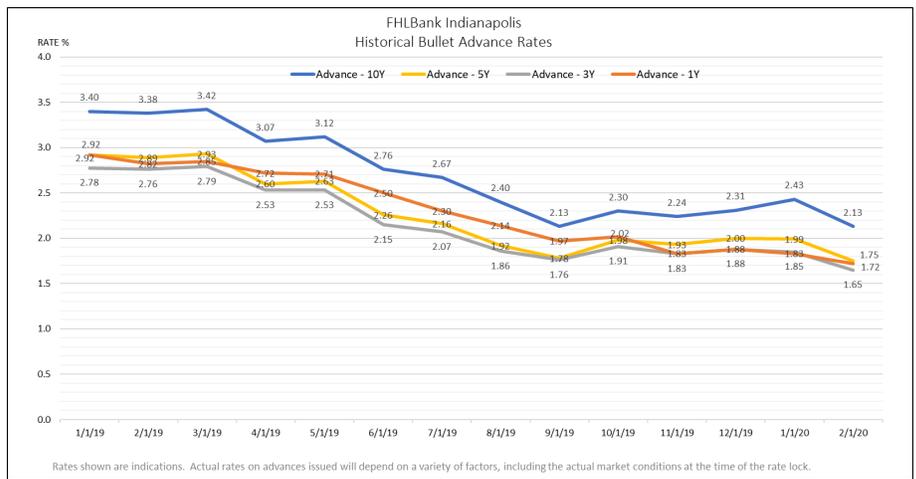




## Brokered Deposits and FHLBank Indianapolis Advances Taking A Second Look Before Executing

When looking to grow the balance sheet, members look primarily to two types of funding: deposits or wholesale borrowings. Low or no cost core retail deposits bring undeniable value to a member's organization. One of the wholesale options that may be available to members is the category of brokered deposits, but are they always the best wholesale funding choice?

When an institution accepts brokered deposits, it often pays more than it pays its community depositors. The higher rates are typically necessary to attract these deposits because the depositors are generally more rate-sensitive in nature. With interest rates falling again in recent months, FHLBank Indianapolis advances generally adjust more quickly to falling market rates than brokered CDs. If you are considering using brokered CDs for your wholesale funding needs, **we encourage you to call the Advances Desk or your Account Manager before executing to ensure that you are minimizing your funding costs.**



To better understand the nature of brokered deposits and to compare them to other funding alternatives, we offer the following questions for consideration:

- What is the stability of the funding?
- How long does it take to acquire the funds? Generally, the higher the certainty in getting the funds & the quicker the funds are needed, the higher the rate that you will pay.
- Are you able to get the specific terms or longer maturities that best fit your needs?
- How will my regulator perceive significant levels of brokered deposits?

When funding your institution, choose the partner that is reliable, consistent, and there to provide you tailored solutions to meet your funding needs.

**FHLBank Indianapolis advances:**

- Can be tailored to specific terms up to 10 years
- Can be structured w/ call features for member flexibility
- Non-callable by FHLBI, unless structured as puttable
- Available same day
- Attractive Federal Home Loan Bank stock dividend

**For additional assistance in analyzing funding strategies, contact FHLBank Indianapolis Member Services 800.442.2568 or [memberservices@fhlbi.com](mailto:memberservices@fhlbi.com)**