President’s Message to Members

At its March meeting, your Board of Directors approved an expansion of FHLB Cincinnati’s Carol M. Peterson Housing Fund, to $1.5 million from $1 million. Of that, members may access $1.4 million for accessibility rehab and emergency repairs to homes of elderly and special needs residents in their communities. The board designated $100,000 to support the Jimmy and Rosalynn Carter Work Project this summer in Memphis, Tenn.

This action by your board is special for several reasons. First, it continues a pledge first made in 2010 to honor Carol Peterson, who was important in building our Housing and Community Investment programs during a 36-year career at the Bank. Carol was passionate and relentless in working to improve housing for those with special needs, and this fund perpetuates that cause.

More importantly, the board's action also continues a commitment to what we call our “voluntary” housing programs. These are programs outside of our regulatory commitment of 10 percent of our annual net earnings to the Affordable Housing Program (AHP). Over 26 years, we have awarded more than $587 million through AHP for affordable housing in the Fifth District.

As powerful as AHP has been, many times a different kind of housing need requires a different kind of response. In 2003 the administration of President George W. Bush unveiled the Blueprint for the American Dream, a set of initiatives to increase homeownership by minority homeowners. In response, FHLB Cincinnati created its first voluntary program, the American Dream Homeownership Challenge, a $1 million grant program to help minority households attain homeownership. The program struck a chord, and was increased to $2 million in 2005.

It became apparent to us that with a voluntary program, we gained the flexibility to deliver assistance to people in a very timely manner. Other initiatives followed:

- When Hurricane Katrina hit Louisiana in 2005, our New Neighbors program helped 138 households who had lost their homes relocate to the Fifth District.
- The financial crisis in 2008 set off a wave of foreclosures. Our program Preserving The American Dream helped more than 1,300 families stay in their homes.
- After tornadoes swept through Ohio and Kentucky in February 2012, the board created the Disaster Reconstruction Program to bring aid quickly to households affected by natural disasters. This program has helped 181 households.

We know that a great many of our members support charitable causes in their communities, because it's good corporate citizenship. That's how we view our voluntary programs – as an opportunity to leverage our experience in affordable housing to help our members address pressing housing needs in their communities. As always, we appreciate your business and the strong cooperative partnership you allow us to provide as your FHLB.

Sincerely,

Andrew S. Howell, President and CEO

Annual Report Features MPP 15th Year, Reviews 2015 Performance

The FHLB's 2015 annual report, 15 Years of MPP, is now available in both print and electronic formats. Our 2015 Form 10-K was also completed and filed with the SEC on March 17, 2016.

The 2015 annual report highlights two important programs that have reached milestone anniversaries. Our Mortgage Purchase Program is now 15 years old, and we review its history with members who've experiences the program's benefits. In addition, the Carol M. Peterson Housing Fund has aided special needs households for five years, and we look at Fifth District communities that have been helped by this program.

The report also reviews events and results from 2015, another year of strong performance for the FHLB.

The document is posted on our website, www.fhlbcin.com. To obtain a printed copy, contact VP-Public Affairs and Communications John Byczkowski at JohnB@fhlbcin.com.

Housing Programs to Begin Accepting Applications

Two of FHLB Cincinnati's most popular affordable housing programs will open for applications soon. Applications will be accepted for the Affordable Housing Program beginning May 31 and the Carol M. Peterson Housing Fund beginning June 1.

The Board of Directors has recently approved $1.5 million for the Carol M. Peterson Housing Fund, with $100,000 reserved for the Jimmy and Rosalynn Carter Work Project in Memphis, Tenn. This program provides funding for accessibility rehabilitation and emergency repairs for low- and moderate-income special needs and elderly homeowners in Kentucky, Ohio, and Tennessee.

The fund will provide grants of up to $7,500 per household and will be reserved on a first-come, first-served basis.

Please keep in mind the Community Investment Cash Advance 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.

Andrew S. Howell, President and CEO
2016 Regional Stockholder Meetings Begin Soon

The FHLLB’s annual Regional Stockholder Meetings begin at the end of April and members are sure to enjoy another year of the annual state of the FHLLB event. The meetings will begin on Wednesday, April 27, in Nashville, Tenn., and continue on Monday, May 2, in Lexington, Ky.; Monday, May 9, in Lebanon, Ohio; and Tuesday, May 17, in Akron, Ohio.

Save the Date: FHLLB Financial Management Conference

The FHLLB will host its annual Financial Management Conference August 3-4 in Cincinnati. The agenda encompasses a range of industry experts including:

- Jim DeMasi, CFA, Stifel, Nicolaus & Co. Inc., on the economic outlook.
- John Sileo, The Sileo Group, on cyber strength and a leader’s path to data security.
- Robert Walters, The Bank Advisory Group LLC, on financial services metrics.
- Ryan Hayhurst, The Baker Group, on managing interest rate risk.

In addition, FHLLB 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 3 at Great American Ball Park. Registration will be available through our website in June.

Dividend Declaration and Payment

At its March 17, 2016, meeting, the FHLLB’s Board of Directors declared a dividend for the fourth quarter 2015 at a 4.00 percent annualized rate. We have paid a 4.00 percent dividend for 10 consecutive quarters. The dividend payment occurred March 17 in the form of cash.

Ohio Banker’s League Fly-In Recap

The Ohio Banker’s League hosted its annual Washington D.C. fly-in event to meet with Ohio’s Congressional delegates on February 24 and 25. Kyle Lawler, EVP-Chief Business Officer, Pavan Parikh, Government Relations Officer, and Bob Lameier, Board of Directors, attended the event. In total the group met with 14 member of Congress, the Office of the Comptroller of the Currency, the Consumer Financial Protection Bureau, and Lael Brainard of the Federal Reserve to discuss issues of importance to FHLLB members.

Additional banking association fly-ins will be held for Kentucky, May 22-25, and Tennessee, May 9-11. FHLLB Cincinnati will have representatives attending each event. For more information about our government relations initiatives, visit our website at fhlbcin.com.

FHLLB Welcomes New Members

The FHLLB welcomes these new member stockholders in the last quarter:

- Latvian Cleveland Credit Union, Lakewood, Ohio
- The Peoples National Bank of Mount Pleasant, Mount Pleasant, Ohio
- U.S. Community Credit Union, Nashville, Tenn.

Calendar 2Q 2016

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<tr>
<td>April 27</td>
<td>Regional Stockholder Meeting, Nashville, Tenn.</td>
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<td>Regional Stockholder Meeting, Lexington, Ky.</td>
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<td>Regional Stockholder Meeting, Lebanon, Ohio</td>
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<td>May 17</td>
<td>Regional Stockholder Meeting, Akron, Ohio</td>
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<td>May 31</td>
<td>Affordable Housing Program: application process opens</td>
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