

Reminder: Increase in FHLBank Atlanta B2 Activity-Based Stock Requirement, Effective December 5, 2022

FHLBank Atlanta has increased the Bank's Activity-Based Stock Requirement applicable to the Advances Stock Requirement for Subclass B2 Capital Stock (B2). Computations reflecting this increase are scheduled for December 5, 2022 and may result in an adjustment transaction to your institution's Daily Investment Account (DIA).

Change to Membership Activity-Based Stock Requirement Factor; Adjustment to Stock Balances

Pursuant to the Bank's Capital Plan, FHLBank Atlanta's board of directors has approved an increase, effective **December 5, 2022**, in the B2 Advances Stock Requirement factor from **3.75%** to **4.25%** of a member's outstanding advances (adjusted factor). During the COVID-19 pandemic, the Bank reduced the B2 Advances Stock Requirement to 3.75% due to a significant reduction in advance volume. The B2 Advances Stock Requirement remained at 4.25% for six years prior to the pandemic and the current increase reflects a return to more normalized advance levels as well as the board's continuing obligation to review and adjust the Minimum Stock Requirement¹ to ensure the Bank remains in compliance with its Minimum Regulatory Capital Requirement.

On **December 5, 2022**, the Bank will recalculate each member's B2 Advances Stock Requirement based on the adjusted factor, which will result in an adjustment transaction for members with outstanding advances as of close of business on that day. 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 corresponding amount and increase the amount of the member's Subclass B2 Capital Stock accordingly. All Subclass B2 Capital Stock added to a member's account will be eligible for dividend payouts, along with other stock currently held by that member. Excess Subclass B2 Capital Stock repurchases will be subject to a minimum excess stock threshold, currently set at \$100,000, and are also subject to the Capital Plan. A member's Subclass B1 Capital Stock (Membership Stock) will remain unchanged for purposes of this recalculation. The annual recalculation of each member's Minimum Stock Requirement will occur in March 2023 and may result in a further adjustment transaction for some members.

Any adjustments to stock and DIA balances will occur at the close of business on December 5, 2022.

During the week of November 28, 2022, a form will be placed on FHLBAccess® with the daily calculation of the B2 Advances Stock Requirement applying the adjusted factor based on the outstanding advances as of close of business of the prior business day. In the event that the member's DIA reflects insufficient funds as of December 5, 2022, the Bank may take any of the actions authorized pursuant to the account terms and conditions then in effect. If you have questions about this notice or about the form when it is available, please refer to the Bank's [Capital Plan](#) or call the Funding Desk at 1.800.536.9650, extension 8011.

Sample Calculation of B2 Advances Stock Requirement as of December 5, 2022

Sample Bank				
Total Advance Balance		B2 Advances Stock Requirement Factor		B2 Requirement as of December 5, 2022
\$500,000	x	4.25%	=	\$21,250

¹The Minimum Stock Requirement is the sum of a member's Membership Stock Requirement (the amount of Subclass B1 stock a member must own to become and remain a member) and its Activity-based Stock Requirement (the amount of Subclass B2 capital stock and Subclass B3 stock a member must own for as long as a particular Bank transaction between the Bank and the Member remains outstanding). Please refer to the Bank's [Capital Plan](#) available on our corporate website for more information on the Minimum Stock Requirement.



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