

# MINIMUM STOCK REQUIREMENT NOTICE



February 10, 2021

## Annual Calculation of Total Minimum Stock Requirement on March 19, 2021

FHLBank Atlanta (Bank) is notifying members of stock requirement computations scheduled for **March 19, 2021**, that may result in an adjustment transaction to your institution's Daily Investment Account (DIA).

## Annual Calculation of Minimum Stock Requirement for 2021 Directors' Election

In accordance with Federal Housing Finance Agency regulations, the Bank is required to recalculate annually the Minimum Stock Requirement<sup>1</sup> of each member of the Bank. There will be no adjustment to stock balances based on this calculation.

On **March 19, 2021**, each member's Membership Stock Requirement (Subclass B1 Capital Stock) will be recalculated using the member's total assets as of December 31, 2020, and the factor of 0.09% (9 basis points), subject to a cap of \$15 million. The Bank also will include the member's Activity-Based Stock Requirement (Subclass B2 Capital Stock) which is 4.25% of outstanding Advances as of December 31, 2020. These were the factors in place as of the record date for voting in the 2021 election of directors, which is December 31, 2020.

The Minimum Stock Requirement is the sum of the member's Membership Stock Requirement and its Activity-Based Stock Requirement and will be used to determine the number of votes the member can cast in the 2021 election of directors.

## Notice of Change to Membership Stock Requirement and Activity-Based Stock Requirement Factors; Adjustment to Stock Balances

FHLBank Atlanta's board of directors approved a decrease, effective March 19, 2021, in the Activity-Based Stock Requirement factor from **4.25%** to **3.75%** of a shareholder's outstanding advances. In addition, the board approved a decrease to the Membership Stock Requirement factor from **0.09% (9 basis points)** to **0.05% (5 basis points)** of total assets, and increased the Membership Stock Requirement cap from **\$15 million to \$16.2 million**. These changes are being made to address the Bank's increased level of capital due to a decline in advances and limited investment opportunities. Fluctuations in market conditions require the Bank to periodically review its capital position and consider changes to the Minimum Stock Requirement and the board of directors has a continuing obligation to review and adjust the Minimum Stock Requirement.

On **March 19, 2021**, the Bank will recalculate each member's Minimum Stock Requirement based on these new factors, which will produce an adjustment transaction for some members. To the extent that any member's Minimum Stock Requirement increases as a result of the recalculation, the Bank will debit (charge) the member's DIA for the amount of such increase and increase the amount of the member's Subclass B1 Capital Stock on a corresponding basis. Conversely, to the extent that any member's Minimum Stock Requirement decreases as a result of the recalculation, the Bank intends to repurchase such excess Subclass B1 or B2 Capital Stock at the time of recalculation. Subclass B2 Capital Stock repurchases will be subject to a minimum excess stock threshold of \$100,000.

## Any adjustments to stock and DIA balances will occur at the close of business on March 19, 2021. Any funds credited to a member's account will be available on the next business day.

During the week of March 15, 2021, a form will be placed on FHLBAccess® showing the results of the annual calculation of the Minimum Stock Requirement. If you have questions about this notice or about the form when it is available, please call the Funding Desk at 1.800.536.9650, extension 8011.

<sup>1</sup>All capitalized terms used in this notice are defined in the Capital Plan, a copy of which is available on the Bank's website at [www.fhlbatl.com](http://www.fhlbatl.com).