



President's Message to Members

As we welcome the warm days of spring, looking forward to the Bank's Regional Stockholder meetings, three initiatives command our attention with each touching members in different ways.

Our LIBOR transition is moving forward. We informed members last year that we are planning to move away from the London Interbank Offered Rate (LIBOR) as an interest rate benchmark. Regulators and others in the industry have sought a more robust and liquid benchmark in the decade since the financial crisis. The Federal Reserve System and FHLBank System have endorsed a rate called the Secured Overnight Financing Rate (SOFR). Late in 2018, the FHLBanks began issuing debt based on SOFR, and those offerings have been well received by investors. FHLB Cincinnati has also begun offering Advances based on SOFR.

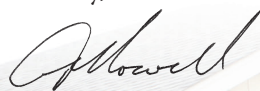
Beyond debt and Advances, we are working on transition plans for the FHLB and the FHLBank System, as LIBOR is anticipated to sunset in 2021. For instance, we currently use LIBOR as a benchmark for both earnings and dividends, and we will move those to SOFR or another index. We are participating in industrywide transition efforts involving the Alternative Reference Rates Committee at the New York Fed and the International Swaps and Derivatives Association. We encourage all of our members to begin to examine their organizations to prepare for this transition.

We are engaged in an FHLBank System initiative toward accepting eNotes for residential mortgage collateral. We understand the many benefits to members, including reduced costs and increased ease and flexibility of customer transactions. However, we are proceeding with caution and deliberation to ensure safe and secure adoption of this new capability. Industry participants anticipate completing eVault and Secured Party data fields by year-end 2019. With secured technology in place, a market for eNote securities will emerge, allowing the FHLBanks to price and value this new form of collateral.

We amended our Capital Plan to meet new liquidity requirements. Our regulator, the Federal Housing Finance Agency, is requiring us to carry more liquidity on our balance sheet, to ensure we can provide funding to our members during times of market stress. The Board of Directors has decided that the best way to capitalize this change is with membership capital stock, which will require some members to purchase more of this stock. We have amended our Capital Plan accordingly, and this change took effect April 8.

We are eager to hear your thoughts on these topics. Does your institution have a LIBOR transition plan? Are you adopting eNotes? Does our Capital Plan work for you? Please contact us on these or other issues. As always we appreciate your business and your partnership in our cooperative.

Sincerely,



Andrew S. Howell, *President and CEO*

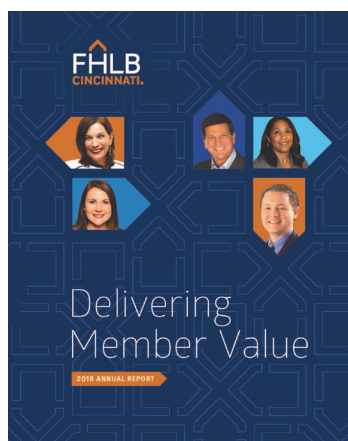
2019 Regional Stockholder Meetings Begin Soon

This year's Regional Stockholder Meetings will begin on Wednesday, April 24, in Nashville, Tenn., and continue on Monday, April 29, in Cincinnati, Ohio; Monday, May 6, in Louisville, Ky.; and Tuesday, May 14, in Akron, Ohio.

The Nashville meeting will feature Scott Brown, Senior Vice President and Chief Economist, Raymond James and Associates. Cincinnati will host Dudley Carter, Economist, Vining Sparks. In Louisville and Akron, the guest speaker will be Lindsey Piegza, Chief Economist, Stifel, Nicolaus and Company, Inc. Each speaker will present an economic overview and its impact on financial institutions.

To attend a stockholder meeting, register at www.fhlbcin.com.

Annual Report Highlights Value to Members



The FHLB's 2018 Annual Report, *Delivering Member Value*, is now available in both print and electronic formats. Our 2018 Form 10-K was also completed and filed with the SEC on March 21, 2019.

The 2018 Annual Report highlights five ways we deliver value to members: mission asset activity, services, communications, dividend and housing. The report also

reviews events and results from 2018, a record performance year for the FHLB.

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

Schedule an FHLB Cincinnati Open House

If you're looking for ways to increase your competitive advantage through the use of FHLB products and services, consider scheduling an Open House meeting. The Open House is a mini-seminar for members' key staff. In these sessions, your relationship manager will discuss different analytical tools available to members and examine demographic and financial trends relevant to the member's market footprint. For more information or to schedule an Open House meeting, please contact your relationship manager.



Habitat for Humanity of Greater Cincinnati receives \$581,250 in AHP Funds



A group from FHLB Cincinnati and Park National Bank spent the day helping with construction on one of the funded homes following the check presentation.

CEO Andy Howell and FHLB Director Bob Lameier of Miami Savings Bank joined FHLB Director Brady Burt and Dave Gooch both of Park National Bank to deliver a check to Ed Lee, CEO of Habitat for Humanity of Greater Cincinnati for \$581,250 of Affordable Housing Program Funds.

Gabby Mooney, a representative from Sen. Rob Portman's office, also attended the event and read a letter from the Senator. Cincinnati Habitat will use this funding to help construct 30 single-family homes for low- and moderate-income first-time homeowners.

Housing Programs to Begin Accepting Applications

Two of FHLB Cincinnati's most popular affordable housing programs will open for applications soon. The Affordable Housing Program will begin taking applications July 1, and the Carol M. Peterson Housing Fund will open June 3 at 10 a.m. (EDT).

HCI Programs and AHP workshops, which will include an overview of all HCI programs and training on the new AHP online application, will occur in Franklin, Tenn., on May 21, Lexington on May 28, and Columbus on June 4. Registration for training is available at our website, www.fhlbcin.com. AHP Disbursement Training will also take place at these same locations. Check our website for more details.

The Board of Directors recently approved \$2.1 million for the Carol M. Peterson Housing Fund. 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.

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

FHLB Welcomes New Members

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

- UBank, Jellico, Tenn.
- Nationwide Life and Annuity Insurance Company, Columbus, Ohio

Save the Date: FHLB Financial Management Conference

The FHLB will host its annual Financial Management Conference August 6-7 in Cincinnati, Ohio. The agenda will include a wide range of speakers:

- **Craig Dismuke**, EVP, Chief Economist, Vining Sparks, IBG
- **Ryan Hayhurst**, Managing Director, The Baker Group
- **Kamal Hosein**, Managing Director, Stifel, Nicolaus and Company, Inc.
- **Kamal Mustafa**, Chairman, Invictus Group
- **Jimmy Sawyers**, Chairman and Co-Founder, Sawyers & Jacobs, LLC

To kick off the conference, FHLB President and CEO Andy Howell will address the state of banking in the Fifth District. Seminar participants will also be invited to attend a Reds game. Look for registration information on our website in July.

Dividend Declaration and Payment

At its March 21 meeting, the FHLB's Board of Directors declared a dividend for the fourth quarter 2018 at a 6.00 percent annualized rate. The dividend payment occurred March 21 in the form of cash.

2Q Calendar 2019

April 24	Regional Stockholder Meeting, Nashville, Tenn.	June 3	Carol M. Peterson Housing Fund reservation request opens
April 29	Regional Stockholder Meeting, Cincinnati, Ohio	July 1	Affordable Housing Program: application opens
May 6	Regional Stockholder Meeting, Louisville, Ky.	August 6-7	Financial Management Conference, Cincinnati, Ohio
May 14	Regional Stockholder Meeting, Akron, Ohio	August 8	Affordable Housing Program: application deadline

Please keep in mind the Community Investment Cash Advance (CICA) program, Zero Interest Fund (ZIF), and the Disaster Reconstruction Program (DRP) are open year round.