







2024

FHLBank Topeka

Corporate Impact Report

Since 1932, the FHLBank System has been partnering with financial institutions to strengthen communities across the country.

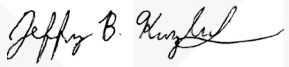


The beauty of the FHLBank System lies in its districts. Each FHLBank has the power to offer products and services specific to its members' needs.

We are fortunate at FHLBank Topeka to serve Colorado, Kansas, Nebraska and Oklahoma, a largely rural and agricultural district with a higher percentage of community financial institutions than any other FHLBank in the System.

We could not make a difference in our district by guessing what it needs or relying on what other FHLBanks offer. Instead, we listen to all our stakeholders — be that members, employees or community organizations — and respond with what they believe will best set them up for success.

We pride ourselves on the relationship we have with members, the culture we have built with our staff and the investment we make in communities districtwide. We invite you to see these partnerships in action throughout this report and take note of the important role FHLBank Topeka continues to play in the Heartland.



Jeffrey B. Kuzbel
President and CEO

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What We Do

Small, rural and agriculture communities are truly at the heart of what we do. More than 90% of our members are institutions with less than $1.3 billion in assets, which is the highest percentage of small institutions for any FHLBank in the System.



Our Mission

We make a difference by providing reliable liquidity and funding to help our members build strong communities

Our History

In 1932, Congress created a system of Federal Home Loan Banks to help stimulate the economy and make the dream of owning a home a reality nationwide. Today, more than 90 years later, the FHLBank System continues to support those same goals by offering wholesale products and services to give our member institutions a competitive edge. The FHLBank System is comprised of 11 government-sponsored enterprises (GSE), each independently operated and privately capitalized by members.

As regional cooperatives, FHLBanks are owned by our members and designed to meet local credit needs through our members. FHLBank Topeka serves the liquidity needs of banks, thrifts, insurance companies, credit unions and community development financial institutions in Colorado, Kansas, Nebraska and Oklahoma.



Our Purpose

FHLBank Topeka provides our members with access to liquidity to support housing and community investment in all credit cycles.

To see this purpose brought to life, watch the 2023 Community Leader Award (CLA) film and learn how we partner with our members to make a difference.

Bruning Bank
The 2023 CLA Winner
Bruning, Nebraska

$45.7 billion

Total FHLBank advances outstanding to our members as of Dec. 31, 2023

$8.4 billion

Outstanding unpaid principal of mortgage loans held for portfolio as of Dec. 31, 2023

$7.2 billion

Total FHLBank Letters of Credit outstanding as of Dec. 31, 2023

$1.4 billion

Asset total for 93% of FHLBank's member banks as of Dec. 31, 2023

Our Products

FHLBank Topeka has an array of products and services designed to provide liquidity and benefit our unique customer base.

Advances

Advances are wholesale funds that provide members with liquidity, help



manage interest rate risk and allow them to meet the unique needs of their communities. There are multiple options designed for flexibility.

The MPF® Program

The Mortgage Partnership Finance® Program (MPF) is a secondary market



alternative where members sell fixed-rate mortgage loans to FHLBank, which facilitates mortgage lending in their communities.

Letters of Credit

Letters of Credit are an alternative to traditional collateral to secure public



unit deposits, helping ensure local funds stay in the community. They're also used to enhance bonds for local projects.

Mortgage Partnership Finance Program and MPF are registered trademarks of FHLBank Chicago.

CFI Collateral

FHLBank Topeka accepts Community Financial Institution (CFI) collateral, which includes small business and farm loans as well as the typical single-family loans, multifamily loans, HELOCs and mortgage-backed securities. Acceptance of CFI collateral is important because it allows members to access advances using the types of collateral unique to their communities.

We have the highest percent of CFI collateral in the System, representing almost 13% of all eligible collateral.

This is also true in absolute dollar terms, where FHLBank Topeka accepts $19 billion of the total $45 billion of CFI collateral pledged in the FHLBank System.

Liquidity

Access to FHLBank liquidity ensures members can meet obligations under all conditions. As a nation, we are experiencing unprecedented challenges in credit availability. The 2008 crisis resulted from a global liquidity shortage, and the bank failures in early 2023 had institutions relying heavily on the FHLBank System during market stress. Because the Federal Home Loan Bank System is stable and reliable, we are able to support our members in any situation.

When deposits or funding alternatives dry up, our accordion-like structure and highly rated debt are a trusted resource for members. FHLBank's role in keeping funds flowing to communities remains key to our country's economic health. It allows members to continue lending in their communities to facilitate the purchase of homes, business expansion and economic development.



Fast Funding Case Study

See first hand how flexible funding is essential to community financial institutions

Affordable Housing and Community Development

Together with the System, we are one of the largest sources of private funding for affordable housing in the nation.

All FHLBanks invest at least 10% — voluntarily growing to 15% by 2025 — of their net income in affordable housing and community development initiatives. **In 2023, we awarded $29.8 million to housing and development.** Our community investment opportunities include the following.

The Affordable Housing Program (AHP) is a competitive grant program funding housing for seniors, people with disabilities and those with low to moderate incomes (80% of the area median income). Photo No. 1 showcases an apartment complex for people with traumatic brain injury and photo No. 2 highlights a village of tiny homes for people experiencing chronic homelessness, both funded through AHP.

The Native American Housing Initiatives Grants Program (NAHI), new in 2023, offers tribes and tribally designated housing entities funding for housing needs. While we projected making $1 million available, response from our members demonstrated the need for more. In total, we gave a share of $3 million to eight projects. Photo No. 3 is a rendering of a shelter for tribal elders, one of the first projects to ever be awarded NAHI funds.







TurnKey is a suite of down payment assistance products designed to serve homeowners at different income levels. In 2023, we began transitioning existing down payment programs to our new TurnKey suite, which launched in 2024.

Among these is the Homeownership Set-aside Program (HSP) that allows our members to offer up to $7,500 in down payment assistance to first-time homebuyers at or below 80% area median income (AMI). Homeownership Set-aside Program Plus (HSP+) increases the award to up to $15,000 in designated high-cost or difficult-to-develop counties.

Homeownership Opportunities Expanded (HOPE) provides up to $12,500 to people at or below 150% AMI regardless of first-time buyer status.

The Community Development Program (CDP) and **Community Housing Program (CHP)** are discounted advances also available along with our housing grants. These low-cost advances fund community development, small business, rental and owner-occupied projects throughout our district.

The impact of CHP and CDP goes far beyond housing. For instance, these opportunities for members to borrow at a lower rate created or saved 136 jobs in 2023.



Calculating AMI

Our grant programs have area median income or AMI requirements to ensure affordable housing funds reach the people that need them most. Yet, AMI can vary by state. This is 80% AMI for a 1-4 person household in four different cities.

Boulder, Colorado
$96,200

Hutchinson, Kansas
$61,700

North Platte, Nebraska
$70,550

Stillwater, Oklahoma
$55,450

$344.9
million

Our total funds invested in housing and development since AHP began in 1990

$95.5
million

Total proposed development cost from AHP projects in 2023

$26.8
million

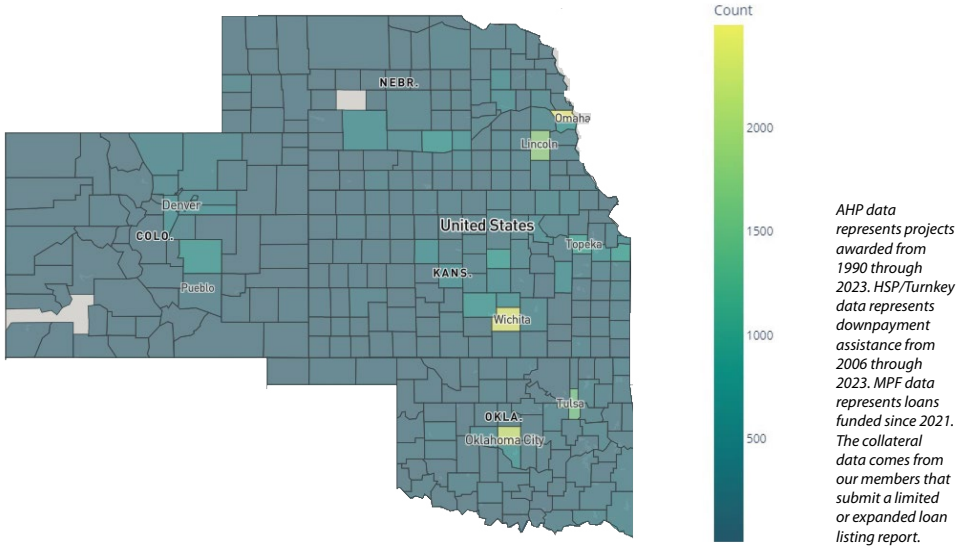
Funds invested through AHP and HSP in 2023

2,387

Homes purchased, built, renovated, or restored with AHP and HSP funds in 2023

Overall Member Program Usage

FHLBank programs are used districtwide. More than 98% of counties in our district have been impacted by members' use of our affordable housing and community development programs, Mortgage Partnership Finance Program and pledged collateral.



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.

AHP in Action Read this year's Affordable Housing Advisory Council Report to see how we're partnering with members to make a difference.

Governance Practices

We operate with best-in-class corporate governance. Our integrity, a core value, is demonstrated through policies that highlight business ethics such as the Conflict of Interest, the Anti-Fraud and the Anti-Money Laundering policies. These policies are overseen by a knowledgeable board of directors who, along with senior mangement, ensure FHLBank Topeka operates prudently.



Who's Who
See the list of our board of directors, AHAC and Executive team along with their bios on our public website.

Board of Directors

As a cooperative, FHLBank is member owned and the majority of FHLBank's board are member directors. Member directors must serve as an officer or director at a member institution within our district.

Independent directors have experience in auditing, accounting, derivatives, finance, organizational management, project development, risk management or the law. Public interest independent directors must have more than four years experience representing consumer or community interests in banking services, credit needs, housing or consumer financial protections. Independent directors must make up at least 40% of the board's membership.

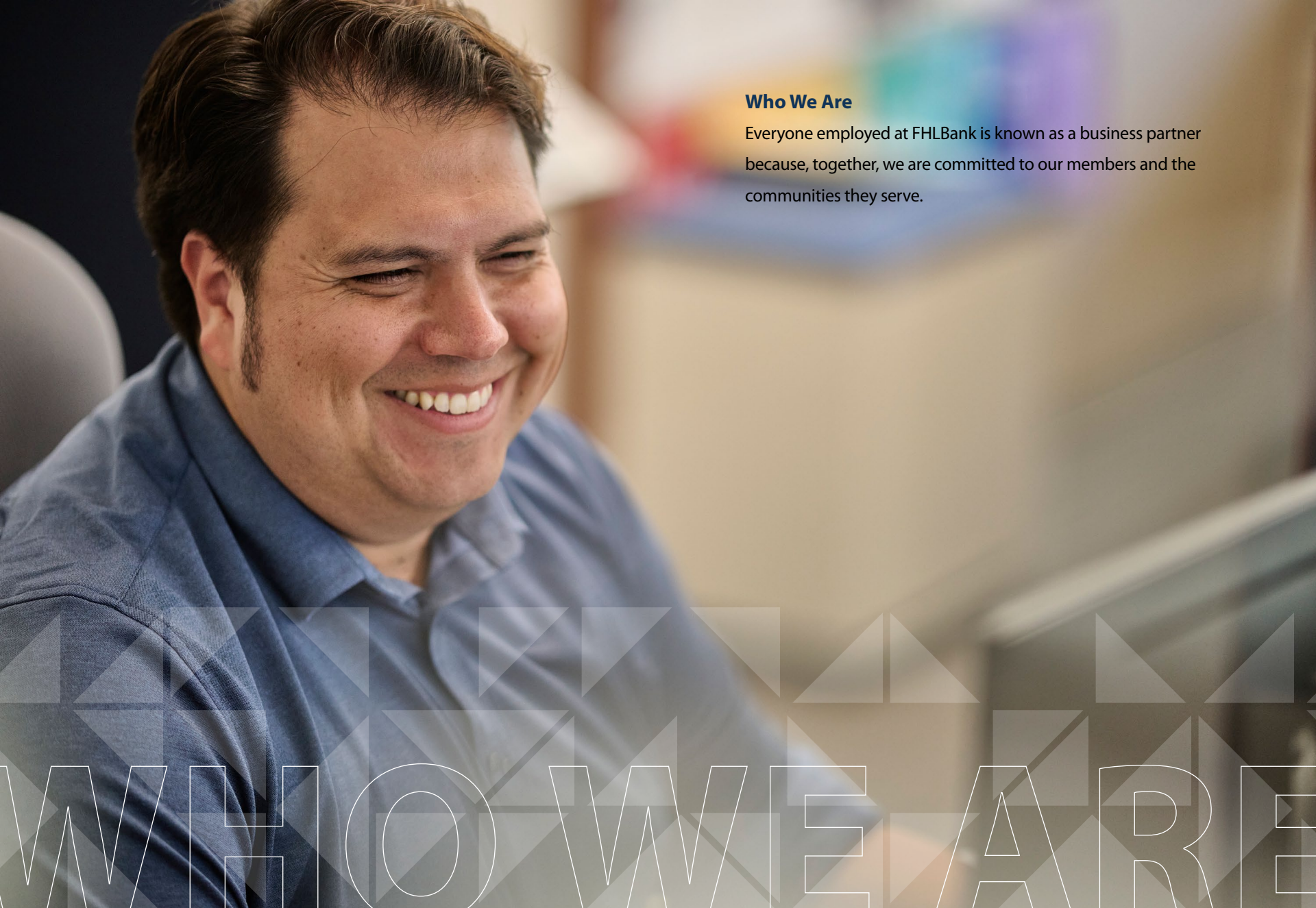
Affordable Housing Advisory Council (AHAC)

AHAC represents housing and development organizations within our district. AHAC members share important insight and front line recommendations to ensure our programs are aligned with our district's housing needs.

Information Assurance

The confidentiality, integrity and availability of information assets are essential to fulfilling FHLBank Topeka's mission and maintaining positive, successful relationships with our stakeholders. We utilize many internal processes to ensure their security. A summary of our **privacy and information management practices** is available on our website.





Who We Are

Everyone employed at FHLBank is known as a business partner because, together, we are committed to our members and the communities they serve.

WHO WE ARE







Our Culture

Our culture is reflective of our business partners as a whole.

FHLBank listened to employees to help define who we are as a company and establish our Business Partnership Culture Statement. It includes key characteristics of our work including serving our members, growing in diversity, empowering action and embracing high standards.

Learn what it means to be a business partners by reading our **Business Partnership Culture Statement** on our public website.

Celebrations

Included in our culture statement is our commitment to celebrating life at work, home and in our community. Events are held throughout the year to celebrate wins, recognize each other's efforts and promote life outside the office. In 2023, for instance, we participated in the Topeka Corporate Games (Image No. 1), invited family for an afternoon ice cream truck (No. 2) and hosted our annual DIY mini golf tournament (No. 3) to name a few.

Our Values

Integrity
Do what is right

Excellence
Strive to be the best

Accountability
Be responsible to each other

Partnership
Work together to achieve our mission

Diversity, Equity, Inclusion and Belonging
Accept and honor differences, intentionally provide opportunities for all people to flourish

$419
billion

Amount transacted with diverse-owned counterparties in 2023

$3.6
million

Total contract spend with diverse-owned vendors in 2023

21

Diverse counterparties with at least one transaction in 2023

56%

Percent of new hires in 2023 who identified as a woman or a minority

DEIB Driving Vision

We're working to make DEIB a part of our DNA by 2029

In 2023, we prepared a new three-year DEIB strategic plan by conducting surveys and focus groups with business partners to listen and learn how to grow as a company. **We know DEIB contributes to organizational resiliency by deliberately seeking diverse perspectives therefore fostering the innovation our members seek and deserve.**

Adding Belonging

In 2023, FHLBank added a new aspect to our diversity efforts — belonging. As humans, our need to belong is innate. Belonging ties diversity, equity and inclusion together and better reflects our fundamental commitment to embracing diverse viewpoints and ideas in all we do. Our DEIB logo and statement were refreshed to represent this addition.

FHLBank Topeka
DIVERSITY | EQUITY | INCLUSION | BELONGING

Diversity makes us stronger.
Equity makes us better.
Inclusion makes us whole.
Belonging makes us successful.

DEIB Opportunities

We take a holistic approach to DEIB, embracing it in everything from our supplier efforts to our incentive compensation plan.

We hosted 20 unique DEIB programs in 2023 and offered business partners multiple opportunities to see the value in action.

- Impact tours with United Way to see grants at work in disadvantaged neighborhoods (No. 1)
- Cookies for National Coming Out Day
- North Topeka Land Acknowledgment Ceremony and tree planting (No. 2)
- NAHI grant presentation with the Seminole Nation of Oklahoma (No. 3)
- Veterans Tiny Home Tour (No. 4)
- Supplier fairs for diverse vendors



1


2


3


4

We received a corporate award in 2023 from It Takes A Village, Inc., for helping remove barriers to the arts for young people in Topeka.



1


2



3

Our Volunteer Committees

FHLBank Topeka has four internal groups dedicated to causes we care about including DEIB, volunteering, fundraising and growth.

CARE

CARE hosts an annual Week of Giving (Photo No. 1) to benefit the United Way and two other nonprofits selected by business partners. In 2023, CARE fundraised for Project Topeka and Family Service and Guidance Center along with UW. CARE also facilitiates FHLBank's participation in the Nancy Perry Day of Caring.

Community Affairs Committee (CAC)

CAC partners with a local nonprofit that has a housing component. The group organizes fundraisers (Photo No. 2) and work days (Photo No. 3) for business partners to get involved. In 2023, CAC began a two year partnership with the Topeka Rescue Mission.

The IDEA Council

The IDEA Council facilitates FHLBank Topeka's DEIB efforts including awareness events honoring heritage months like Hispanic Heritage or Black History. It also serves as a sounding board and discussion group for DEIB issues in and out of the workplace.

The Women's Resource Group (WRG)

WRG is designed to help support business partners, regardless of gender identity, and serve as a resource for people in different parts of their career. WRG hosts events throughout the year focused on leadership, empowerment and mindfullness.

$515,443

Total donated from charitable contribution funds to local, state and national nonprofits in 2023

$26,527

Total contributed to CAC in 2023 by FHLBank and business partners

$23,998

Total raised during the 2023 fundraisers for the three CARE partner organizations

$11,174

Total contributed in 2023 through FHLBank Topeka's Matching Gift Program

Giving Back

Community is at the heart of who we are. Our charitable giving efforts include supporting local nonprofits, advancing support for underrepresented populations and responding to urgent needs. We have a matching gift program to increase business partner's generosity. FHLBank also has developed endowments for the Washburn University Women's Alliance, our First Generation Fund at Washburn and our D&I Scholarship Fund for the Wasburn School of Law.

#500forGood

In addition to our charitable giving as a company, FHLBank Topeka partners with our members to offer small grants for passion projects across the district. **This program, called #500forGood, asks members if they had $500 to better their community, how would they spend it?** #500forGood is open to any employee of a member.

Since the program began in 2018, we have awarded $500 to more than 100 projects including 52 projects in 2023 alone. The money has helped repair shelters, revitalize downtowns, provide schools supplies for at-risk students and thank first responders.



Good As Gold

Visit our website to see how members are putting $500 to work in their communities districtwide.

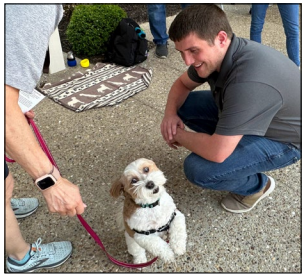


How We Work

FHLBank Topeka is an employer of choice. We want to be the best place to work in the region for an organization our size and believe offering the best benefits attracts the best people to best serve our members.

HOW WE WORK







Wellness Support

FHLBank understands the importance of wellness, so we have a meaningful benefits package including generous time off and health coverage with a focus on physical and mental health.

- In 2023, FHLBank hosted a Mental Health Awareness Month campaign (pictured left) with stress-relieving activities including rock painting, hikes and a visit from therapy dogs.
- In response to business partner requests, FHLBank added more individual and group discussions with a licensed therapist on site and free of charge. Our Employee Assistance Program also offers free sessions with licensed therapists.
- The onboarding team conducts new hire wellness checks for those new to FHLBank to ensure the transition is going smooth and business partners are not overwhelmed.
- Our bereavement policy was enhanced to include a broader definition of family.
- Telehealth visits, including mental health support, are available at no to low charge through our medical benefits package.



Wellness Facilities

FHLBank was built with wellness in mind.

Fitness Center

A state-of-the-art gym on site

Café500

Free breakfast and lunch with quick, healthy options

Wellness Rooms

Quiet, private areas on each floor for nursing mothers or other medical/physical needs

Massages

Weekly chair massages available

Beyond Benefits

We aim to support the whole business partner, meeting education, business and work-life needs.

Growth Mindset

When business partners asked for more training opportunities, FHLBank Topeka responded with the launch of our Learning Portal in 2023. The Learning Portal is an outlet for professional development with tutorials, webinars and audiobooks on a variety of topics from leadership to banking to DEIB.

We also increased our FHLBank Academy sessions to educate business partners on the role of different departments. The sessions help eliminate silos and foster understanding of our mission.

Strategic Insight

It's important at FHLBank for business partners to know our strategic goals and where we want to be as a company. All executives have open-doors and welcome business partner discussion anytime. Questions and comments are encouraged and answered. And the strategic plan is shared Bankwide with scorecards to keep track of our progress.

Comforts Considered

We want business partners to bring their true selves to work, and we aim to make the workplace inviting. We made sneakers a part of our everyday dress code in 2023, and we continue to host monthly First Fridays for networking. FHLBank also offers a hybrid schedule for those who prefer flexibility with time working in and out of the office.



Environmental Education

FHLBank took our growth mindset outdoors in 2023, hosting our first ever Prairie Restoration Day to learn about the important ecosystem surrounding our building. Prairie experts toured the campus, pointing out the different species and how to keep them healthy. We plan to continue #PRD annually to support efforts to sustain the natural grasslands.

FHLBank Topeka

Building communities *together*

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fhlbtopeka.com