



President's Message to Members

Another unprecedented year is behind us. With robust planning and cautious optimism, we went into the year knowing that no matter what it held—we were resilient enough to face it. For the FHLB,

the year was full of continued challenges and opportunities.

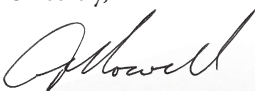
Our biggest opportunities in 2021 came from our persistent focus on being a vital partner for our members. We pivoted to provide support to members wherever they were—both online and in person. We held member educational events in Nashville and Cincinnati with online options for those that could not attend in person. We also moved our Stockholder Meeting to an online format, while keeping our golf outing as a Member Appreciation event. This gave us the ability to connect in person outdoors, without giving up the important educational component our members expect. In 2022, we'll continue this format and I encourage you to register for both a Member Appreciation event and the virtual Stockholder Meeting soon.

We also made strides in digital offerings on our Members Only website. In early 2021, we began to offer members the ability to set alerts and notifications that send an email or text for daily rates, when rates reach a certain threshold, when wires clear accounts and more. Additionally, members can now view their DDA transactions online as they happen throughout the day and complete certain DDA transactions entirely online. These enhancements have proven popular with members and plans are in the works to introduce even more substantial activities to enhance your online experience with your FHLB.

While we focused on service to members, we faced unique challenges with our balance sheet related to the effects of the pandemic. Extensive refinancing activity decreased balances in the Mortgage Purchase Program and the Fed's liquidity and other stimulus programs sharply reduced the need for Advances leading to a natural decline in our balance sheet. This decline in assets, as you would expect, lowered income over the course of the year. With short-term interest rates near zero and mortgage rates hovering around historic lows, we experienced many of the same challenges our members faced. We continued to pay members a steady 2.0 percent dividend and worked continuously to ensure we're well positioned for the future.

We begin 2022 much like we have for nearly 90 years – ready and able to meet our members' varied needs. 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

Director Election Results and Board Appointments Announced



Greg W. Caudill



J. Wade Berry



Danny Herron



Lewis Diaz



L. Scott Spivey



James J. Vance

FHLB members elected three directors in the 2021 Board of Directors election. In this election, two Kentucky Member directors and a Public Interest Independent director were elected to the Board. All three will serve four-year terms that commenced January 1, 2022.

From Kentucky, **Greg W. Caudill** was reelected and **J. Wade Berry** was newly elected. **Danny Herron** was also elected to serve as an Independent Public Interest director. As previously mentioned and pictured in *Advancements*, Ohio Member director **Kathleen A. Rogers** was unopposed and, in accordance with federal regulations, was declared elected.

Additionally, the Board appointed two new Independent directors to fill the vacancies effective year-end 2021. **Lewis Diaz**, Partner, Dinsmore and Shohl, LLP, Covington, Kentucky, was appointed as an Independent Public Interest director to serve, effective January 1, 2022 through December 31, 2023. **L. Scott Spivey**, Senior Vice President, Chief Financial Officer, First Student, Inc., Cincinnati, Ohio, was appointed as an Independent director to serve, effective January 1, 2022 through December 31, 2022.

Additionally, the Board elected **James J. Vance**, Senior Vice President & Co-Chief Investment Officer, Western-Southern Life Assurance Co., Cincinnati, Ohio, to serve as Vice Chair of the Board. His two-year term as Board Vice Chair commences January 1, 2022 and expires December 31, 2023.

Russo Promoted to Chief Human Resources and Inclusion Officer



Karla M. Russo has been promoted to Senior Vice President, Chief Human Resources and Inclusion Officer. In this role, Karla will provide overall leadership and strategic direction for the Human Resources and Diversity and Inclusion (D&I) functions.

In 2014, Karla began working at FHLB as Vice President, Human Resources, and in March of 2015, she added the role of Office of Minority and Woman Inclusion (OMWI) Officer to her responsibilities. As OMWI Officer, Karla ensures the regulatory requirements of OMWI are met and is accountable for advancing D&I in all areas of FHLB, including workforce, procurement and capital markets. In 2018, she was promoted to First Vice President, Human Resources and Inclusion.

Karla earned her Bachelor of Science in Organizational Behavior and Personnel and Employment Relations from Miami University and her Master of Business Administration from Xavier University.

FHLB Cincinnati Promotes Nine Officers

In addition to the executive promotion, nine officers were approved for promotion by the Board of Directors. Congratulations to the following officers, whose promotions were effective January 1, 2022:

Kevin T. Hanrahan, First Vice President, Marketing (from Vice President, Marketing)

Holly L. Laiveling, Vice President, Assistant Chief Information Officer (from Vice President, Software Engineering)

Riten M. Dixit, Assistant Vice President, Market Risk (from Market Risk Officer)

Allyson M. Khayo, Assistant Vice President, Inclusion and Talent Management (from Diversity and Talent Management Officer)

Jill A. Cravens, Housing and Community Investment Officer (from Housing and Community Investment Manager)

Aaron M. Freed, Portfolio Management Officer (from Portfolio Manager)

Vera Oliynyk, Accounting Operations Officer (from Accounting Operations Manager)

Markus W. Pepper, Credit Operations Officer (from Credit Operations Manager)

Kevin P. Schmidt, Information Security Operations Officer (from Information Security Operations Senior Manager)

Community Partnership Awards

FHLB is pleased to announce the **Community Partnership Awards**, a new grant program that awards four FHLB member institutions \$5,000 for a charity of their choosing.

Designed to celebrate the success of our members and their local partners, these grants will be awarded to those who work together to strengthen the communities they serve. FHLB members may nominate nonprofit organizations or community initiatives that support one of four core focus areas: affordable housing, economic development, education or wellness.

Awards will be presented at the Member Appreciation Events in April and May. Nominations are open now through March 1.

For more information on the awards program or to receive a nomination form, visit our website or contact Brooke Smith at smithb@fhlbcin.com.

FHLB Welcomes New Members

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

- Riverside Bank of Dublin, Dublin, Ohio
- First Bank of Central Ohio, Worthington, Ohio

Save the Date: Member Appreciation Events

The FHLB will host Member Appreciation Golf events again in 2022. Please join us!

- Wednesday, April 27, Gaylord Springs Golf Links, Nashville, Tenn.
- Monday, May 2, Coldstream Country Club, Cincinnati, Ohio
- Monday, May 9, Valhalla Golf Club, Louisville, Ky.
- Tuesday, May 17, Firestone Country Club, Akron, Ohio

Registration information will be available soon. All meetings are subject to health and safety protocols in effect at that time. A virtual Regional Stockholder Meeting will also be offered for all members at a later date. If you have any questions, please contact the Marketing Department at (513) 852-7118.

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 2021 meeting. A total of 31 members will receive nearly \$25.0 million in AHP subsidy to help produce 1,999 units of affordable housing for very low- to moderate-income residents and four market rate units. A full list of awards is available on fhlbcin.com.

The next AHP application deadline is July 29, 2022, with an award announcement coming in November.

Disaster Reconstruction Funds Available for Kentucky Tornadoes

Households in 16 Kentucky counties whose homes were damaged by tornadoes and severe storms starting December 10 may now qualify for grants from the Federal Home Loan Bank of Cincinnati's Disaster Reconstruction Program (DRP) to aid their recovery.

Eligible counties include:

- Barren, Caldwell, Christian, Fulton, Graves, Hart, Hickman, Hopkins, Logan, Lyon, Marion, Marshall, Muhlenberg, Ohio, Taylor and Warren

Homeowners whose homes were damaged or destroyed may be eligible for grants of up to \$20,000. Read additional details about DRP at www.fhlbcin.com or contact Housing and Community Investment at 888-345-2246.

Dividend Declaration and Payment

At its December 16, 2021 meeting, the FHLB's Board of Directors declared a dividend for the third quarter 2021 at a 2.00 percent annualized rate. The dividend payment occurred December 16 in the form of cash.

Calendar

February 21	Presidents Day; FHLB closed	March 1	Welcome Home Program: application process opens
March 1	Deadline for Community Partnership Award nominations		