



## President's Message to Members

At FHLB Cincinnati, we monitor the financial well-being of our members, as well as economic conditions generally in the Fifth District. Though we are not in the forecasting business, it doesn't take a Nobel Prize in Economics to be able to see when something is trending favorably or unfavorably. And to paraphrase an old business adage: "Never measured, never managed." We keep an eye on key metrics about our members and our district to prepare for evolving conditions.

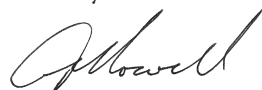
The current economic expansion began in June 2009 and is now the third-longest in modern American history. Our member financial institutions have had time shake to off the impact of the Great Recession of 2007-2009, which was the worst economic downturn since the Great Depression.

And shake it off they have. Here are some of the metrics we track:

- Member assets stood at more than \$1.1 trillion as of September 30, 2017, up nearly 6 percent from a year earlier. (Note that we exclude our largest member, JPMorgan Chase, from these metrics.)
- Net interest income is rising as interest rates rise, loans reprice and new loans come on at higher yields. Net interest income in the third quarter grew 14.5 percent from a year earlier, helping to drive a 27 percent year-over-year increase in net income.
- Loan growth, after trailing deposit growth throughout 2016, exceeded deposit growth in the second and third quarters of 2017. Net loans and leases grew to \$723 billion at September 30, up 6.7 percent from a year earlier, while many measures of delinquent and noncurrent loans were flat or down.
- Deposits grew across the board – money markets, demand deposits, time deposits, jumbo and foreign – to stand at \$864 billion on September 30, up 6.3 percent from a year earlier. But deposit growth is slowing.
- Nearly all measures of capital were up from a year earlier, and capital ratios were all higher than what the FDIC considers to be "well capitalized."

These metrics tell us that our members have successfully navigated the uncertain economic environment since the Great Recession and are well positioned heading into the new year. Your FHLB stands ready to assist your institution in meeting funding, secondary market and affordable housing needs. We appreciate your business and the strong cooperative partnership you allow us to provide as your FHLB.

Sincerely,



Andrew S. Howell, President and CEO

## Director Election Results Announced

FHLB members elected four Directors in the 2017 Board of Directors election. All four will serve four-year terms that commenced January 1, 2018.

Newly elected in Ohio is Member Director **Mark N. DuHamel**, Executive Vice President/Corporate Treasurer, Huntington National Bank, Columbus.

Reelected as a Public Interest Independent Director is **Grady P. Appleton**, Akron, Ohio.

As mentioned in the last issue of *Advancements*, in the Kentucky Member Director election, incumbents **Greg W. Caudill** and **David E. Sartore** were also declared reelected to the Board.

The Board also elected **James A. England** to serve as Vice Chair of the Board. Mr. England is Chairman of Decatur County Bank, Decaturville, Tenn. He has served on the Board since 2011. His two-year term as Vice Chair commenced January 1.



Mark N. DuHamel



Grady P. Appleton



Greg W. Caudill



David E. Sartore



James A. England

## Advisory Council Appointments, Reappointments

FHLB announces the addition of three new members to its Affordable Housing Advisory Council and the reappointment of two members. Each will serve a three-year term that began January 1, 2018.

Appointed by the Board of Directors as new members of the Council are: **Marcia E. Lewis**, Executive Director, Memphis Housing Authority in Memphis, Tenn.; **Ralph M. Perrey**, Executive Director, Tennessee Housing Development Authority in Nashville, Tenn.; and **Samantha "Sam" A. Shuler**, Chief Executive Officer, Community Housing Network in Columbus, Ohio.

Reappointed to the Advisory Council are: **Debbie W. Robinson**, Chief Executive Officer, Miami Valley Housing Opportunities in Dayton, Ohio; and **Tammy K. Weidinger**, President and CEO, Brighton Center Inc. in Newport, Ky.

## FHLB Welcomes New Member

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

- United Methodist Financial Credit Union, North Canton, Ohio



## FHLB Announces Don Able to Retire

**Donald R. Able**, Chief Operating and Financial Officer, will retire this year after 37 years of service to the FHLB. In accordance with the FHLB’s succession plan, the transition resulted in the following management changes, effective January 1, 2018:

- **Stephen J. Sponaugle** was appointed Executive Vice President-Chief Financial Officer. Mr. Sponaugle became Executive Vice President-Chief Risk and Compliance Officer in January 2017.
- **James G. Dooley Sr.** was appointed Executive Vice President-Chief Risk and Compliance Officer. Mr. Dooley became Senior Vice President-Internal Audit in January 2013.

We commend Don’s extraordinary commitment to the FHLB for his entire career, and we thank him for his many accomplishments and years of dedicated service.



Donald R. Able



Stephen J. Sponaugle



James G. Dooley Sr.

## Members Only Website Gets a New Look

Our Members Only website will get a whole new look in January. We have been working over the past year to refresh the site and set the stage for the addition of new functionality in the future. New features include:

- Easier access to Advance rates, with members’ most used rates on the home page.
- Dashboards giving account overviews. A dashboard on the homepage gives a broad view of major accounts, while a dashboard on the borrow page provides a snapshot of credit and borrowing activity.
- On the home page, a graphic depicting availability of collateral-based borrowing capacity.
- An inbox, for important messages from FHLB Cincinnati.

If you have questions or comments, call our support line at 800-781-3090 or email us at [info@fhlbcin.com](mailto:info@fhlbcin.com).

## Affordable Housing Program Awards Announced

The latest round of Affordable Housing Program (AHP) grants was approved by the FHLB’s Board of Directors at its November 2017 meeting. A total of 35 members will receive nearly \$28.6 million in AHP subsidy to help produce 2,346 units of affordable housing for moderate-, low- and very low-income residents.

The next AHP application deadline is August 8, 2018, with an award announcement coming in November.

## Dividend Declaration and Payment

At its December 21, 2017 meeting, the FHLB’s Board of Directors declared a dividend for the third quarter 2017 at a 5.50 percent annualized rate. The dividend payment occurred December 21 in the form of cash.

## FHLB Cincinnati Promotes Eighteen Officers

In addition to the executive promotions, 18 officers were approved for promotion by the Board of Directors. Congratulations to the following officers, whose promotions were effective January 1, 2018:

- **Joseph W. Castlen**, First Vice President, Mortgage Purchase Program (from Vice President, Mortgage Purchase Program)
- **Melissa D. Dallas**, First Vice President, Corporate Secretary & Counsel (from Vice President, Corporate Secretary & Counsel)
- **James C. Frondorf**, First Vice President, Credit Services (from Vice President, Credit Services)
- **Darren M. Kuntz**, First Vice President, Assistant Treasurer (from Vice President, Assistant Treasurer)
- **James J. O’Toole**, First Vice President, Marketing (from Vice President, Marketing)
- **Karla M. Russo**, First Vice President, Human Resources & OMWI Officer (from Vice President, Human Resources & OMWI Officer)
- **Dan Tully**, First Vice President, Financial & Market Risk Analysis (from Vice President, Financial & Market Risk Analysis)
- **Christine A. Flischel**, Vice President, Information Security Office (from Assistant Vice President, Information Security Office)
- **Mai D. Vue**, Vice President, Project Management Office (from Assistant Vice President, Project Management Office)
- **Sarah E. Clark**, Assistant Vice President, Enterprise Risk Management (from Financial Risk Officer)
- **Dawn E. Grace**, Assistant Vice President, Housing & Community Investment (from Housing & Community Investment Manager)
- **Allison D. Kieft**, Assistant Vice President, Financial Reporting & Policy (from Accounting Officer, Financial Reporting & Policy)
- **Mark A. Russell**, Assistant Vice President, Human Resources Operations (from Human Resources Operations Officer)
- **Lisa A Wishart**, Assistant Vice President, Credit Operations (from Credit Operations Officer)
- **Richard F. Baumgart Jr.**, Mortgage Portfolio Officer (from Mortgage Portfolio Manager)
- **Diane M. Halpin**, Correspondent Services Officer (from Correspondent Services Manager)
- **Kevin T. Hanrahan**, Marketing Officer (from Financial Analyst III – Business Strategies)
- **Erik J. Van Dootingh**, Financial Risk Officer (from Financial Risk Manager)

## Calendar

February 19	Presidents Day: FHLB closed
March 1	Welcome Home Program: application process opens
April 25	Regional Stockholder Meeting, Nashville, Tenn.

April 30	Regional Stockholder Meeting, Cincinnati, Ohio
May 7	Regional Stockholder Meeting, Louisville, Ky.
May 22	Regional Stockholder Meeting, Akron, Ohio