

Symmetrical Prepayment Feature



A *Symmetrical Prepayment* feature is a unique enhancement to our Long-term Fixed-rate and Amortizing advances. This feature allows you to prepay an advance and potentially realize a gain if interest rates rise to a level greater than those that existed when the advance was originated. The *Symmetrical Prepayment* feature is not available on Community Investment Advances (CIA).

FEATURES

- No cap on realized gains
- Flexibility to adjust funding to match changes in your institution's interest rate risk profile
- Potentially no prepayment fee if rates rise to a certain level from origination
- Minimal increase in rate in comparison to standard fixed-rate advances
- Minimum advance size of \$1 million

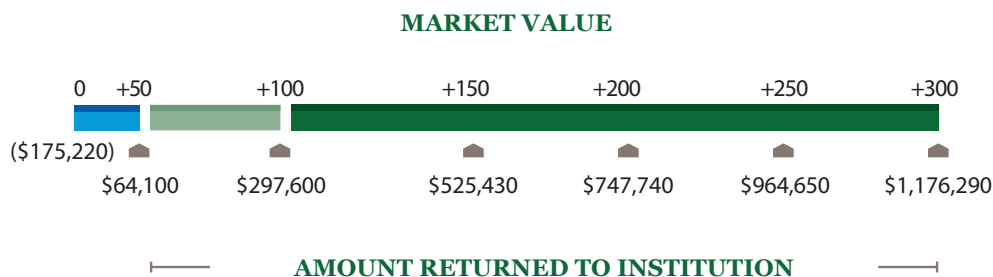
BENEFITS

- Protect the value of a portfolio of long-term assets in a rising rate environment
- Hedge a mortgage-backed security or other optionable securities
- Provide stable, non-rate sensitive mortgage funding
- Offset losses on securities
- Potentially monetize gains from market rate increases

HOW IT WORKS

Assume you take out a five-year, \$10 million Fixed-rate Advance at 1.97 percent. You utilize the Symmetrical Prepayment feature, which in this example adds 0.02 percent to your rate, totaling 1.99 percent.

POTENTIAL GAIN FROM SYMMETRICAL PREPAYMENT FEATURE (if prepaid prior to maturity)



Assumes an instantaneous and parallel rate shock at trade origination

QUESTIONS

PLEASE CONTACT THE MONEY DESK OR YOUR RELATIONSHIP MANAGER



MONEY DESK Call 800.544.3452, ext. 1013
or email moneydesk@fhlbdm.com

Certain restrictions apply. Please reference FHLB Des Moines Member Products Policy and Collateral Procedures.