

# HOW OUR DIVIDEND LOWERS YOUR BORROWING COSTS

Have you considered the economic benefit of the dividend on FHLB Des Moines advance cost?

CONSIDER THE FOLLOWING EXAMPLE

Advance Transaction Details	
GROSS AMOUNT BORROWED FOR A ONE-YEAR TERM AT 2.29% (as of 2/21/18)	\$1,041,667 advance 12 months, 2.29% rate
ACTIVITY STOCK REQUIRED <i>(Gross amount x Activity stock requirement<sup>1</sup> of 4%)</i>	\$41,667 <sup>2</sup>
NET ADVANCE AMOUNT	\$1,000,000
4Q 2017 ACTIVITY STOCK DIVIDEND <sup>3</sup> <i>Current dividend is reflective of 12/31/17</i>	4.5%
Dividend Impact Calculator	
How the FHLB Des Moines dividend lowers your borrowing costs.	
INTEREST PAID ON ADVANCE <i>Total amount borrowed x Rate x Term / 12 x 365/360</i>	\$24,185.48
ESTIMATED DIVIDEND RECEIVED <i>Activity stock (\$) x Activity Stock Dividend x Term / 12</i>	\$1,875.02
NET INTEREST PAID	\$23,277.89
"ALL-IN" ADVANCE COST <i>Net interest / Total amount borrowed</i>	2.15%
INTEREST COST REDUCTION <i>Advance Rate less "All-In" Advance Cost</i>	14 bps

<sup>1</sup> Activity stock requirement is subject to change.

<sup>2</sup> Activity stock purchases are rounded up to the nearest hundred dollars.

<sup>3</sup> FHLB Des Moines does NOT project dividend payments and makes no representation that the dividend assumption in this analysis will occur over the life of any advance. FHLB Des Moines dividend history can be found [HERE](#).

For a detailed analysis or any further funding questions, please contact your Vice President/Member Solutions or the Money Desk at 800.544.3452, ext. 1013.

THE DIVIDEND, DEPENDING ON ADVANCE TERM, CAN SUBSTANTIALLY

## LOWER THE "ALL-IN" COST OF THE ADVANCE