FHLBANK DIVIDEND BENEFIT ANALYSIS - *Advance Utilization*

Example Member

City, State

As of March 9, 2026

Cust ID:

Current FHLBank Stock Position & Product Requirements Summary

FHLBank Incremental Dividend Benefit Matrix

	FHLBank Products [1]			
	Advances	Letters	MPF	
Class B Dividend Rate	9.25%	9.25%	9.25%	*A*
Interest on Reserve Balances (IORB)^	3.65%	3.65%	3.65%	*B*
Marginal Spread over IORB	5.60%	5.60%	5.60%	*C = A - B*
Capital Stock Activity Requirement	**4.50%**	**0.25%**	**3.00%**	*D*
Incremental Dividend Benefit	**0.25%**	**0.01%**	**0.17%**	*E = C * D*

^Assumes rate is constant over the dividend period.

FHLBank Product Capital Stock Requirements

	F	Activity Requirements		
FHLBank Product Type	Current Balance	%	Balance	Allocation
Advances & OLOC	$ 5,000,000	4.50%	$ 225,000	100%
Letters of Credit	-	0.25%	-	0%
MPF	-	3.00%	-	0%
Total	$ 5,000,000		$ 225,000	

FHLBank Current Stock Position

	Held	*G* Required [2]	Excess	*H* Dividend Rates	*I = G * (H - B)* [3] Annual Dividend on Req'd Stock
Class A Stock	$ 300,000	$ 300,000	$ -	4.00%	$ 12,000
Class B Stock	50,000	-	50,000	9.25%	-
Total	350,000	300,000	50,000		12,000

Total Activity Requirement (rounded)	$ 225,000	*J*
Unused Required Class A Membership Stock	$ 75,000	*K*
Additional Advance Funding to Utilize Class B Stock	$ 1,667,000	*L = K / 4.50% (advance capital requirement)*

FHLBank products currently supported by required Class A stock only.

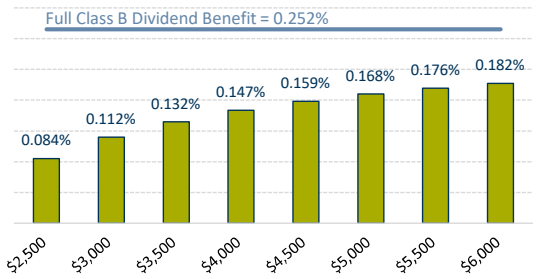
FHLBank Advance Funding Scenario Illustration

New FHLBank Advance Amount:	**$ 3,000,000**	*M*
New Total FHLBank Products Amount:	$ 8,000,000	*N*
Activity Stock Requirement (4.50%)	$ 135,000	*O = M * 4.50%*
Additional Stock Required?	Yes	

Allocation of Stock to Meet New Activity Stock Requirement		
1. Unused Required Class A Utilized	$ 75,000	*Required Class A stock now fully supported.*
2. Excess Class B Utilized	50,000	
3. Excess Class A Utilized - Moved to B	-	
4. Add'l Activity Stock Required	10,000	
	$ 135,000	*Supported by 44% of Class B stock.*

Pro Forma Total Activity Requirement		$ 360,000	*P = J + O*
Advances + OLOC	100%	$ 360,000	
Letters of Credit	0%	-	
MPF	0%	-	

Incremental Dividend Pickup



Pro Forma FHLBank Stock Position

	Held	*Q* Required [2]	Excess
Class A Stock	$ 300,000	$ 300,000	$ -
Class B Stock	60,000	60,000	-

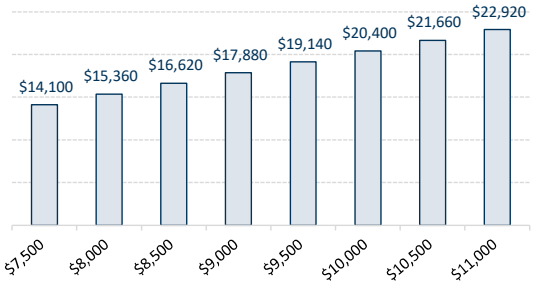
Pro Forma Annual Dividend	**$ 15,360**	*R = Q * (H - B)* [3]
Change	*3,360*	*S = R - I*
Incremental Dividend Pickup	**0.112%**	*T = S / M*

Supported by 44% of Class B stock.

Full Class B dividend benefit of 0.252% realized with next FHLBank borrowing.

Required Class A Membership Stock now fully supported with FHLBank activity.

Pro Forma Annual Dividend



To learn more about dividend information, advance products and our Capital Plan contact your account manager or our Lending Desk (800.809.2733).

[1] *Advances = advances + overnight line of credit (OLOC) | Letters of credit (Letters) | MPF outstanding balance (MPF)*

[2] *Class A asset-based stock requirement (membership stock) 0.10% of total assets at December 31st of the preceding calendar year with a maximum amount of $500,000.*

[3] *Interest on Reserve Balances opportunity cost applied to Class B dividend rate only.*

FHLBank Topeka