

# 2018 Shareholders Symposium

## WELCOME TO GRAND RAPIDS

### Presented by:

Cindy Konich, President and CEO

August 28, 2018



BUILDING PARTNERSHIPS.  
SERVING COMMUNITIES.



# Notice



This presentation is for educational purposes only and is not a commitment to lend or an offer to sell securities.

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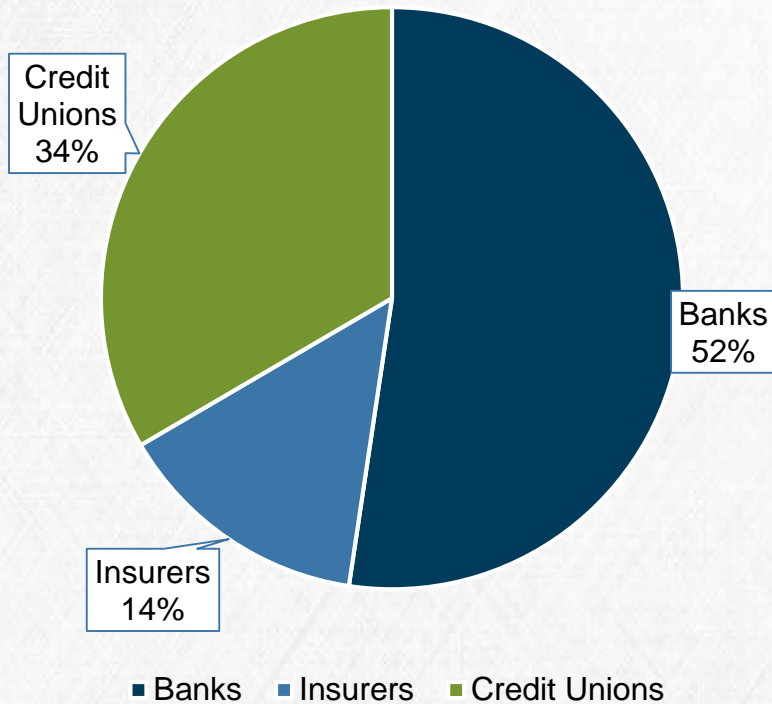
Information concerning FHLBank Indianapolis' past annual dividend rates on Class B-1 stock is presented for illustrative purposes only. The estimated comparative returns on investments are likewise intended for illustrative purposes to facilitate analysis and are not guaranteed by the FHLBank Indianapolis. Past performance is not an indicator of future results.

# Membership Numbers by Member Type\*

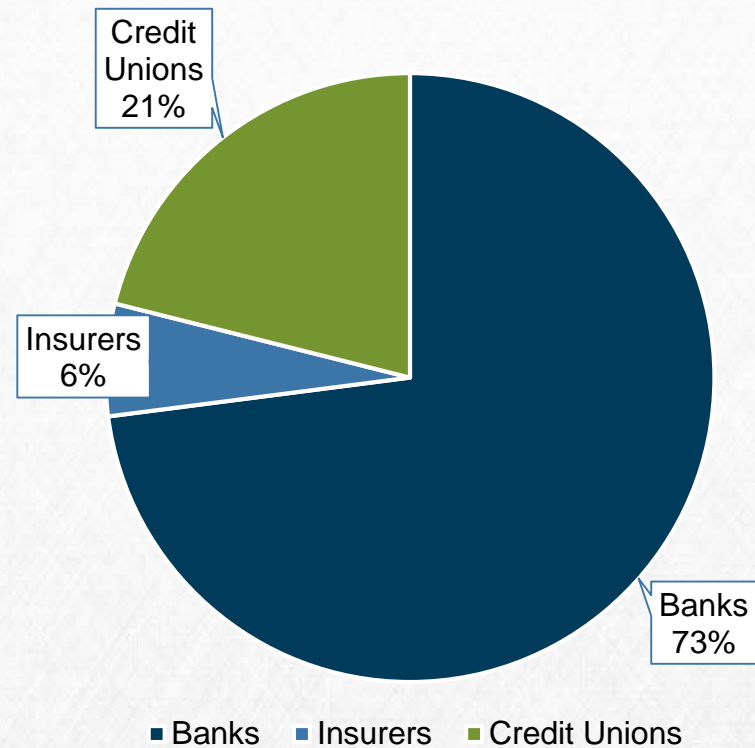
AS OF 3.31.18



FHLBank Indianapolis = 380



FHLBank system = 6,905



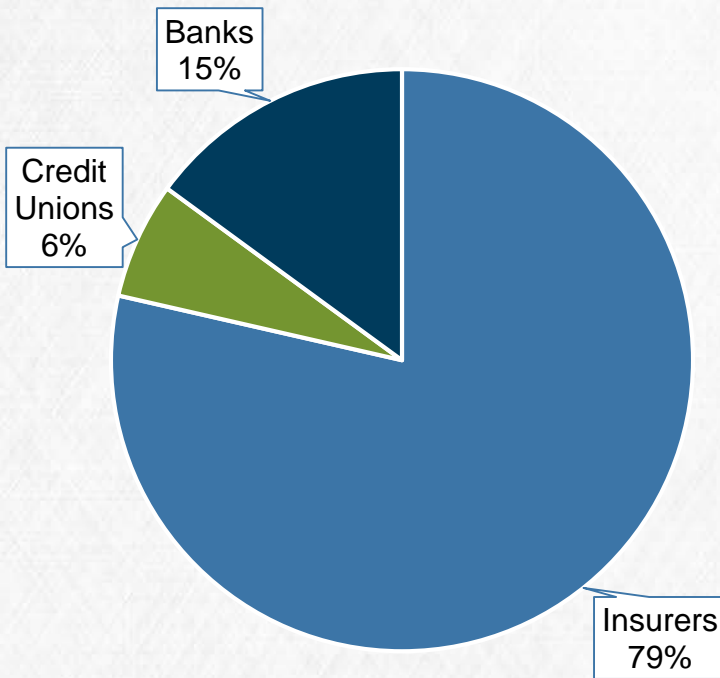
3 \*Indianapolis: excludes CDFIs (3) and Housing Associates (0)  
System: excludes CDFIs (48) and Housing Associates (43)

# Member Assets by Member Type\*

AS OF 3.31.18

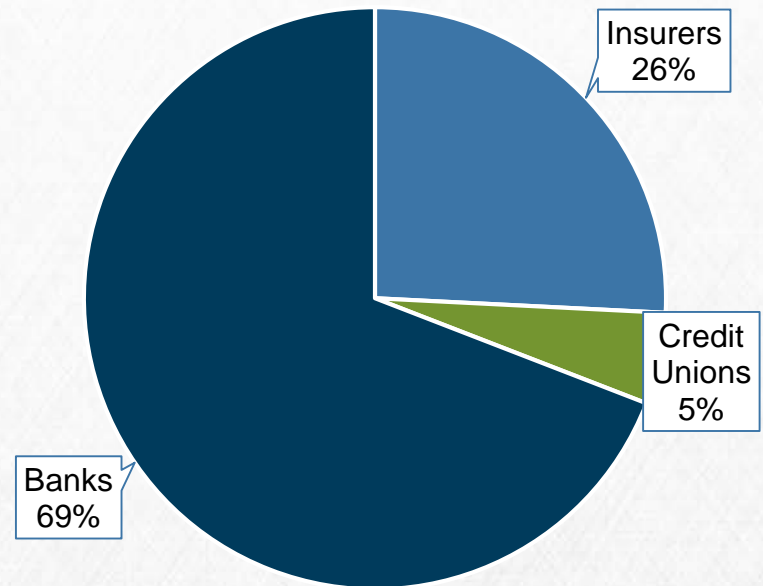


## FHLBank Indianapolis



■ Insurers ■ Credit Unions ■ Banks

## FHLBank System

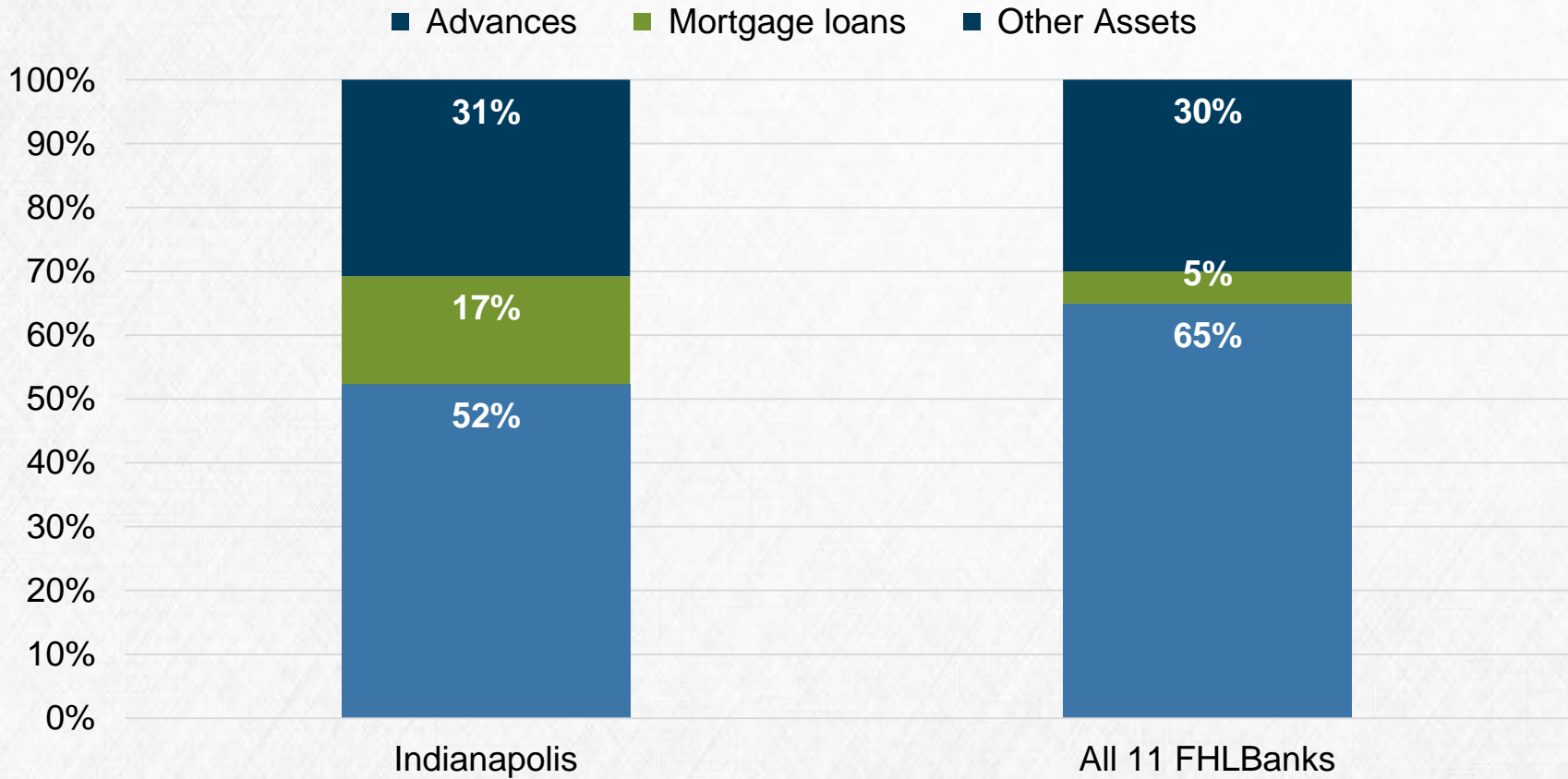


■ Insurers ■ Credit Unions ■ Banks

\*Indianapolis: excludes CDFIs (3) and Housing Associates (0)  
System: excludes CDFIs (48) and Housing Associates (43)

# FHLBank Asset Composition

AS OF 6.30.18



# Strong Balance Sheet

\$ IN BILLIONS



	6/30/18	12/31/17	12/31/16	12/31/15
Advances	\$ 33.9	\$ 34.1	\$ 28.1	\$ 26.9
Mortgage Loans	\$ 10.9	\$ 10.4	\$ 9.5	\$ 8.1
MBS Investments	\$ 8.8	\$ 8.6	\$ 7.2	\$ 6.8
Cash and Other Investments	\$ 10.9	\$ 9.2	\$ 9.1	\$ 8.8
Total Assets	\$ 64.5	\$ 62.3	\$ 53.9	\$ 50.6
Consolidated Obligations	\$ 60.1	\$ 58.3	\$ 50.3	\$ 47.1
Retained Earnings	\$ 1.04	\$ .98	\$ .89	\$ .84
Capital Stock	\$ 1.89	\$ 1.85	\$ 1.49	\$ 1.53

# Strong Balance Sheet

\$ IN BILLIONS

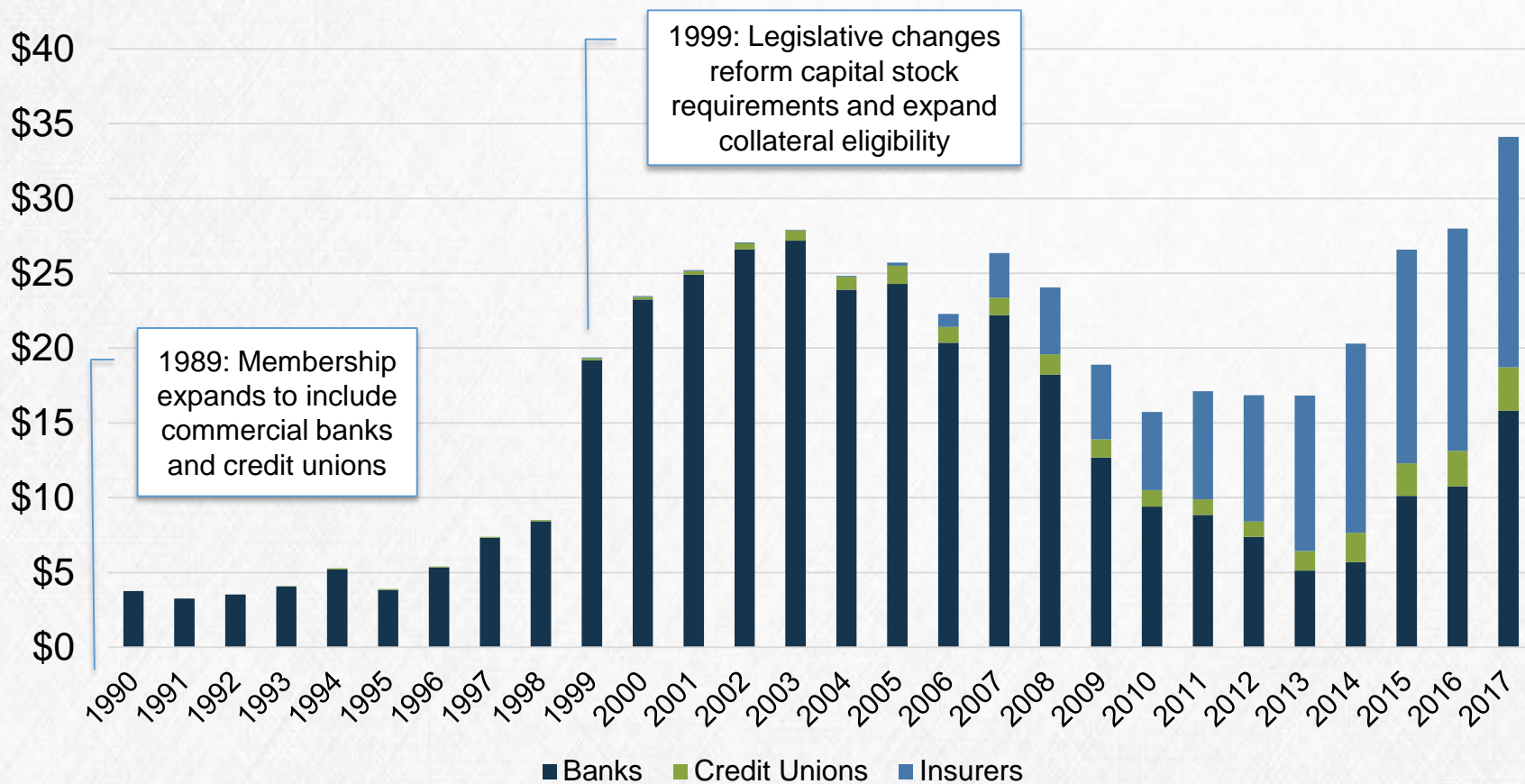


Up  
26%  
since  
2015

	6/30/18	12/31/17	12/31/16	12/31/15
Advances	\$ 33.9	\$ 34.1	\$ 28.1	\$ 26.9
Mortgage Loans	\$ 10.9	\$ 10.4	\$ 9.5	\$ 8.1
MBS Investments	\$ 8.8	\$ 8.6	\$ 7.2	\$ 6.8
Cash and Other Investments	\$ 10.9	\$ 9.2	\$ 9.1	\$ 8.8
Total Assets	\$ 64.5	\$ 62.3	\$ 53.9	\$ 50.6
Consolidated Obligations	\$ 60.1	\$ 58.3	\$ 50.3	\$ 47.1
Retained Earnings	\$ 1.04	\$ .98	\$ .89	\$ .84
Capital Stock	\$ 1.89	\$ 1.85	\$ 1.49	\$ 1.53

# Protecting Your Liquidity

## ADVANCES BY MEMBER TYPE, \$ IN BILLIONS





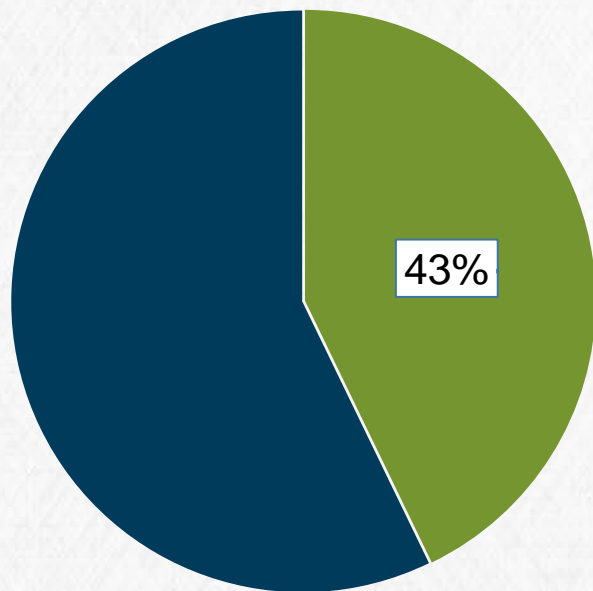
# Lower Concentration Risk than System

AS OF 6.30.18



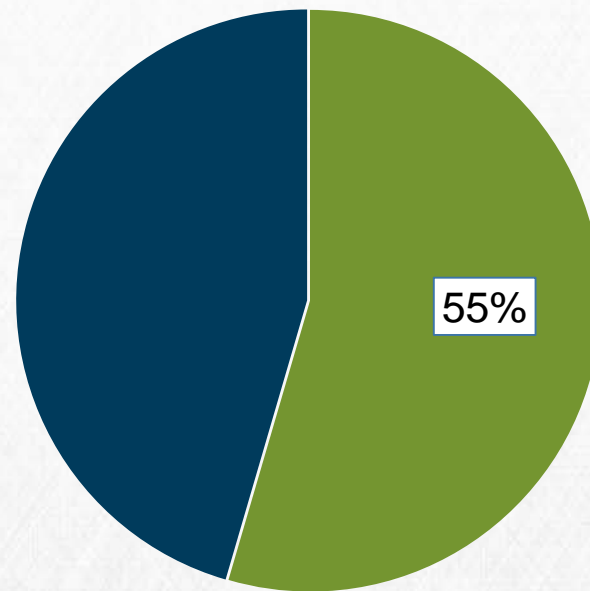
Advances taken, Indianapolis

■ Top five borrowers ■ All other borrowers



Advances taken, FHLBanks

■ Top five borrowers ■ All other borrowers



# Strong Balance Sheet

\$ IN BILLIONS

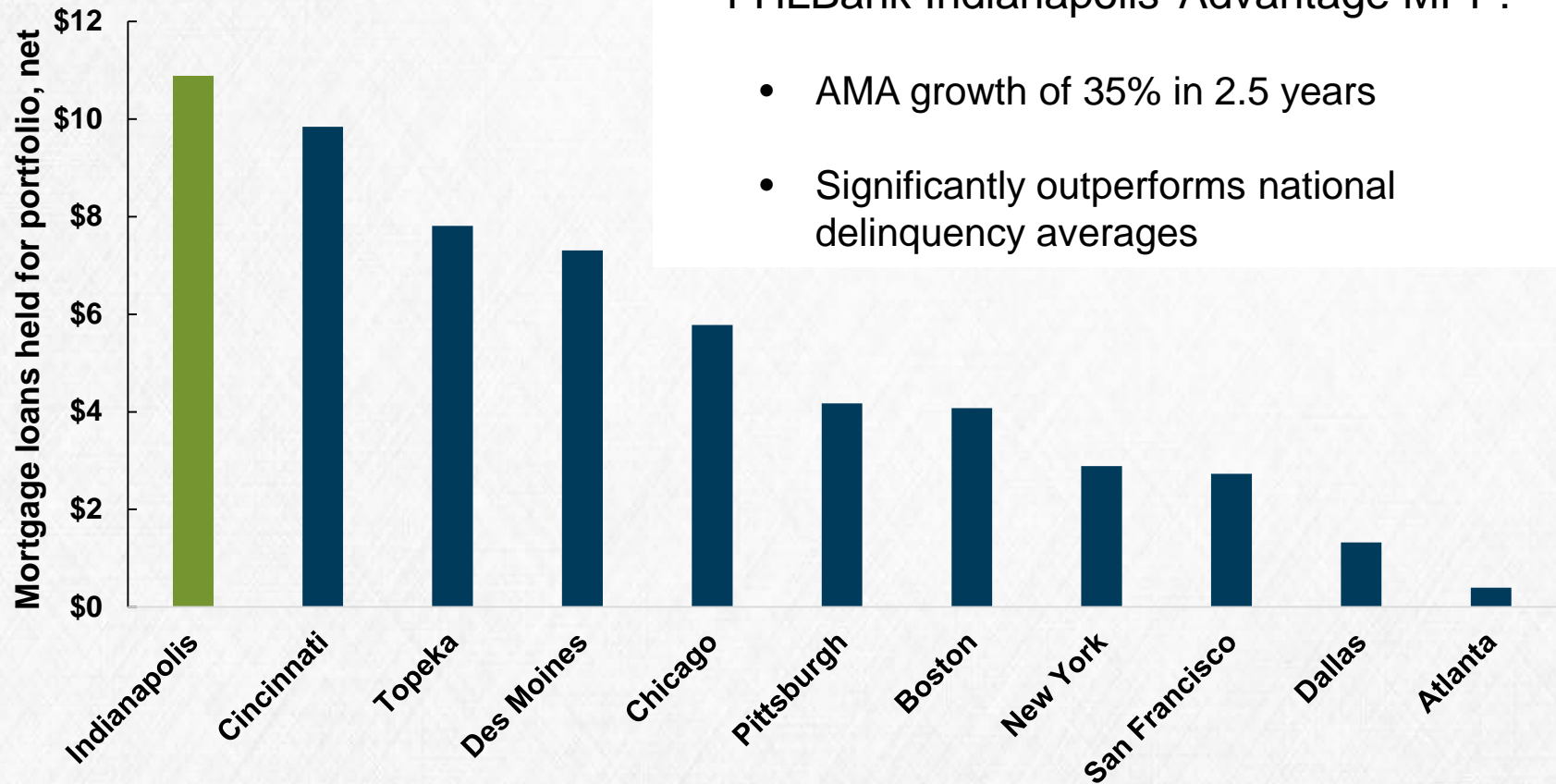


Up  
35%  
since  
2015

	6/30/18	12/31/17	12/31/16	12/31/15
Advances	\$ 33.9	\$ 34.1	\$ 28.1	\$ 26.9
Mortgage Loans	\$ 10.9	\$ 10.4	\$ 9.5	\$ 8.1
MBS Investments	\$ 8.8	\$ 8.6	\$ 7.2	\$ 6.8
Cash and Other Investments	\$ 10.9	\$ 9.2	\$ 9.1	\$ 8.8
Total Assets	\$ 64.5	\$ 62.3	\$ 53.9	\$ 50.6
Consolidated Obligations	\$ 60.1	\$ 58.3	\$ 50.3	\$ 47.1
Retained Earnings	\$ 1.04	\$ .98	\$ .89	\$ .84
Capital Stock	\$ 1.89	\$ 1.85	\$ 1.49	\$ 1.53

# FHLBank System Leader in AMA\*

(\$ IN BILLIONS, AS OF 6.31.18)



- FHLBank Indianapolis' Advantage MPP:

- AMA growth of 35% in 2.5 years
- Significantly outperforms national delinquency averages

# Strong Balance Sheet

\$ IN BILLIONS



Up  
29%  
since  
2015

	6/30/18	12/31/17	12/31/16	12/31/15
Advances	\$ 33.9	\$ 34.1	\$ 28.1	\$ 26.9
Mortgage Loans	\$ 10.9	\$ 10.4	\$ 9.5	\$ 8.1
MBS Investments	\$ 8.8	\$ 8.6	\$ 7.2	\$ 6.8
Cash and Other Investments	\$ 10.9	\$ 9.2	\$ 9.1	\$ 8.8
Total Assets	\$ 64.5	\$ 62.3	\$ 53.9	\$ 50.6
Consolidated Obligations	\$ 60.1	\$ 58.3	\$ 50.3	\$ 47.1
Retained Earnings	\$ 1.04	\$ .98	\$ .89	\$ .84
Capital Stock	\$ 1.89	\$ 1.85	\$ 1.49	\$ 1.53

# Mortgage-Backed Securities Portfolio



- Provides significant incremental income and funds operating expenses
- Limit holdings to 3x capital
- Shifted portfolio over time from predominantly fixed to predominantly floating rate.

# Strong Balance Sheet

\$ IN BILLIONS



Up  
24%  
since  
2015

	6/30/18	12/31/17	12/31/16	12/31/15
Advances	\$ 33.9	\$ 34.1	\$ 28.1	\$ 26.9
Mortgage Loans	\$ 10.9	\$ 10.4	\$ 9.5	\$ 8.1
MBS Investments	\$ 8.8	\$ 8.6	\$ 7.2	\$ 6.8
Cash and Other Investments	\$ 10.9	\$ 9.2	\$ 9.1	\$ 8.8
Total Assets	\$ 64.5	\$ 62.3	\$ 53.9	\$ 50.6
Consolidated Obligations	\$ 60.1	\$ 58.3	\$ 50.3	\$ 47.1
Retained Earnings	\$ 1.04	\$ .98	\$ .89	\$ .84
Capital Stock	\$ 1.89	\$ 1.85	\$ 1.49	\$ 1.53

# Strong Balance Sheet

\$ IN BILLIONS



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Cash and Other Investments	\$ 10.9	\$ 9.2	\$ 9.1	\$ 8.8
Total Assets	\$ 64.5	\$ 62.3	\$ 53.9	\$ 50.6
Consolidated Obligations	\$ 60.1	\$ 58.3	\$ 50.3	\$ 47.1
Retained Earnings	\$ 1.04	\$ .98	\$ .89	\$ .84
Capital Stock	\$ 1.89	\$ 1.85	\$ 1.49	\$ 1.53

Up  
28%  
since  
2015

# From Wall St. to Main St.

## CONSOLIDATED OBLIGATIONS



FHLBank Indianapolis members then support housing finance, job creation, and economic development in their communities.

Indiana  
+ Michigan  
Communities

Members access low-cost funding through our credit products or by selling us mortgages.

FHLBanks raise funds through the daily sale of debt securities (Consolidated Obligations) to worldwide investors.

Our Members

Federal Home Loan Bank  
of Indianapolis

Worldwide Investors





# Strong Balance Sheet

\$ IN BILLIONS

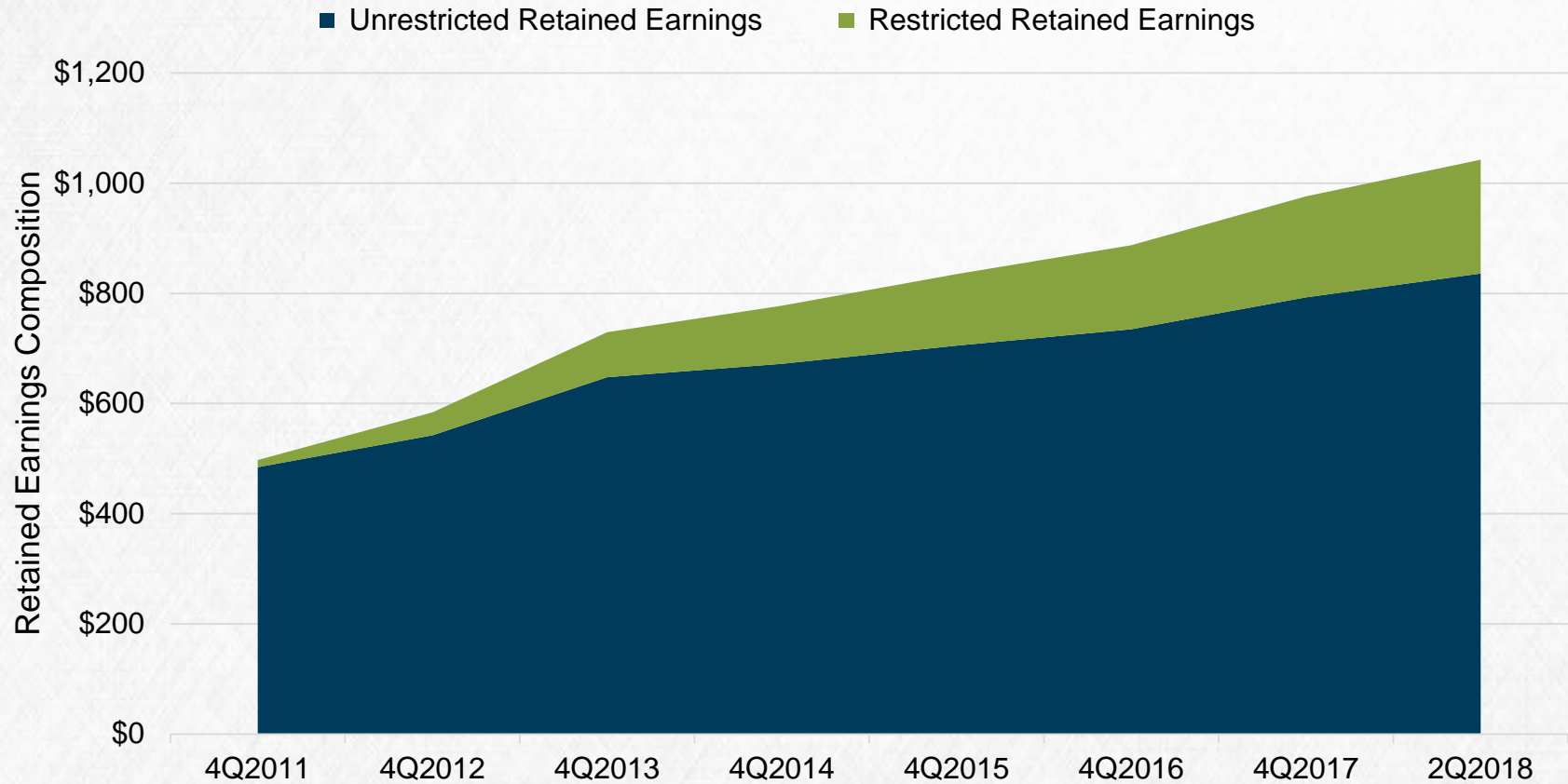


	6/30/18	12/31/17	12/31/16	12/31/15
Advances	\$ 33.9	\$ 34.1	\$ 28.1	\$ 26.9
Mortgage Loans	\$ 10.9	\$ 10.4	\$ 9.5	\$ 8.1
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Total Assets	\$ 64.5	\$ 62.3	\$ 53.9	\$ 50.6
Consolidated Obligations	\$ 60.1	\$ 58.3	\$ 50.3	\$ 47.1
Retained Earnings	\$ 1.04	\$ .98	\$ .89	\$ .84
Capital Stock	\$ 1.89	\$ 1.85	\$ 1.49	\$ 1.53

Up  
24%  
since  
2015

# Protecting Members

## RETAINED EARNINGS, \$ IN MILLIONS



# Strong Financial Performance

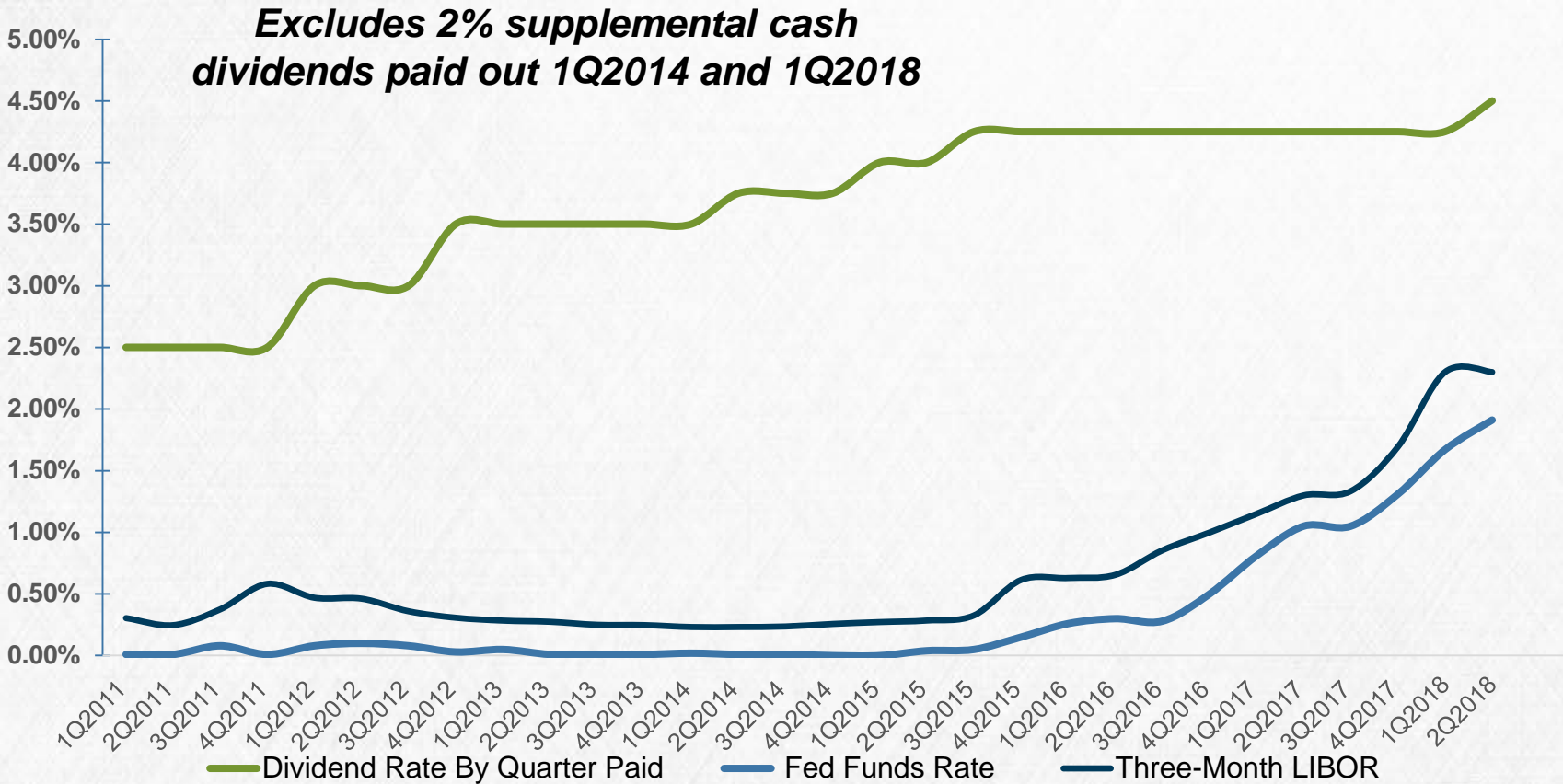
(\$ IN MILLIONS)



	6/30/18	12/31/17	12/31/16	12/31/15
Net Interest Income	\$ 140	\$ 262	\$ 198	\$ 196
Operating Expenses	\$ 39	\$ 74	\$ 71	\$ 65
AHP/ Community Investment	\$ 14	\$ 18	\$ 13	\$ 13
Net Income	\$ 117	\$ 156	\$ 113	\$ 121
Dividend Rate	4.50%	4.25%	4.25%	4.25%

# An Impressive Rate of Return on Your Membership

## CONSISTENT DIVIDEND PAYOUTS



# A Focus on Member Needs

## DEMONSTRATED READINESS



- Economic environment
- Risk management
- Technological/operational enhancements
- Legislative & regulatory

# Why We're Here

## MEMBER VALUE PROPOSITION



- Liquidity funding
  - Advances
  - Mortgage purchasing
  - To support your community investment needs
- Safeguarding your capital
  - Successful since 1932
- Reliable return on equity

# Safe Harbor Statement



This presentation contains forward-looking statements concerning plans, objectives, goals, strategies, future events or performance, which are not statements of historical fact. Future results or performance, in particular dividends on capital stock of the FHLBank Indianapolis, may differ materially from what is expressed in the forward-looking statements.

Members are referred to the documents filed by the FHLBank Indianapolis with the SEC, specifically reports on Form 10-K and Form 10-Q, including risk factors that could cause actual results to differ from forward-looking statements. These reports are available at [www.sec.gov](http://www.sec.gov). Not all of the financial information contained within this presentation is audited.

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