



FHLBANK SYSTEM UPDATE

Jeff Kuzbel | President and CEO

YEAR TO DATE REVIEW

- Leadership change update
- Financial Highlights through 1st half of 2024
 - Total Assets \$79.8 billion (Record quarter-end balance)
 - Advances had slight growth to \$46.2 billion from year-end 2023
 - MPF steady monthly growth since March 2023
 - Total capital of \$4.1 billion
 - Record earnings performance year-to-date
- Mission activities have been robust with record AHP funds available, successful HOPE Program rollout, and our second year of our Native American Housing Initiatives (NAHI) Grants Program



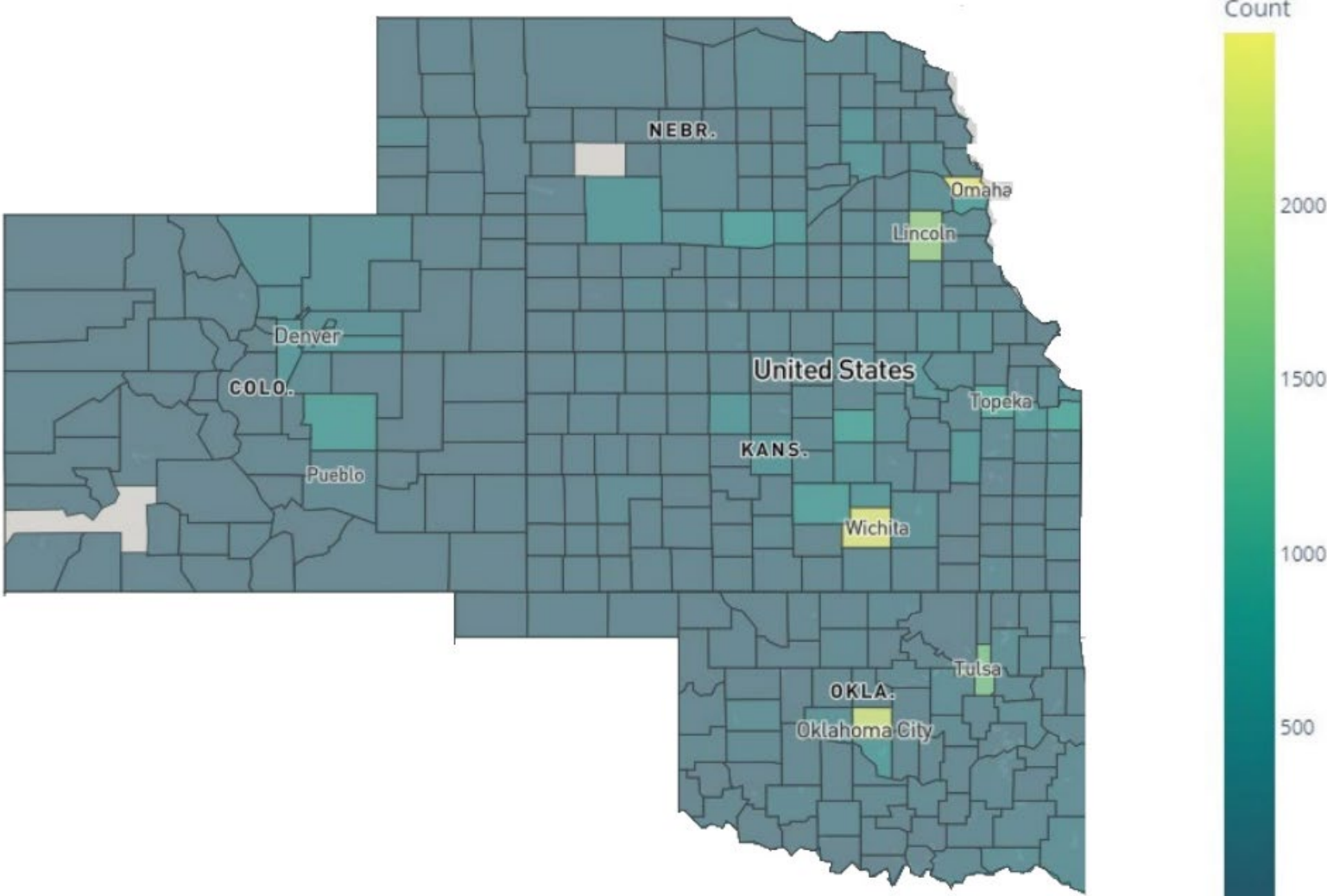
FHLB System @100 report contained over 50 recommendations by the FHFA and we are beginning to see some activity

- FHFA published a Request for Input (RFI) in May 2024 to address the Federal Home Loan Bank core mission activities and mission achievement
 - Clarify the regulatory statement of the FHLBank System's mission to reflect its critical role in the housing finance system
 - Develop related metrics and thresholds that evaluate FHLBank mission achievement, and
 - Identify possible financial incentives that FHLBanks could provide to members with strong and demonstrable connection to the mission of the FHLBank System
- The Federal Home Loan Bank Act and Housing and Economic Recovery Act of 2008 (HERA) is very explicit and the mission of the FHLBanks as established by Congress is clear

FHLBank's mission is to provide liquidity to members and support housing and community development



FHLBank Topeka is fulfilling its dual liquidity and housing mission where products are used by members across the 10th district



More than **98%** of counties in our district have been impacted by members' use of our affordable housing and community development programs, MPF business activity and eligible pledged collateral

Note: AHP data represents projects awarded from 1990 through 2023. HSP/Turnkey data represents downpayment assistance from 2006 through 2023. MPF data represents loans funded since 2021. The collateral data comes from our members that submit a limited or expanded loan listing report.



QUESTIONS



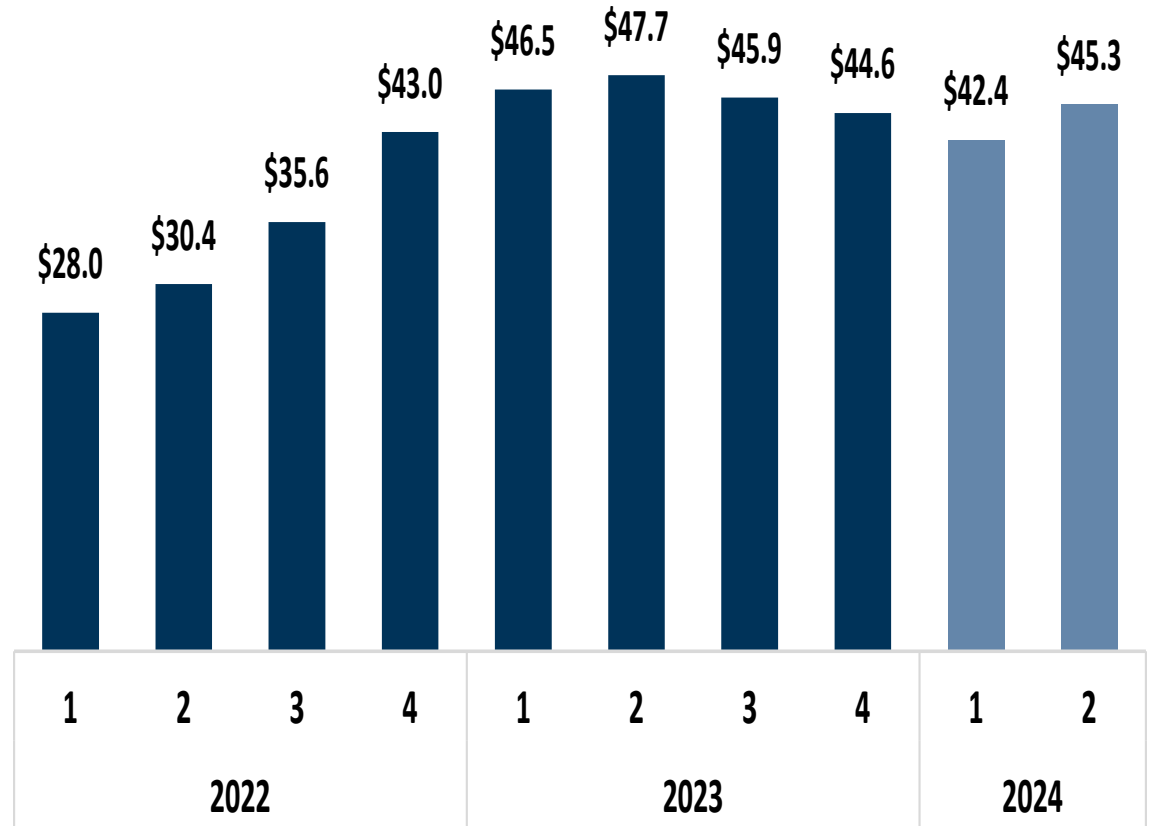
FHLBANK BUSINESS UPDATE

Lance Liby | Chief Business Officer

Variety of members taking advantage of advance product suite

- Membership active in accessing advance funding
- Drivers of advance use:
 - Filling overall liquidity gap
 - Extend funding to longer terms than depositors would choose
 - Combat margin compression and funding pressure (i.e., marginal cost of funds)
- Puttable advance product has become most popular in past 12 months

Quarterly Average Advances (\$bn)



MPF participants benefit as solid activity continues

- Pricing with no loan level price adjustments (LLPAs)
- Life of loan income – totaling over \$95 million to date
- Access to stronger pricing on low loan balances
- Additional dividend income on loan sold

PFIs Funded*

121

Total Fundings*

\$750+ million

Total CE Income*

\$3.5 million

Total Premiums Paid*

\$6.5+ million

FHLBank Topeka Financial Highlights

- Asset growth has occurred across all major asset types, **with the biggest drivers being advances (+\$0.8 billion) and investments (+\$3.6 billion)**
- **GAAP net income was a record high** in 2023, and we are on pace to exceed that performance in 2024
- Our **capital position remains strong**, and dividends have been aligned with rising interest rates
- Our **Affordable Housing Program is expanding** to further support members and individuals in our local communities, as we plan **to increase our voluntary percentage contribution from 2.5% in 2024, to 5.0% in 2025.**

Financial Summary – Selected Balance Sheet

(in millions)

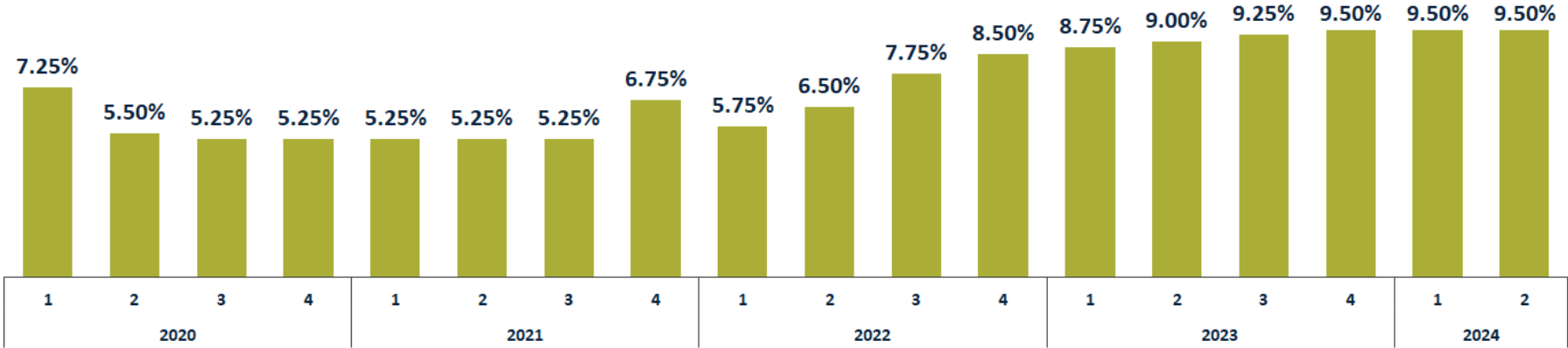
	<u>June 30, 2024</u>	<u>Change From YE 2023</u>	<u>As of December 31</u>	
			<u>2023</u>	<u>2022</u>
<u>Total Assets</u>	79,755	4,808	74,947	71,993
Cash and Investments	24,142	3,629	20,513	19,287
Advances	46,220	775	45,445	44,263
Mortgage Loans (net)	8,720	367	8,353	7,905
<u>Total Capital</u>	4,135	244	3,891	3,677
Capital Stock	2,736		2,608	2,508
Retained Earnings	1,512		1,402	1,253
Regulatory Capital Ratio	5.33%		5.35%	5.22%
Core Mission Asset Ratio (YTD)	78%		81%	80%
Advance Concentration	58%		61%	62%

Financial Results – Statement of Income

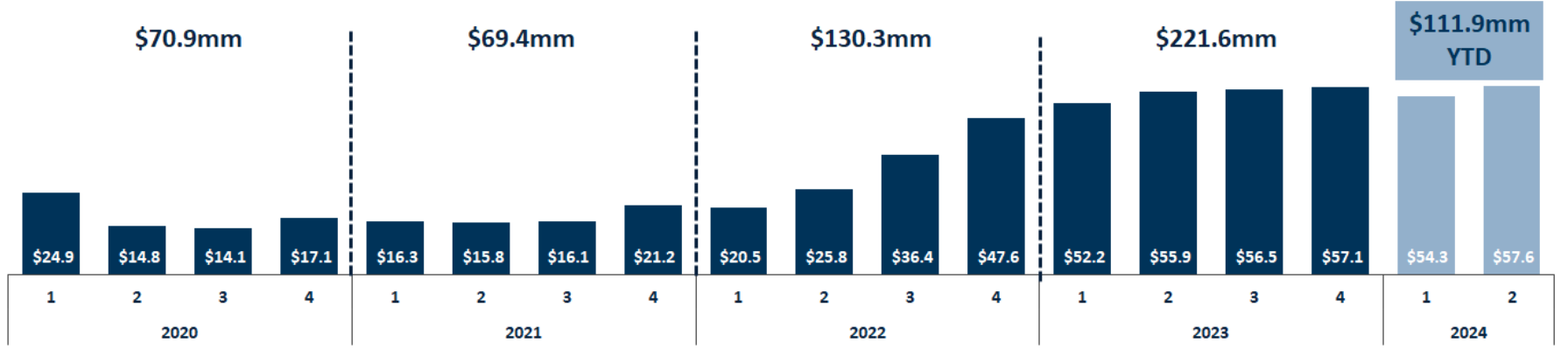
(in millions)	6-Months Ended	Full Year Ended	
	<u>June 2024</u>	<u>2023</u>	<u>2022</u>
Net Interest Income	274	460	363
Provision (reversal) for credit losses	(1)	(1)	1
Other Income (Loss)	23	48	(14)
Other Expenses <small>(Comp/Benefit, Operating, & Other)</small>	51	97	81
Income Before AHP Assessment	247	412	268
AHP Assessment	25	41	27
Net Income (GAAP)	222	371	241
Net Interest Margin	0.72%	0.61%	0.60%
Return on Average Equity	10.76%	9.56%	7.47%
Weighted Average Dividend Rate	8.79%	8.47%	6.47%

Competitive dividends help reduce all-in advance costs and improve MPF execution

Annualized Dividend Rates Class B Activity Stock



Nominal Dividends Paid



**Next FI Live Session:
Thursday, Nov. 21 at 2 p.m. CT**

▶▶▶▶ **FINANCIAL
INTELLIGENCE**

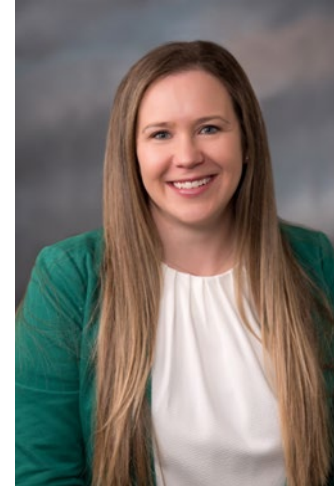
LIVE

A NEW WEBINAR FROM FHLBANK TOPEKA



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QUESTIONS



2024

OKLAHOMA ELECTION UPDATE

FOCUS ON FUNDAMENTALS

HYPER MEDIA CYCLE WARPS OUR SENSE OF TIME

- Zoom out of the daily feed and look at more durable indicators.
- Elections are determined by an extraordinarily small batch of mostly apathetic voters.
- Discard the idea of election DAY—new reality is an election season.
- On this day in history: '20: Biden +9.4, '16: Clinton +6.7 (Harris +1.4 on Oct. 15, 2024)

ALL POLLS ARE NOT EQUAL. KNOW WHAT YOU'RE LOOKING FOR.

- Look for polls that measure *likely* voters. Watch key states rather than top line.
- Races are won in small pockets, and sometimes not where we expect.
- Polling methods are evolving. Accordingly, aggregation sites like 538, Real Clear Politics, or 270 to Win help blend results and provide past results for context.

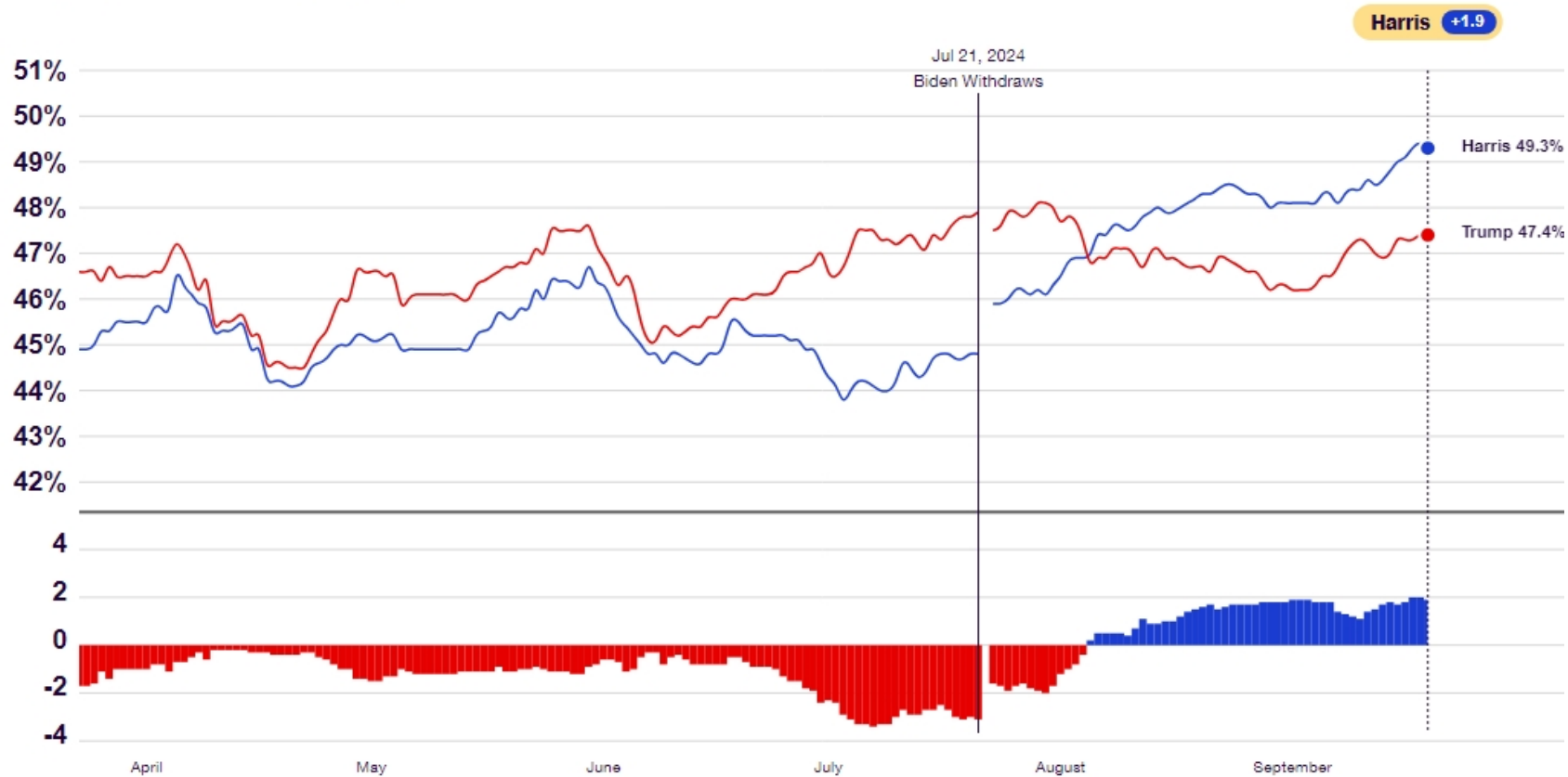


HISTORIC FLIP: CAN HARRIS SUSTAIN THE BUMP?

UNIFIES THE PARTY. UNIFIES THE NARRATIVE. SCRAMBLES YEARS OF R MESSAGING & STRATEGY.

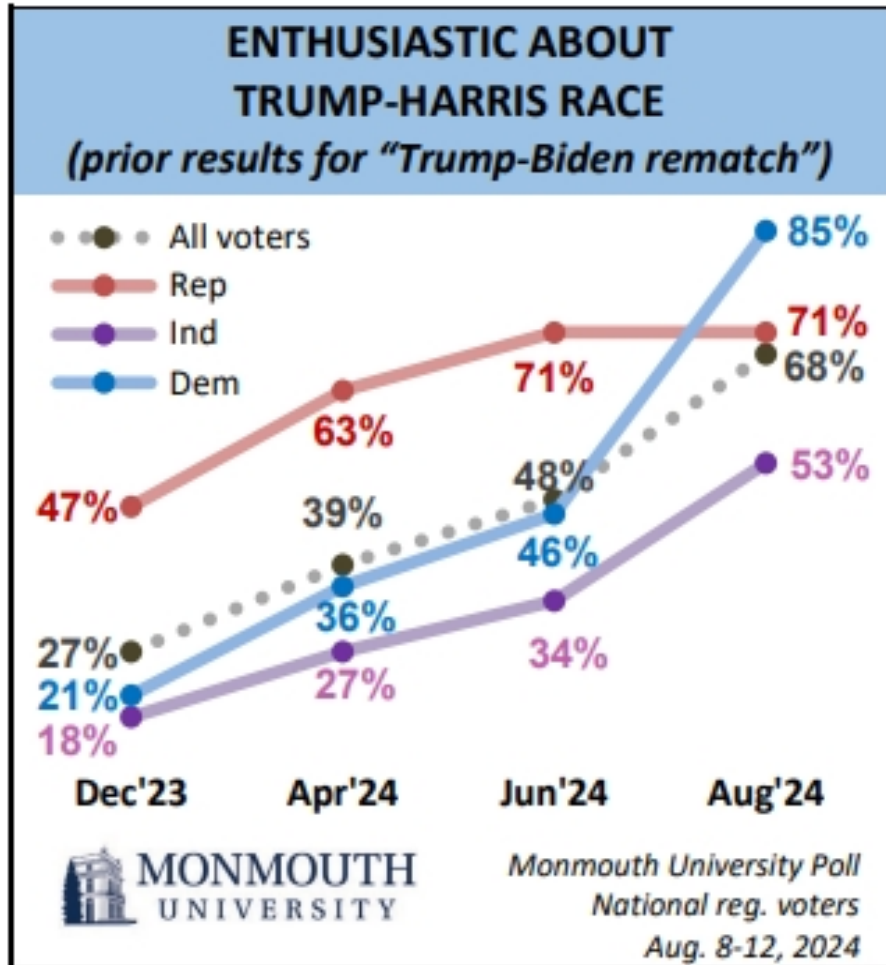
Trump vs. Harris

(Trump vs. Biden Before July 21, 2024)



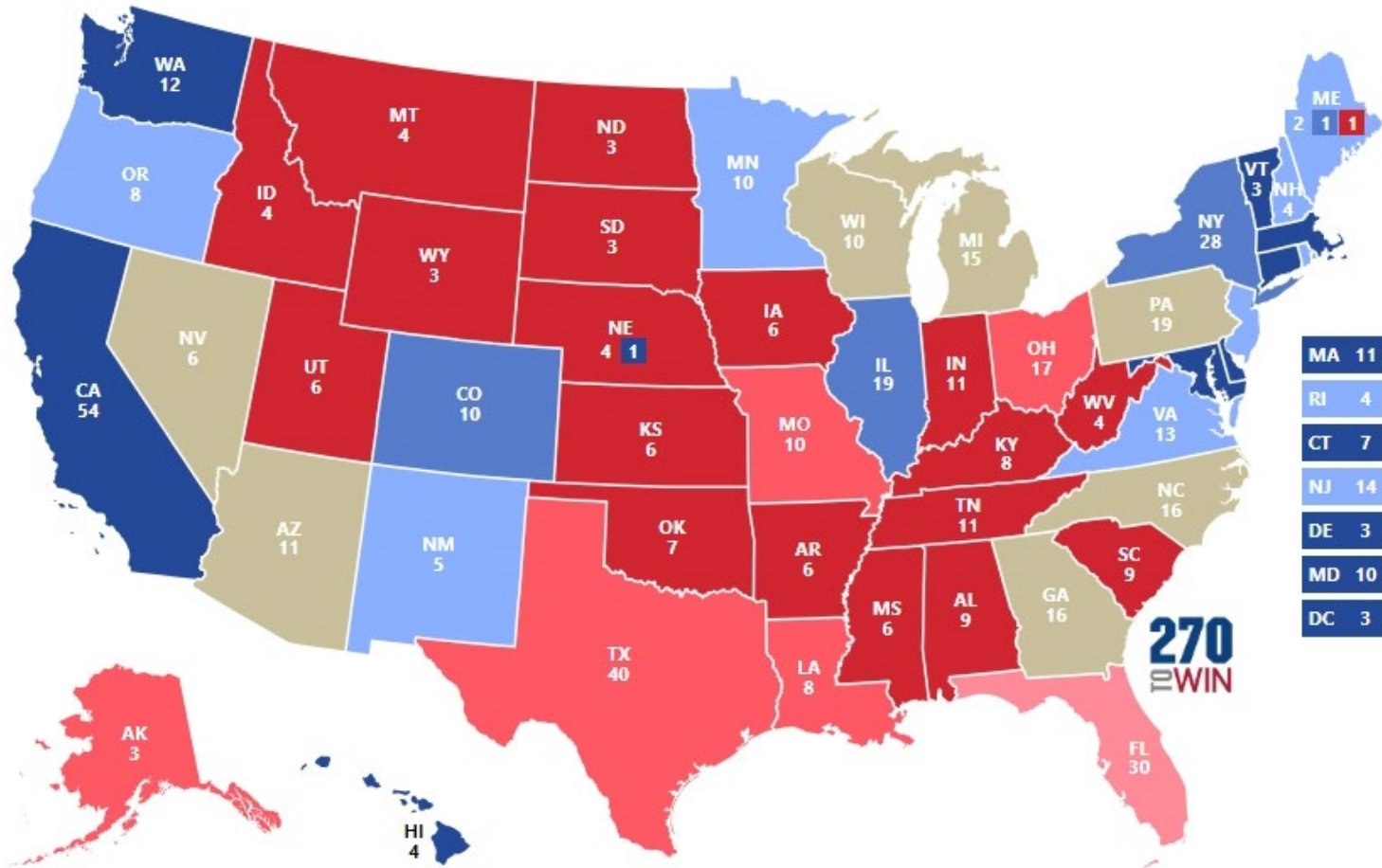
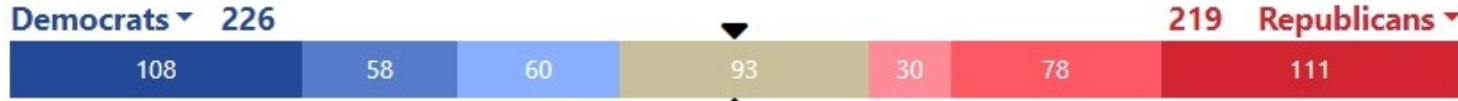
ANYONE BUT...

D ENTHUSIASM HAS DOUBLED. INDEPENDENTS RE-ENGAGED? R'S FLAT



- Massive bump, which has also obliterated any 3rd party momentum.
- Many had forecast the race as an "anyone but" contest. This would seem to confirm that notion.
- Trump's numbers are remarkably stable. 100% brand penetration, so his only move is to drive down Harris favorables.
- Harris debate performance has only resulted in about a 1% bump.
- House is back in play.

THE 7 KEYS: RACE TO 270



- PA (19): Trump +0.3
 - GA (16): Trump +0.5
 - WI (10): Harris +0.3
 - MI (15): Harris +0.9
 - AZ (11): Trump +1.1
 - NV (6): Trump +0.2
 - NC (16): Trump +0.5
- (Trump at 287 in this case)

October 15, 2024



SENATE: D'S UNDER PRESSURE, BUT HOLDING STRONG

REPUBLICANS HOLD THE HIGH GROUND IN 2024

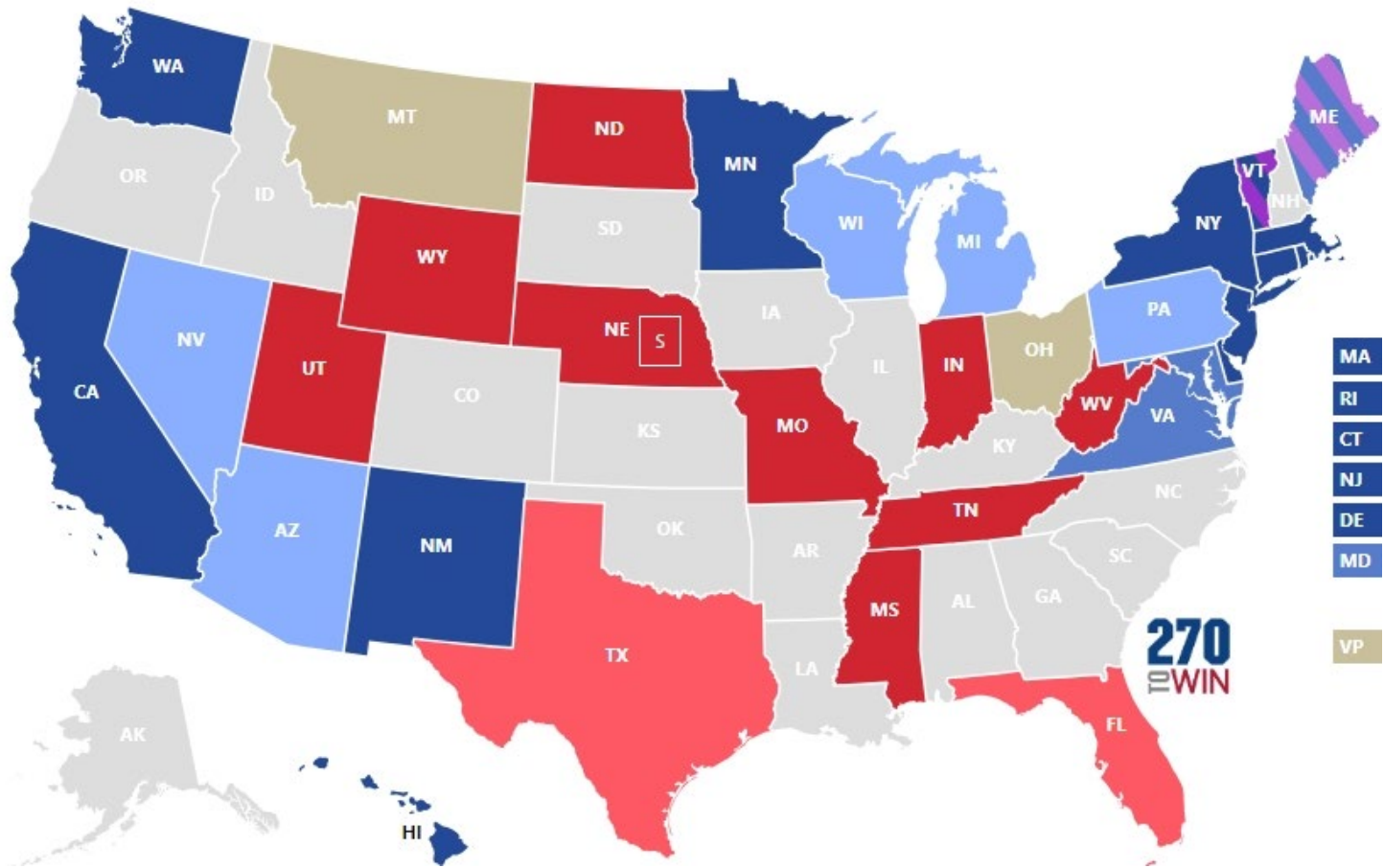
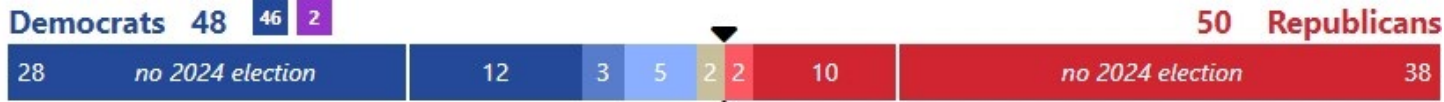
- Republican expectation set at 50. Most endangered R's in TX, FL, NE.
- WV was a free “flip” toward R's.
- Democrats, meanwhile, have 7 seats in the “toss up” category, and no margin for error.
- Of those 7, however, only 2 are really close at the moment—Tester (MT) -7.0 & Brown (OH) +2.6.
- Maps for '26 and '28 are less favorable for R's—but dynamics are rapidly evolving.

MONTANA & OHIO ARE THE KEYS

- Sen. Tester has done this before—won by 3% in '18, but no Presidential race.
- 10/15 poll avg. has Trump leading Harris by 17.4% in MT, and Tim Sheehy up by 7.0%.
- Sen. Brown leads by ~2.5% in most polls. Trump up ~7% in most Ohio polls.



SENATE MAP



AZ: Open(D): Gallego +6.5
 MI: Open (D): Slotkin +2.8
 MT: Tester (D): **Sheehy +7.0**
 NV: Rosen (D): Rosen +7.5
 OH: Brown (D): Brown +2.6
 PA: Casey (D): Casey +3.2
 WI: Baldwin (D): Baldwin +3.0

Leans:

TX: Cruz (R): Cruz +4.6
 FL: Scott (R): Scott +4.5
 NE: Fischer (R): +4?
 MD: Open (D): Alsobrooks +9 (9/20)
 NM: Heinrich (D): Heinrich +10 (9/22)



HOUSE: TOSS UP WITH A LOT OF GAME LEFT

LESS DATA AVAILABLE, FAR MORE VARIABLES

- With so many races, there's just less polling, and certainly less polling since the switch to Harris, which has a profound impact in some cases down ticket.
- All politics are local—always tough to gather granular data at this level, but years of re-districting have also left fewer “purple districts” across the country. Primaries are still being finalized in some states.

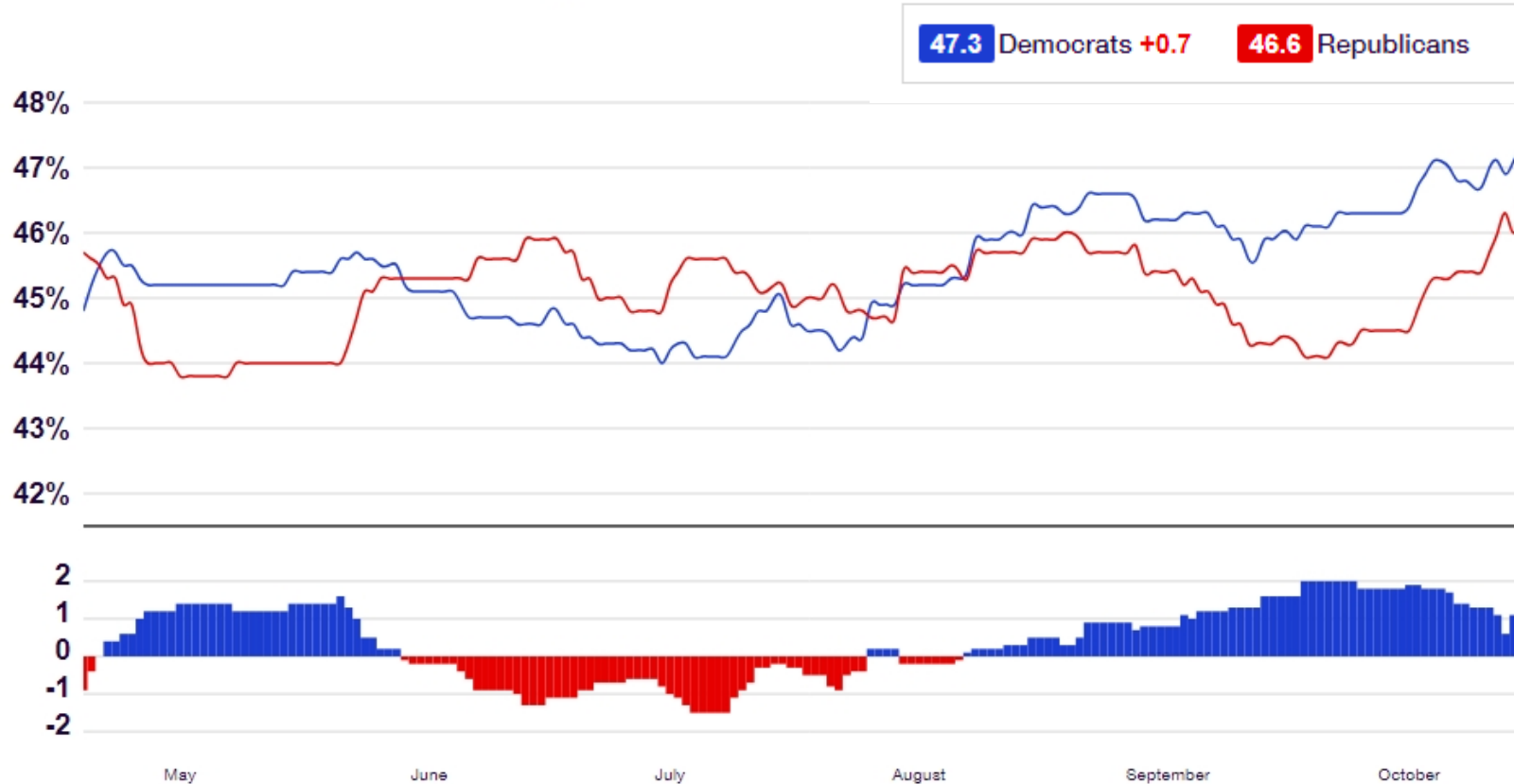
R LEADERSHIP BATTLES HAVE LARGELY SUBSIDED, BUT BRAND REMAINS COMPLICATED

- Harris helps unify messaging and branding, and will pivot to center. D's suddenly don't have to carry the weight of Biden's record or questions about his ability.
- R's still absolutely struggle with the way to handle Trump brand. Tough sell in the districts they need, which are purple.
- R retirements have come in districts that really hurt. Replacing an R who traditionally outperforms a district isn't easy...and it's expensive.



HOUSE KEYS: 32 TOSS-UPS IN A RACE TO 218

2024 Generic Congressional Vote



Democrats: 196
Republicans: 207
Toss-Up: 32 (19D, 13R)

'24: D+0.7
'22: R +2.8 (R+2.5 RCP)
'20: D +3.1 (D+6.8 RCP)
'18: D +8.4 (D+7.3 RCP)





QUESTIONS