President's Message to Members

By now I'm sure you know that we have rebranded the FHLB. The creation of a new brandmark and visual system was an interesting, introspective exercise, which allowed us to step back from our daily routine to assess who we are, and how we want to be perceived.

Our rebranding effort grew out of the redesign of our public web site, the results of which you’ll see later this year. As we examined our current public web site, and the sites of others, we came to realize that our 30-year old brand no longer accurately reflected the range and scope of our members, products and services. And, in our view, it was starting to look dated.

Thirty years ago our members were exclusively savings and loans. Our primary role was to serve as their regulator and examiner, and our secondary role was a regional correspondent bank, providing check processing and safekeeping services. Advances were minimal. There was no Affordable Housing Program, Welcome Home or Mortgage Purchase Program.

The brandmark developed in the 1980s reflected a very different bank than we are today. As more of our communications have moved to the digital sphere, we've faced challenges adapting, sharing and integrating our brand with members and other stakeholders. The redesign of our web site opened the opportunity to evaluate our branding. We wanted a brand that would both live with and stand out among our peers. We wanted a brand to complement our commitment to housing finance and customer service.

After debating a variety of designs, we chose the one you see in the banner on this page. The new brandmark doesn’t change who we are, but we think it better reflects who we are, and will accompany us well as we head into the future.

We view the update of our brandmark as symbolic of our intent to remain current, not only with the needs of the market but with the needs of our members. As always, we appreciate your business and the strong cooperative partnership you allow us to provide as your Federal Home Loan Bank of Cincinnati.

Sincerely,

Andrew S. Howell, President and CEO

Save the Date: FHLB Financial Management Conference

The FHLB's financial management conference, Navigating the Now: Managing Current Conditions, is set for August 4-5 in Cincinnati. The agenda is taking shape and is scheduled to include:

- Arthur Laffer, Laffer Associates, on the economic outlook.
- John Sileo, Sileo Group, on cybersecurity.
- J. Todd Taylor, Taylor Advisors, on balance sheet positioning.
- Ryan Hayhurst, The Baker Group, on managing your investment portfolio.

In addition, FHLB President and CEO Andrew Howell will address the state of banking in the Fifth District.

Seminar participants will also be invited to attend the St. Louis Cardinals-Cincinnati Reds baseball game on August 4 at Great American Ball Park. Registration will be available through our web site beginning in June.

Annual Report Features AHP 25th Anniversary, Reviews 2014 Performance

The FHLB’s 2014 annual report, 25 Years of AHP, is now available in both print and electronic formats. Our 2014 Form 10-K was also completed and filed with the SEC on March 19, 2015.

The 2014 annual report features a theme section about our Affordable Housing Program (AHP), which includes a history of the program as well as profiles of six AHP projects throughout the Fifth District. The report also reviews events and results from 2014, another year of strong performance for the FHLB.

The document is posted on our web site, www.fhlbcin.com. To obtain a printed copy, contact AVP-Public Affairs and Communications John Byczkowski at JohnB@fhlbcin.com.
FHLBs Support Expanded QM Safe Harbor for Members

The FHLBs filed a joint comment letter April 27 in support of the more flexible definitions proposed by the Consumer Financial Protection Bureau regarding the Qualified Mortgage (QM) Small Lender Rule.

The proposed rule allows more institutions to make QM loans with certain legal protections. The FHLBs further suggested that these same high quality loans should be protected whether they are held in portfolio by our members, or sold to the housing GSEs. For Cincinnati FHLB members, such protected loans would include those sold to the FHLB through the Mortgage Purchase Program.

2015 Regional Stockholder Meetings Under Way

The FHLB’s annual Regional Stockholder Meetings are in full swing, and members have been enjoying another year of the annual “state-of-the-FHLB” event. The meetings began on Wednesday, April 22, in Nashville, Tennessee, and continued on Monday, April 27, in Lexington, Kentucky; Monday, May 4, in Lebanon, Ohio; and Tuesday, May 19, in Akron, Ohio.

This year, there is a different regional meeting keynote speaker for each of our events. The Nashville meeting featured Nashville resident Arthur Laffer, Ph.D., Founder and Chairman, Laffer Associates, who popularized the Laffer Curve. Lexington hosted Scott Brown, Ph.D., Senior Vice President and Chief Economist, Raymond James and Associates. In Lebanon, Ohio, Jim DeMasi, CFA, Managing Director and Chief Fixed Income Strategist, Stifel, Nicolaus & Company, will be our featured speaker. Akron, Ohio, will hear from Elliot Eisenberg, Ph.D., Founder, Graphs and Laughs LLC and Econ70.com.

Each speaker will present his own outlook and analysis of the current economic environment. It will be interesting to see if there is a clear consensus among these four economists on what lies ahead for our industry.

$1 Million Fund for Accessibility Rehab Opens June 1

A $1 million fund supporting accessibility rehab has been approved by the FHLB. The Carol M. Peterson Housing Fund, previously offered as the Accessibility Rehabilitation Program, will provide funding for accessibility rehabilitation and emergency repairs for low- and moderate-income special needs and elderly homeowners in Kentucky, Ohio, and Tennessee. The $1 million fund will provide grants of up to $7,500 per household and will be reserved on a first-come, first-served basis.

Members may submit applications on behalf of homeowners beginning June 1. All program information is now available on our web site. Should you have any questions, please contact Housing and Community Investment at 888-345-2246.

Dividend Declaration and Payment

At its March 19, 2015, meeting, the FHLB’s Board of Directors declared a dividend for the fourth quarter 2014 at a 4.00 percent annualized rate. We have paid a 4.00 percent dividend for seven consecutive quarters and believe this return on our members’ investment compares favorably with other comparable investment opportunities. The dividend payment occurred March 19 in the form of cash.

Calendar 2015

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In related legislation, Rep. Andy Barr (R, KY-6) introduced H.R. 1210, Portfolio Lending and Mortgage Access Act of 2015, which would provide QM safe harbor for residential loans held in portfolio. The bill’s 25 co-sponsors include Reps. Stephen Fincher (R, TN-8), Dave Joyce (R, OH-14), Jim Renacci (R, OH-16) and Steve Stivers (R, OH-15), all of whom serve Cincinnati’s Fifth FHLBank District.