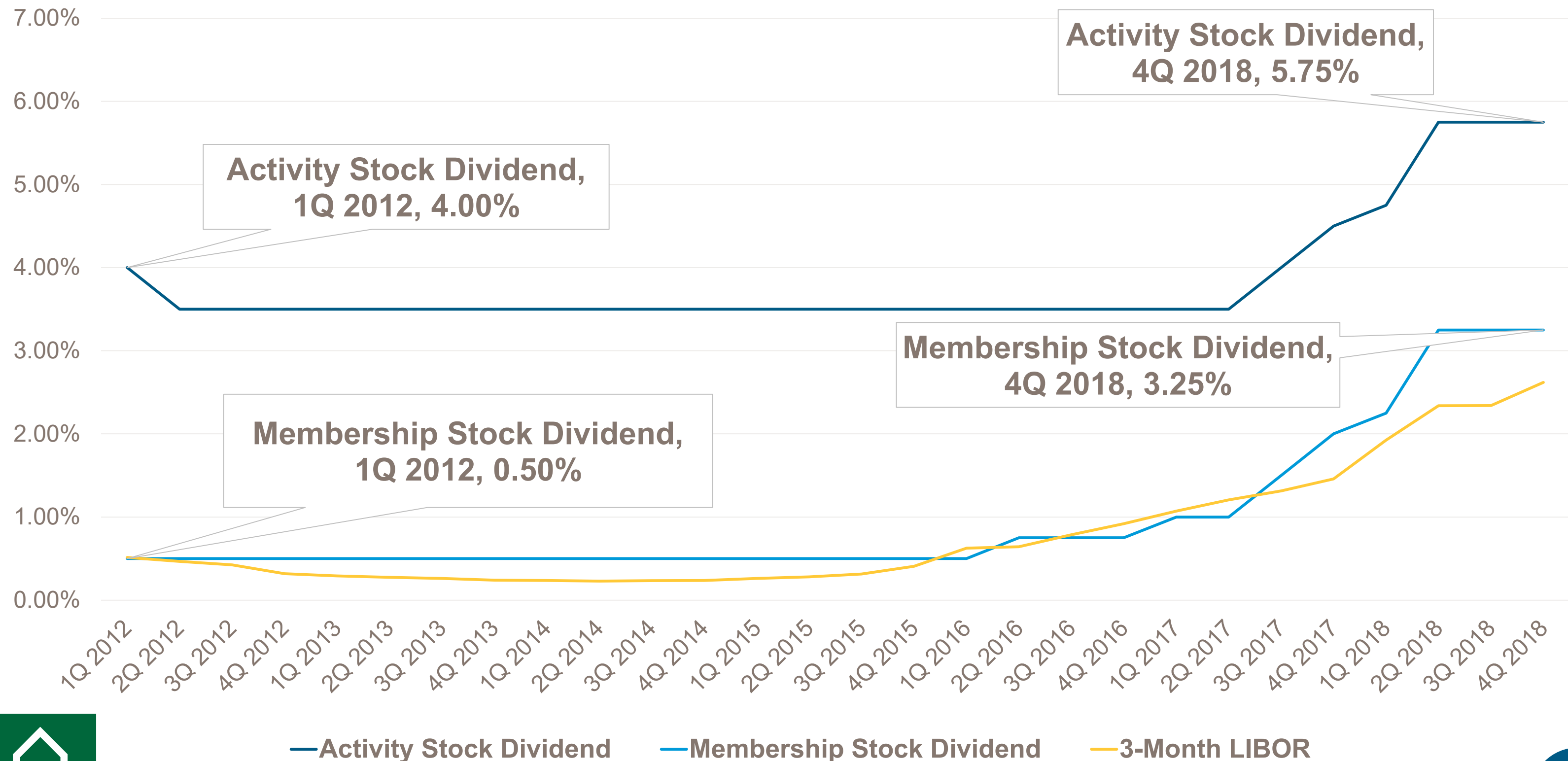
FHLB DES MOINES OVERVIEW

Power of Partnership

Stable Dividend History

- Activity stock dividend level a deliberate measure to pay shareholders for using cooperative
- Membership stock dividend in line with benchmark rate of interest such as 3-Month Libor

FHLB Des Moines Dividend Rate



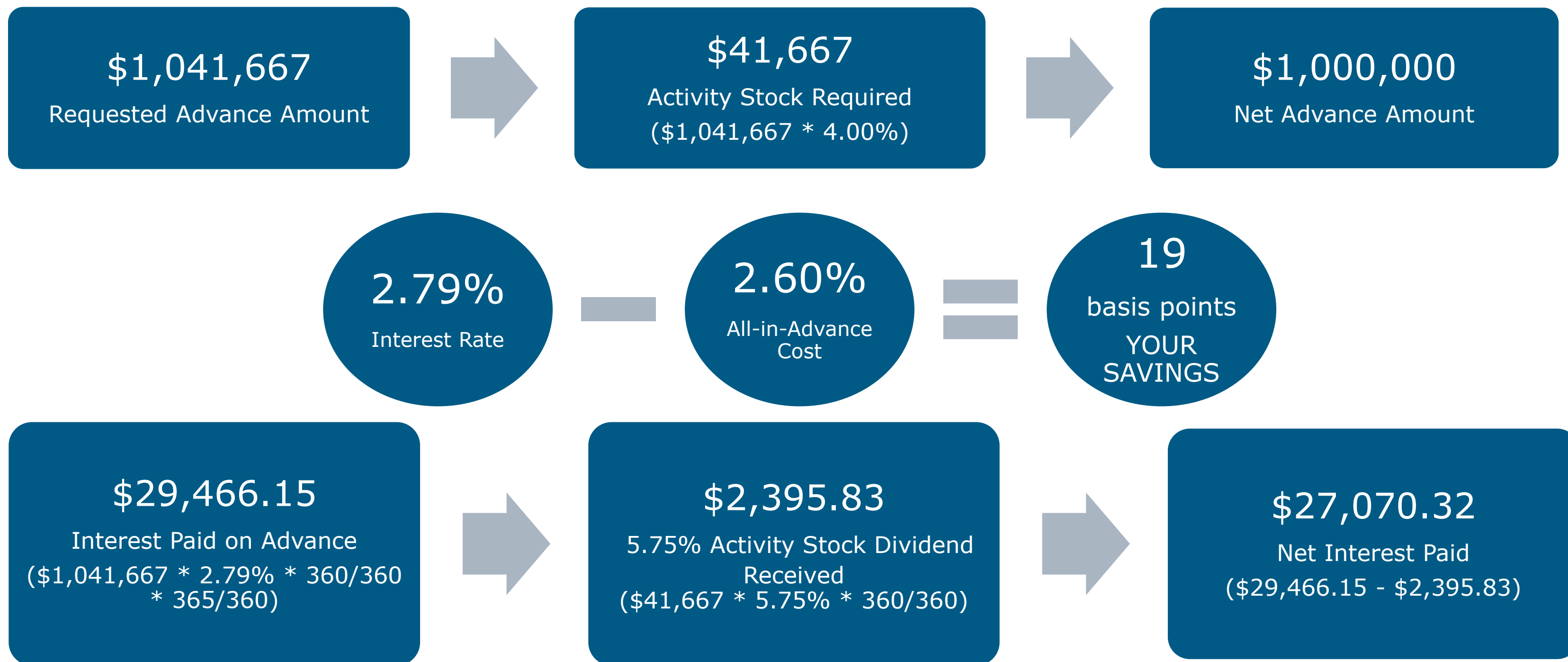
— Activity Stock Dividend — Membership Stock Dividend — 3-Month LIBOR

Data as of December 31, 2018, unless noted differently. Data subject to rounding.

FHLB DES MOINES OVERVIEW

Power of Partnership

- Activity Dividend = Reduced Borrowing Costs Lower Borrowing Costs
- “All-in” cost – potentially lowers the cost of advances. Depending on the advance term, a FHLB Des Moines dividend can lower “all-in” cost.



Activity stock purchases are rounded up to the nearest hundred dollars. Activity stock requirement is subject to change. FHLB Des Moines does NOT project dividend payments and makes no representation that the dividend assumption in this analysis will occur over the life of any advance.



FHLB DES MOINES LIBOR Transition Plan

FHLB DES MOINES OVERVIEW

Power of Partnership

Alternative Reference Rates Committee (ARRC 2.0)

Following by Andrew Bailey at the UK's Financial Conduct Authority (FCA) indicating that the continued production of LIBOR is not guaranteed beyond 2021, the ARRC was reconstituted in 2018 with an expanded membership to help to:

1. Ensure the successful implementation of the Paced Transition Plan,
2. Address the increased risk that LIBOR may not exist beyond 2021, and
3. Serve as a forum to coordinate and track planning across cash and derivatives products and market.

In order to fulfill this mandate, the ARRC continues to conduct the widest possible outreach, seeking input and comments from all parties that may be affected by the possible cessation of LIBOR after 2021.

ARRC Members	
AXA	JP Morgan Chase & Co.
Bank of America	LCH
BlackRock	MetLife
Citigroup	Morgan Stanley
CME Group	National Association of Corporate Treasurers
Deutsche Bank	PIMCO
Federal National Mortgage Association	TD Bank
Federal Home Loan Mortgage Corporation	The Federal Home Loan Bank of New York
GE Capital	The Independent Community Bankers of America
Goldman Sachs	The Loan Syndications and Trading Association
Government Finance Officers Association	SIFMA
HSBC	Wells Fargo
Intercontinental Exchange	World Bank Group
ISDA	
Ex Officio Members	
Board of Governors of the Federal Reserve	Federal Reserve Bank of New York
Bureau of Consumer Finance Protection	Office of Financial Research
Commodity Futures Trading Commission	Office of the Comptroller of the Currency
Federal Deposit Insurance Corporation	Securities and Exchange Commission
Federal Housing Finance Agency	Treasury Department

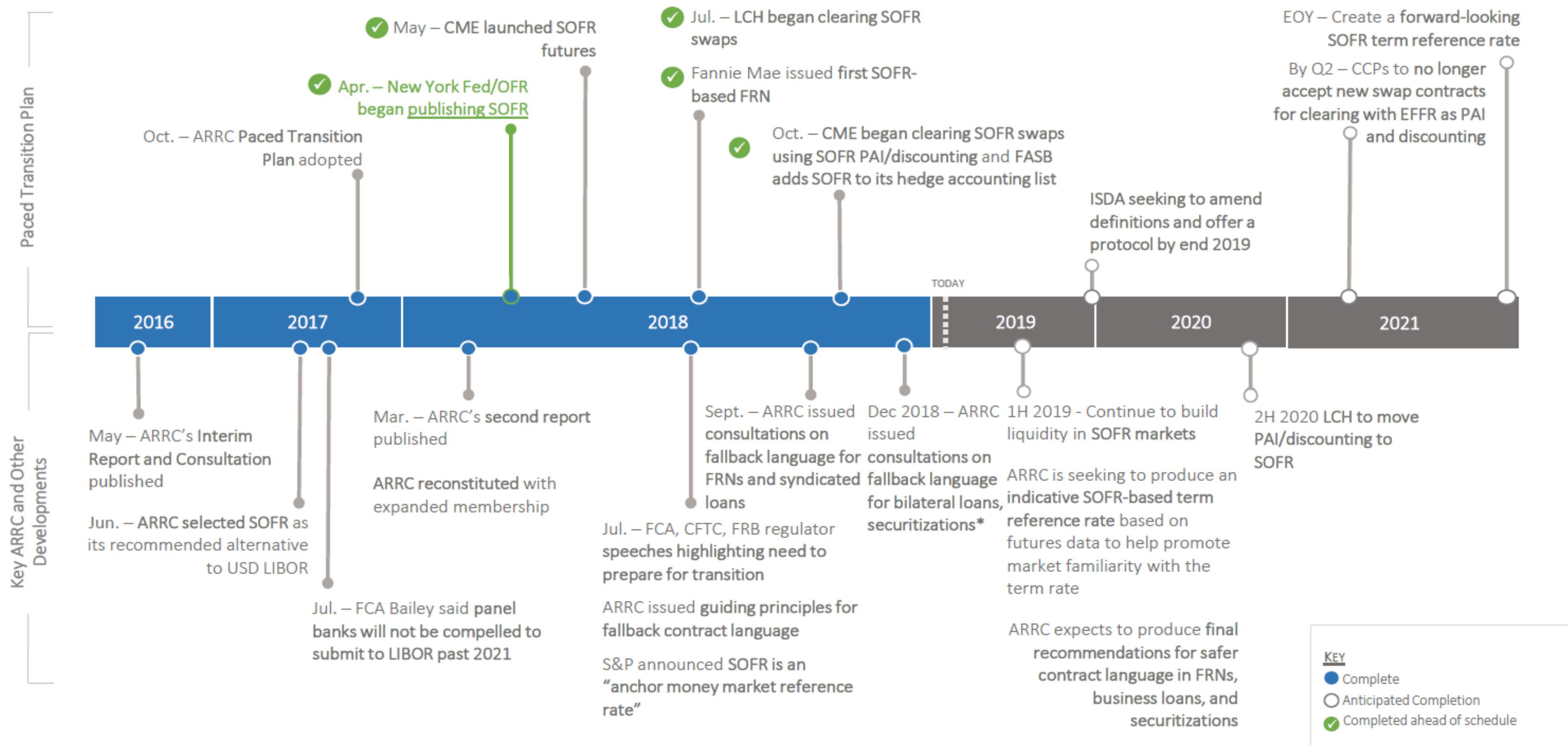


FHLB DES MOINES OVERVIEW

Power of Partnership

Transition from U.S. Dollar LIBOR – Timeline

The Alternative Reference Rates Committee (ARRC) was originally convened in November 2014. Significant progress has been made to date.



*ARRC expects to consult on fallback language for other cash products

As of 1/30/19



FHLB DES MOINES OVERVIEW

Power of Partnership

GSE Floater Issuance Outstanding

Issuer	Total	1M LIBOR	3M LIBOR	6M LIBOR	SOFR	Fed Funds	T-Bills	Prime
FHLB	307,054,950,000	194,958,600,000	80,146,350,000	-	29,400,000,000	-	2,550,000,000	-
FHLMC	22,787,000,000	7,171,000,000	4,497,000,000	-	11,119,000,000	-	-	-
FNMA	10,800,000,000	300,000,000	-	-	10,500,000,000	-	-	-
FFCB	111,380,000,000	75,150,000,000	8,580,000,000	100,000,000	500,000,000	7,800,000,000	8,300,000,000	10,950,000,000
FAMCA	4,919,000,000	2,611,500,000	1,170,000,000	-	-	1,017,500,000	-	120,000,000
IBRD	12,830,000,000	4,025,000,000	7,380,000,000	-	1,000,000,000	425,000,000	-	-
Totals	469,770,950,000	284,216,100,000	101,773,350,000	100,000,000	52,519,000,000	9,242,500,000	10,850,000,000	11,070,000,000

*As of 3/6/19

- The FHLBanks have issued more than \$29 billion of SOFR debt since last July and make up 43% of the SOFR benchmarked debt issuance.
- SOFR benchmarked advances are available for members, contact your RM with interest.
- While debt markets have begun to incorporate SOFR issuance on a regular basis, consumer products and derivatives still need to grow. LIBOR is currently referenced in more than \$200 trillion financial contracts/products.
- The development of a more active/liquid derivative market will be a key milestone for SOFR. As of early March, there had only been 57 SOFR derivative trades for all of 2019, LIBOR based swaps have over 1,300 trades per day!

FHLB DES MOINES OVERVIEW

Power of Partnership

- The FHLBanks are developing plans on the LIBOR / SOFR transition
- Focus areas of these plans include:
 - Governance, Ongoing Monitoring and Resources
 - LIBOR Transition Roadmap
 - Exposure Assessment
 - Contract Analysis
 - Strategies for Reducing Exposure
 - Impact Assessment (Financial Analysis)
 - Operational Readiness
 - Industry Monitoring and Communication
- The FHLB Des Moines has created a LIBOR transition team





STRATEGIES AND SOLUTIONS

Regional Member Meeting Survey Results

Top 3 Concerns

- 1 Interest Rate Risk
- 2 Cyber Security Risk
- 3 Liquidity Risk

Regional Member Meeting Survey Results

Survey Statistics

- 154 attendees responded from almost every state
- 81% of respondents said the yield curve would either flatten or invert over the next 12 months
- 79% of respondents expect the 10-year Treasury to be within 50 basis points (bp) of current levels over the next 12 months
- 86% of respondents expect the Fed Funds Rate to be within 50bp of current levels over the next 12 months
- Annualized loan growth is expected to outpace deposit growth, but loan growth is slowing
- Most members view the FHLB Des Moines as the best wholesale funding source for: Interest Rate Risk (IRR) mitigation, “Just in Time” funding and opportunistic funding

Regional Member Meeting Survey Results

Survey Statistics

- Most members view the Federal Reserve Bank as the lender of last resort
- 61% of respondents felt comfortable with an advances/assets ratio of between 5 to 20%
- Nearly 87% of respondents are somewhat or extremely confident in their institutions liquidity stress testing program
- Most members (60%) outsource their ALM reporting
- Most members are more concerned about NII modeling and do so over a 12-month time horizon

Regional Member Meeting Survey Results

Rank Ordered Deposit Pricing Objective

- 1 Preserving/Growing Market Share
- 2 Levels Offered by Competition
- 3 Marginal Cost Analysis
- 4 Targeted Spread vs. Loans

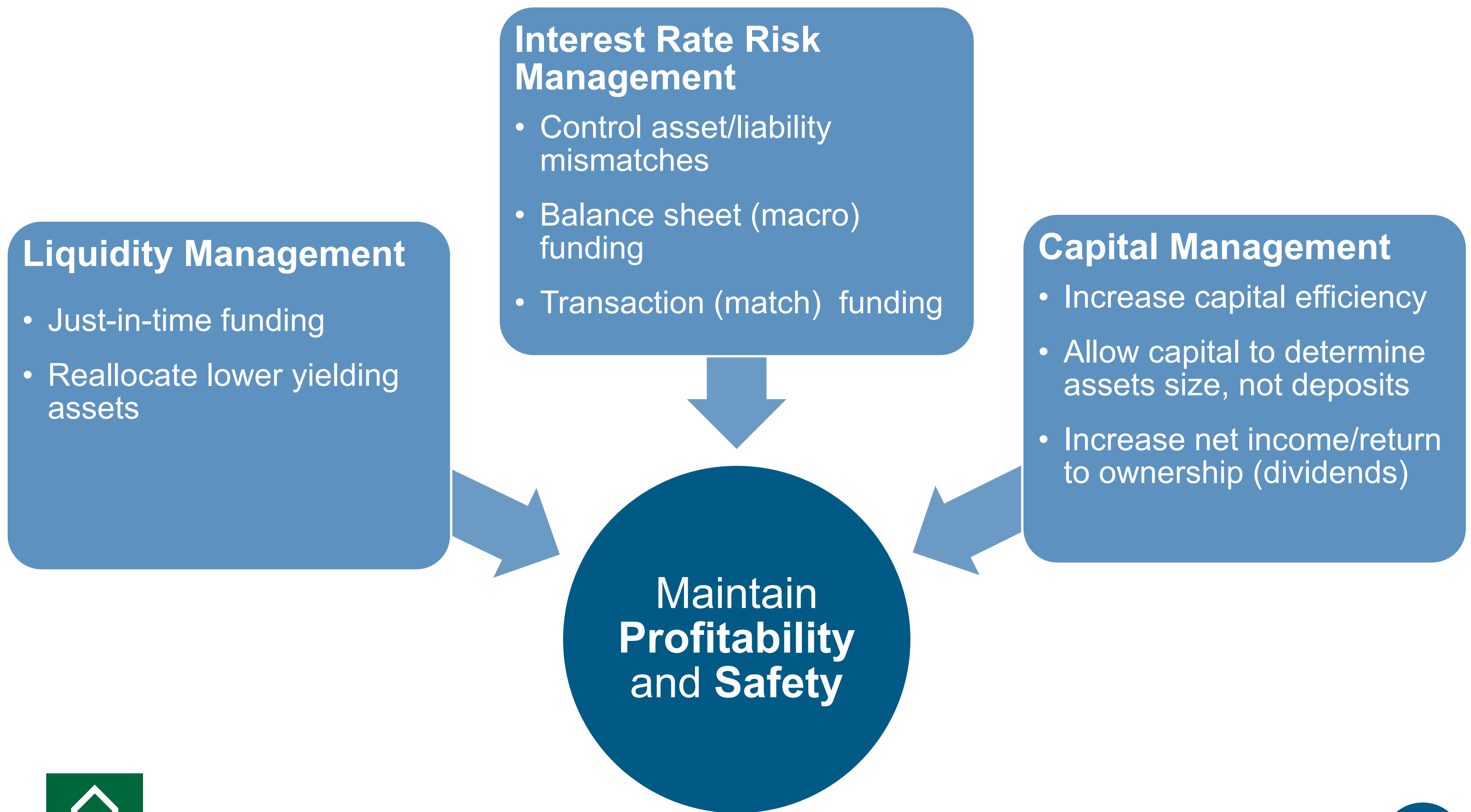
Regional Member Meeting Survey Results

Rank Ordered Loan Pricing Objective

- 1 Preserving/Growing Market Share
- 2 Targeted Spread vs. Deposits
- 3 Levels Offered by Competition
- 4 Risk Adjusted Spread vs. Capital Market Equivalent Assets

STRATEGIES AND SOLUTIONS

Why we care about the right-hand side of the balance sheet



STRATEGIES AND SOLUTIONS

Opportunities to Improve Your Institution's Performance



Strategic Analysis and Funding Strategies

- General and Targeted Funding Strategies
- Deposit Rate Study vs. Advances vs. Brokered CDs
- DuPont Analysis
- Financial Performance Trend Analysis



Tools

- Public Unit Deposit Letter of Credit Calculator
- Blended Funding Tools
- Marginal Cost of Funds Tool
- Beat the Spread trade Tool
- Dividend Discount Calculator
- Fixed Rate vs. Adjustable Rate tool



Commentary

- 'From the Desk' – daily commentary email with rates
- Quarterly economic overview and custom financial performance trend analysis

FHLB Des Moines Member Solutions and Strategies team is your complementary consulting resource available to provide members with tools and analysis for their unique markets, risks & performance opportunities. Contact your Relationship Manager to learn more about utilizing these tools and solutions for your financial institution.

STRATEGIES AND SOLUTIONS

Tools and Resources

- Employ **Marginal Cost of Funds** when pricing liabilities
- Know your liquidity availability with FHLB-Des Moines
- Hedge interest rate risk in an uncertain rate environment
- Improve balance sheet liquidity or earnings by using **FHLB Letters of Credit**

MARGINAL COST OF FUNDS

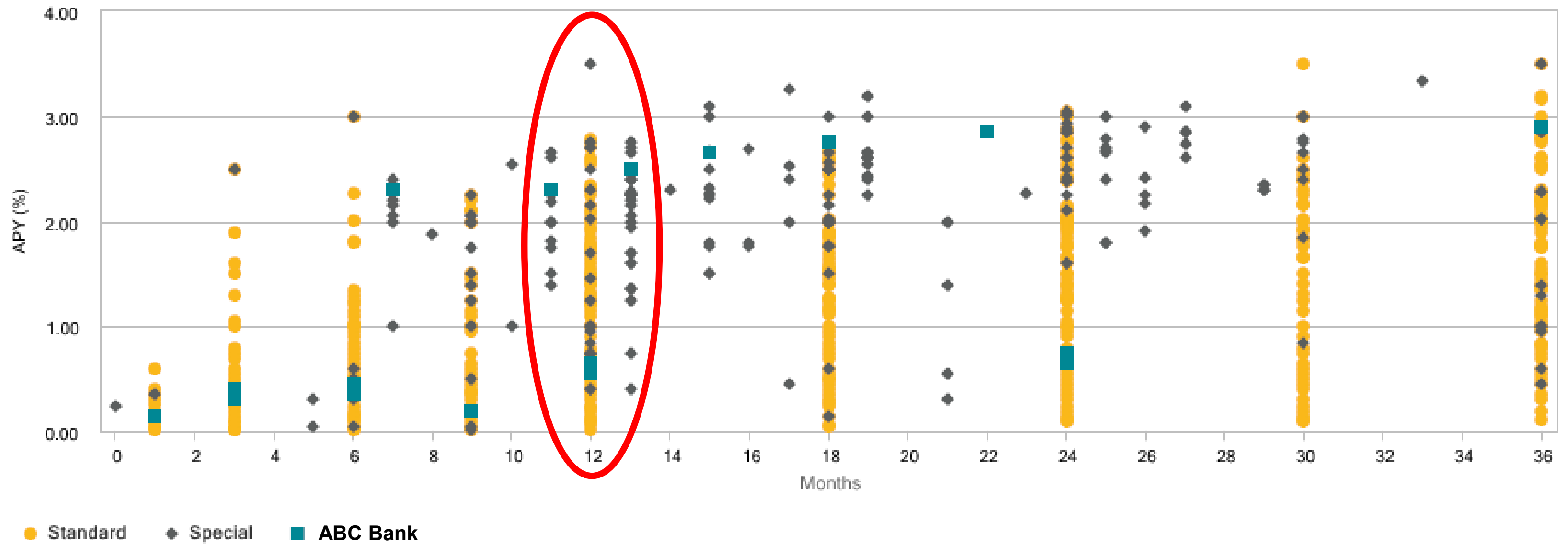
MARGINAL COST OF FUNDS

Focus on cost-of-funds

- Consider wholesale funding to adjust the maturity of liabilities and mitigate interest rate risk
- Replace “hot” money with duration-certain maturities
- Avoid overpricing deposits in order to retain rate shoppers

MARGINAL COST OF FUNDS

Focus on cost-of-funds: An Example



MARGINAL COST OF FUNDS

Focus on cost-of-funds: An Example

Marginal Cost of Funds Tool

Step 1:

Enter values for all parameters in the yellow cells in the Parameters Values section below. Hovering over a call will display a brief description of the variable and the appropriate format with which the parameter should be entered. Once the initial parameters are entered, changing any one parameter may change the resulting analysis of the superior funding strategy.

PARAMETER VALUES	
Existing Total Deposits	\$450,000,000
Net New Funds To Be Raised	\$22,500,000
FHLB Des Moines Advance Rate	2.79%
Current Rate on Existing Deposits	1.00%
Promotional Rate	2.40%
Cannibalization Rate	5.00%
Total Amount (New + Cannibalized)	\$45,000,000

Breakeven Rates

2.010%
1.895%
1.393%

**1-Year Bullet Advance,
Posted Rate**

1-year CD promotion



MARGINAL COST OF FUNDS

Focus on cost-of-funds: An Example

Step 2:

Review the analysis of the two funding strategies.

Strategy 1: Funding Through Deposits With Promotional Rates

Source of Funds	Amount	Current Rate	New Rate	Rate Increase	Cost
Cannibalized Deposits	22,500,000	1.00%	2.40%	1.40%	315,000
Net New Deposits	22,500,000	0.00%	2.40%	2.40%	540,000
Totals	\$45,000,000				\$855,000

Strategy 2: Funding Through a FHLB Des Moines Advance

Source of Funds	Amount	Current Rate	New Rate	Rate Increase	Cost
FHLB Des Moines Advance	\$22,500,000	0.00%	2.79%	2.79%	\$627,750

Marginal Cost of Raising \$22,500,000 of Net New Deposits

3.80%

Cost of Comparable FHLB Des Moines Advance

2.79%

The FHLB Des Moines Advance Strategy is the Best Alternative!

Annual Cost Savings of FHLB Des Moines Advance Strategy

\$227,250.00

Breakeven Scenario Description

Analyze the breakeven scenarios by using the buttons to the right of the Breakeven Rates. Breakeven is determined by changing the value of one parameter while holding the other two parameters constant until the marginal cost of both strategies are equal.

- 1) 5.00% of existing deposits, \$22,500,000, with a current rate of 2.01%, can reprice at the promotional rate of 2.40%
- 2) 5.00% of existing deposits, \$22,500,000, with a current rate of 1.00%, can reprice at a maximum promotional rate of 1.90%
- 3) 1.39% of existing deposits, \$6,267,857, with a current rate of 1.00%, can reprice at the new rate of 2.40%



MARGINAL COST OF FUNDS

Focus on cost-of-funds: An Example

Rate Sensitive Deposit Retention Analysis

Step 1:

Enter values for all parameters in the yellow cells in the Parameters Values section below. Hovering above a cell will display a brief description of the variable and the appropriate format with which the parameter should be entered. Once the initial parameters are entered, changing any one parameter may change the resulting analysis.

PARAMETER VALUES	
Amount	\$100,000,000
FHLB Des Moines Advance Rate	2.790%
Current Rate on Existing Deposits	0.650%
Competition	2.250%
Percentage of Rate Sensitive Deposits	20.00%

MARGINAL COST OF FUNDS

Focus on cost-of-funds: An Example

Step 2:

Review the analysis of the rate alternatives.

Annual Interest Expense At Current Rates

Deposit Type	Amount	Rate	Cost
Non-Rate Sensitive	80,000,000	0.65%	520,000
Rate Sensitive	20,000,000	0.65%	130,000
Totals	\$100,000,000	0.65%	\$650,000

Pricing Alternatives and Possible Outcomes

Strategy 1: Hold Rates Constant and Replace Runoff With FHLB Des Moines Advance

Deposit Type	Amount	Current Rate	New Rate	Rate Increase	Cost
Non-Rate Sensitive	80,000,000	0.65%	0.65%	0.00%	0
Rate Sensitive	20,000,000	0.65%	2.79%	2.14%	428,000
Totals	100,000,000	0.65%			\$428,000
				Marginal Cost	2.14%

Strategy 2: Match Competition to Retain Rate Sensitive Deposits

Deposit Type	Amount	Current Rate	New Rate	Rate Increase	Cost
Non-Rate Sensitive	80,000,000	0.65%	2.25%	1.60%	1,280,000
Rate Sensitive	20,000,000	0.65%	2.25%	1.60%	320,000
Totals	\$100,000,000	0.65%			\$1,600,000
				Marginal Cost	8.00%

Replace runoff with a FHLB Des Moines Advance and save \$1,172,000 in annual interest expense!





LIQUIDITY AVAILABILITY

LIQUIDITY AVAILABILITY

Reliable Source of Liquidity

- FHLB Des Moines takes great pride in the fact that we are a reliable source of liquidity that our members can depend upon
- Through our partnership with our members' federal regulators, the Bank intends to continue to provide liquidity to financially distressed members when needed
- Regulatory restrictions apply to the Bank lending to capital deficient members



LIQUIDITY AVAILABILITY

Reliable Source of Liquidity

CAMELS Ratings vs. Credit Limit "Typical" Distribution

Note:

Large "X" = Primary Category

Small "x" = Secondary Category

CAMELS Rating

FHLB Des Moines Credit Limit	1	2	3	4	5
45%	X	X			
35%	X	X	x		
25%		x	X		
20%			x	X	
10%				X	
<10%				x	X



LIQUIDITY AVAILABILITY

Reliable Source of Liquidity

3Q 2018 Median Ratios by Credit Limit and Institution Type

Banks & Thrifts	% of Members by Charter	Tier 1 Leverage Ratio	Total RBC / RWA	NPA / TA	NPA / Tier 1 + LLR	LLR / NPL	Pre-Tax ROAA
% TA		Median	Median	Median	Median	Median	Median
45%	78%	10.81%	15.37%	0.50%	4.17%	373.63%	1.59%
35%	16%	10.21%	15.27%	1.91%	16.22%	104.08%	1.13%
25%	5%	9.86%	14.43%	3.29%	28.61%	90.49%	0.76%
≤ 20%	1%	9.60%	14.14%	5.88%	47.60%	42.64%	-0.70%
Credit Unions	% of Members by Charter	Net Worth / Assets	NPL/Net Worth	NPA/ TA	NPA/Net Worth + LLR	LLR / Delinquent Loans	ROAA
% TA		Median	Median	Median	Median	Median	Median
45%	78%	10.99%	2.82%	0.37%	2.96%	150.66%	1.03%
35%	14%	8.57%	5.90%	0.62%	2.37%	106.56%	0.64%
< 35%	8%	9.38%	8.34%	0.86%	7.20%	94.12%	0.69%

LIQUIDITY AVAILABILITY

Reliable Source of Liquidity

Credit Capacity, Term Limits and Collateral Requirements for Federally Insured Members

(Effective May 2, 2018)

Credit Capacity % of Total Assets	Advance Term Limits	LOC Term Limits*	Collateral Pledging Status
45%	None	None	Standard Reporting
35%	None	None	Standard Reporting
25%	None	None	Standard Reporting
20%	5 years	5 years	Listing Required
10%	2 years	2 years	Delivery Required
5%	1 year	1 year	Delivery Required



*LOCs with an original term of greater than two years require an annual issuer termination option.

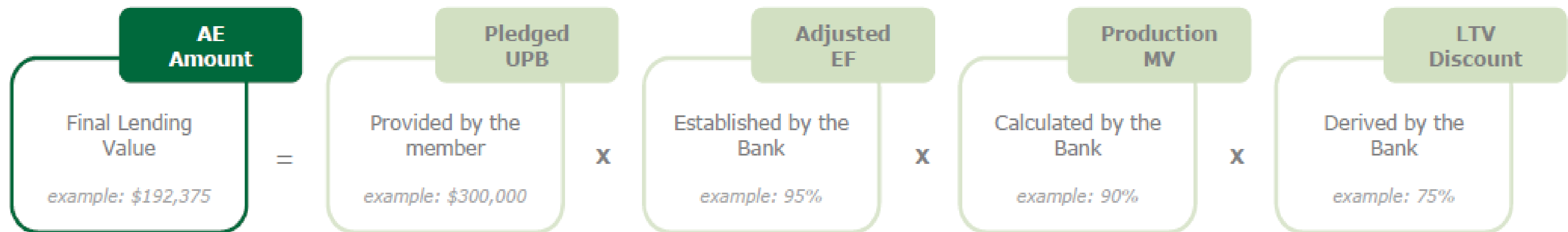
LIQUIDITY AVAILABILITY

Reliable Source of Liquidity

Advance Equivalent Calculation: Loan Collateral

The *Advance Equivalent (AE)* amount is the maximum collateral amount available to members to secure extensions of credit. The AE calculation for loan collateral includes all or some combination of the following components:

- **Pledged Unpaid Principal Balance (UPB):** the portion of a loan that has not yet been remitted to the lender
- **Adjusted Eligibility Factor (EF):** the eligible ratio of a sample loan portfolio after assessing eligibility and underwriting quality
- **Production Market Value (MV):** the estimated value of a loan in the current market environment
- **Loan-to-Value (LTV) Discount:** the derived value of a loan portfolio or loan collateral type in an adverse credit and market scenario



Underwriting Criteria:

- *Repayment Ability Performed and Documented*
- *Income and Asset Verification (1-4 family residential loans/lines only)*
- *Collateral Valuation (Certified/Licensed Appraisal)*
- *Lien Verification (Title insurance or Attorney Opinion)*
- *Residential High Loan to Value*
- *Credit Assessment (all loans must have evidence of review)*

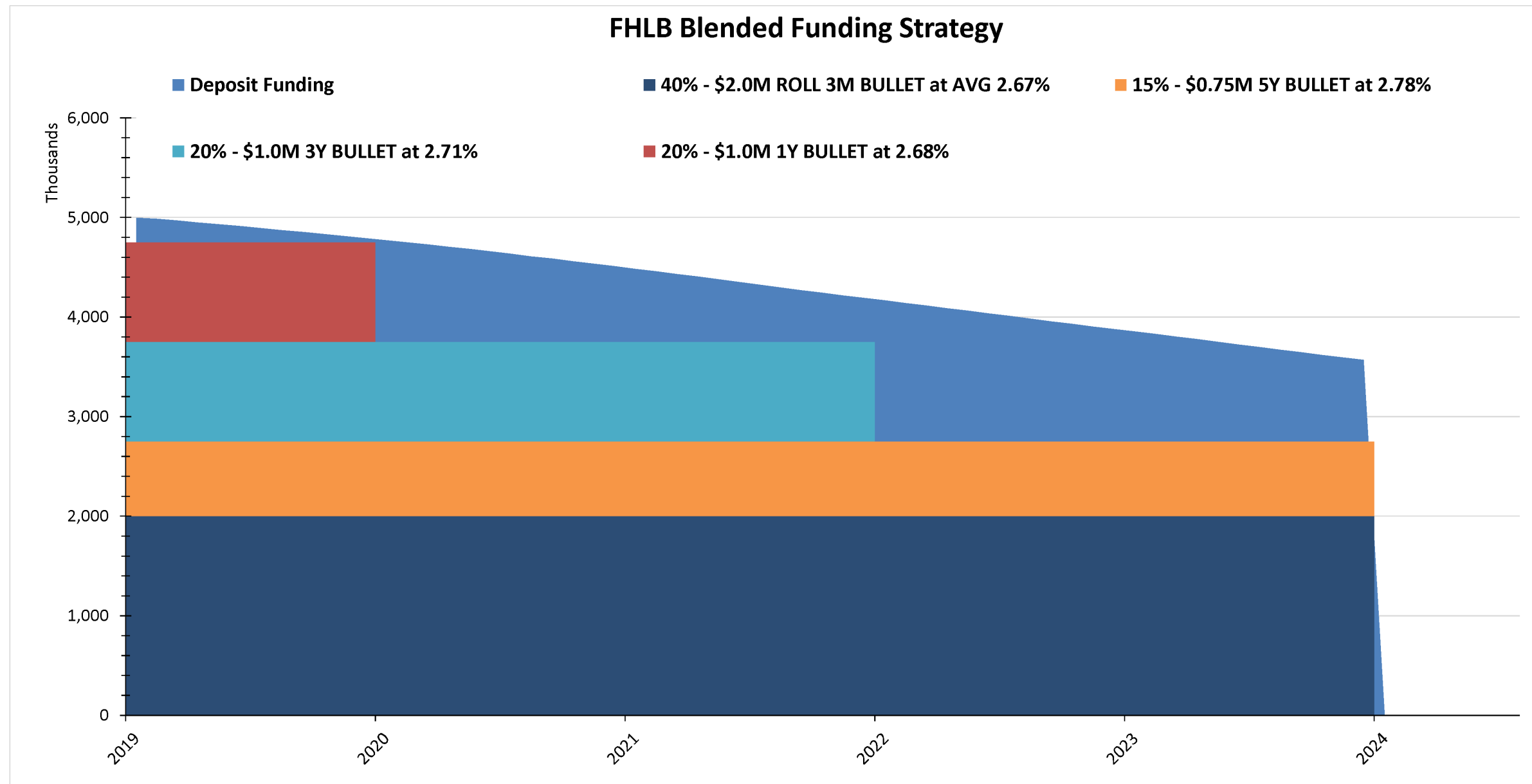
Portfolio Sample	Eligible (Y/N)	Meets all Underwriting	Net Eligible Value
Loan #1	N	n/a	0%
Loan #2	Y	Y	100%
Loan #3	Y	N	63%
Loan #4	Y	N	92%
Loan #5	Y	Y	100%
Adjusted Eligibility Factor:			71%



HEDGE RATE UNCERTAINTY

HEDGE RATE UNCERTAINTY

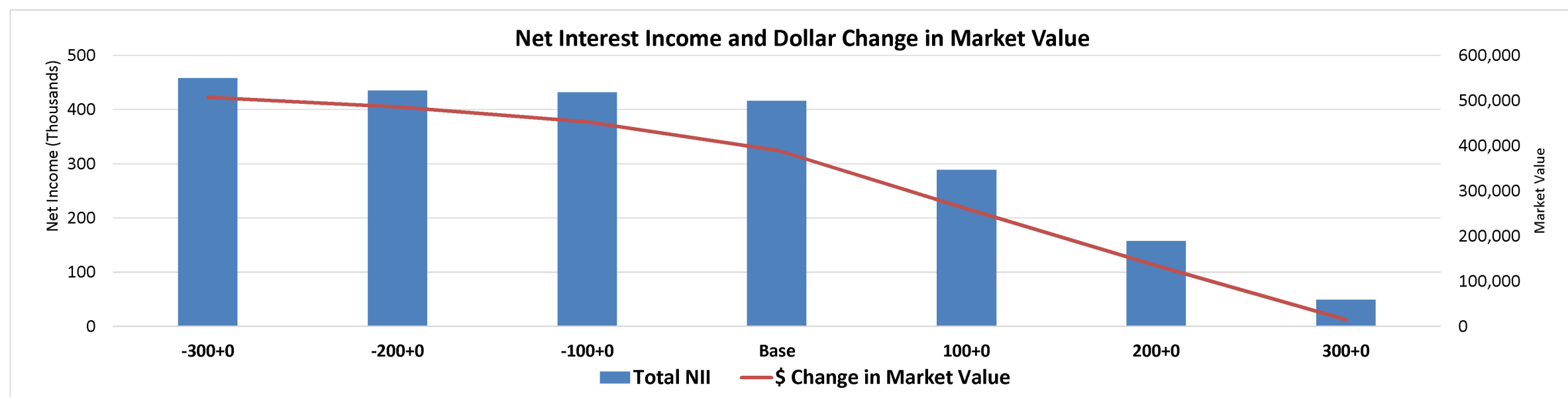
Commercial Real Estate: 5Y term/20Y amortization



Asset Parameters	
Asset Amount	5,000,000
Coupon Rate	4.50%
Term	5 Years
Amortization Frequency	Monthly
Amortization	20 Years
Payment	Level Payments

Scenario Information	
FHLB Rate as of	3/1/2019
Initial Advance Funding	95%
Initial Spread	1.83%
Wtd Cost of Advances	2.79%
Wtd Cost of Deposits	1.40%
Wtd Avg Lifetime Spread	1.96%

WAL and MV	
Wtd Avg Life Assets	4.32
Wtd Avg Life Liabilities	3.55
Market Value Assets	5,390,307
Market Value Liabilities	5,000,000
Net Market Value	390,307





LETTERS OF CREDIT

LETTERS OF CREDIT

Harvest the power of your illiquid collateral

Requirements

- Fees are 11.5 bps on the notional balance
- Loan or security collateral must be pledged against the LOC
- No stock requirement to utilize product

Benefits

- Enhance liquidity ratio by unencumbering highly liquid securities
- Maximize earning assets
- Maximize operational efficiency by reducing transaction and finance costs
- All FHLB Des Moines pledged collateral is eligible
- Rely on AAA rating of FHLB Des Moines to satisfy municipal and state collateral requirements

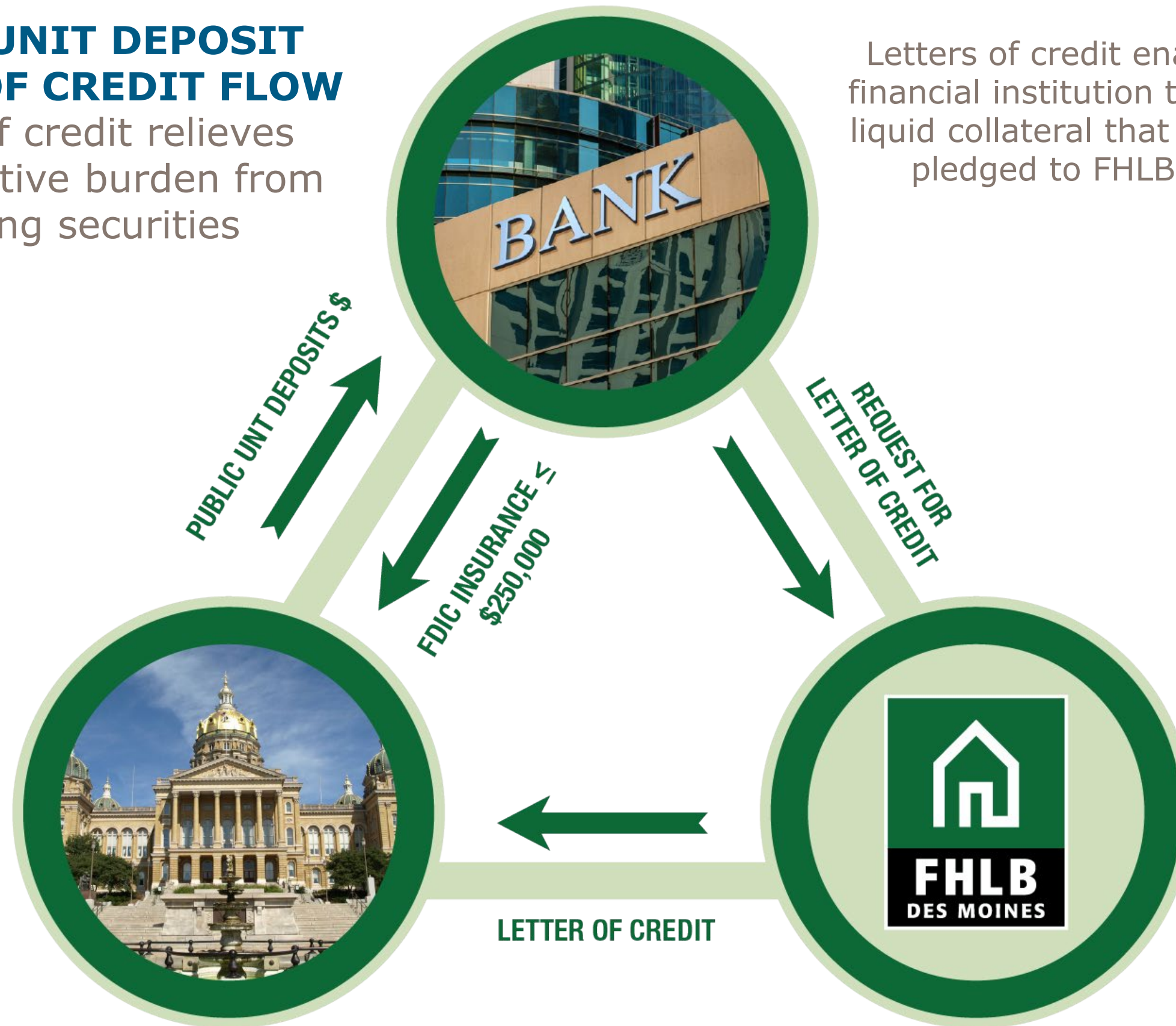


LETTERS OF CREDIT

Harvest the power of your illiquid collateral

PUBLIC UNIT DEPOSIT LETTERS OF CREDIT FLOW

Letters of credit relieves administrative burden from pledging securities



Letters of credit enable a member financial institution to leverage less-liquid collateral that may already be pledged to FHLB Des Moines

Rated Aaa/AA+

Issues letters of credit on behalf of its members, in favor of public units as an alternative collateral source in lieu of pledged securities

- Standby, irrevocable letter of credit in favor of public unit
- Immediate payout to the public unit in the event of depository default
- Cannot be terminated before a mutually agreeable date
- Customizable: Individual, pooled, fixed, Evergreen Finite



LETTERS OF CREDIT

Harvest the power of your illiquid collateral

RATIO IMPROVEMENTS OF USING FHLB LOCs

	Account Name		
Member #1234	Member ABC	Replacing Pledged Sec with FHLB LOCs	Ratio Improvement
Reported in '000s	Current		
Financial data as of:	12/31/2017		
Liquidity Ratio	30.00	31.23	1.23
Pledged Securities Ratio	20.00	11.67	8.33
Total PUDs	55,000		
Total Uninsured PUDs (Year End Data)	50,000		
LOCs Pledged for at FHLB DM	-	25,000	
Total Securities Pledged (Call Report)	60,000	35,000	
Total Securities Owned (Call Report)	300,000		
Total Credit Availability	450,000		
Total Collateral Availability	250,000		
Total Collateral Exposure	100,000	125,000	
Remaining Borrowing Capacity*	150,000	125,000	

*Lower of credit/collateral available

Enter \$ Amount of FHLB DM LOC Increase/Pledged Securities Decrease	25,000
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NET INCOME IMPROVEMENTS OF USING FHLB LOCs BEFORE USING LOC

Securities collateralizing PUD	\$60,000
Yielding Rate	2.00%
Income Earned per Year	\$1,200
BEFORE USING LOC	
Securities Collateralizing PUD	\$35,000
Yielding Rate	2.00%
Income Earned per Year	\$700
Reinvestment in higher yielding loans	\$25,000
Yielding Rate*	4.25%
Income Earned	\$1,063
Amount of LOC	\$25,000
LOC Fee	0.1150%
LOC Cost	\$29
Net additional income earned	\$534

LEGEND

SNL Data
FHLB Data
Excel Calc
Self Input



LETTERS OF CREDIT

Harvest the power of your illiquid collateral

RATIO IMPROVEMENTS OF USING FHLB LOCs			
	Account Name		
Member #1234	Member ABC	Replacing Pledged Sec with FHLB LOCs	Ratio Improvement
Reported in '000s	Current		
Financial data as of:	12/31/2017		
Liquidity Ratio	30.00	31.23	1.23
Pledged Securities Ratio	20.00	11.67	8.33
Total PUDs	55,000		
Total Uninsured PUDs (Year End Data)	50,000		
LOCs Pledged for at FHLB DM	-	25,000	
Total Securities Pledged (Call Report)	60,000	35,000	
Total Securities Owned (Call Report)	300,000		
Total Credit Availability	450,000		
Total Collateral Availability	250,000		
Total Collateral Exposure	100,000	125,000	
Remaining Borrowing Capacity*	150,000	125,000	

*Lower of credit/collateral available



LETTERS OF CREDIT

Harvest the power of your illiquid collateral

NET INCOME IMPROVEMENTS OF USING FHLB LOCs BEFORE USING LOC	
Securities collateralizing PUD	\$60,000
Yielding Rate	2.00%
Income Earned per Year	\$1,200
BEFORE USING LOC	
Securities Collateralizing PUD	\$35,000
Yielding Rate	2.00%
Income Earned per Year	\$700
Reinvestment in higher yielding loans	\$25,000
Yielding Rate*	4.25%
Income Earned	\$1,063
Amount of LOC	\$25,000
LOC Fee	0.1150%
LOC Cost	\$29
Net additional income earned	\$534





MEMBER & FINANCIAL OPERATIONS UPDATE

FHLB DES MOINES OVERVIEW

Member & Financial Operations Updates

Authorized Personnel Form (APF) Automation

APFs went live on April 29, 2019

- Member Administrators are able to manage their own user entitlements for efficiency and ease of use.
- The Bank will continue to add, delete, and promote a user to a Member Administrator via an online form in eAdvantage that may be submitted by a member administrator.
- Members can have an unlimited number of Administrators for their institution.
- Member acknowledgement through DocuSign: Will be distributed to all members in the upcoming weeks.

FHLB DES MOINES OVERVIEW

Member & Financial Operations Updates



Safekeep
Direct

A **new** safekeeping online portal launches in November!

- Members will be able to:
 - securely enter and verify trade instructions through this secure portal.
 - upload multiple settlement instructions simultaneously.
 - set up FHLB and Public Unit security pledge assignments for encumbrance in segregated accounts.
- Members can expect the same reporting, with new options for scheduling and distribution, including distribution through email.
- Stay tuned for more information and training opportunities later this year.

FHLB DES MOINES OVERVIEW

Member & Financial Operations Updates



eNotes


Pledging residential mortgage **eNotes** as collateral for advances is on the horizon!

- We are actively participating in the efforts to make eNote pledging a reality.
- Soon, you will be able to take advantage of all the benefits of originating eNotes and pledging them to FHLB Des Moines.
- Stay tuned for more details!



FEDERAL HOME LOAN BANK

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