

Federal Home Loan Bank of Indianapolis

CHARACTERISTICS OF AN EFFECTIVE
COMMUNITY BANK LEADER

2022 FLD LEADERSHIP CONFERENCE

Matt Fix, VP – Indiana Account Director

August 19th, 2022



FHLBank Indianapolis

TODAY'S AGENDA



- A word from our Sponsor
 - Background of FHLB System
 - FHLBank Indianapolis Products
- Bank Leadership
 - Your Communities Need You!
 - Characteristics of an Effective Leader



FHLBank System

FHLBank System Overview

HISTORY



Created by Congress in 1932 to provide liquidity

- Original Federal Home Loan Bank Act of 1932 provided membership to Savings and Loans and Insurance Companies
- FIRREA enacted in 1989 allowed Credit Unions and Commercial Banks to join a FHLBank.
- Housing and Economic Recovery Act of 2008 (HERA) allowed Community Development Financial Institutions (CDFIs) to join a FHLBank
- Non-Federally Insured Credit Unions allowed as members starting in 2016 as a result of FAST Act

FHLBank Indianapolis

WE SERVE OUR MISSION EVERYDAY



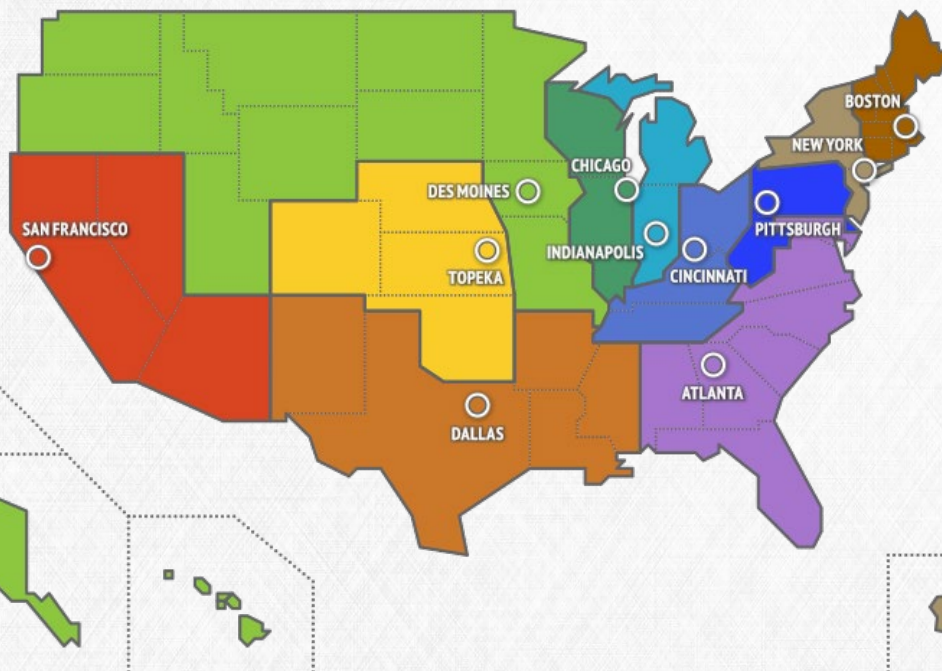
The Federal Home Loan Bank of Indianapolis has been *meeting the liquidity* needs of member institutions throughout Michigan and Indiana since 1932.

We're committed to providing you with a *reliable source of liquidity* to support housing finance, asset-liability management, and community investment.

We also contribute to affordable housing and economic development in your communities by providing you with grants and low-cost loans.

FHLBank Indianapolis

FOCUS ON DISTRICT



FHLBank Indianapolis:

- Serving institutions based in Michigan and Indiana
- Reliable strategic partner with our members
- Vital provider of community support and funding

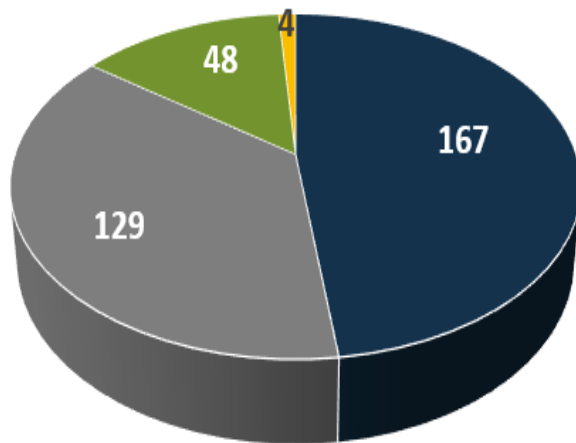
FHLBank Indianapolis

DIVERSE MEMBERSHIP BASE



As of 2Q 2022:
348 Members

Membership - as of 2Q 2022



■ Banks/Thrfts ■ Credit Unions ■ Insurance Companies ■ CDFIs



198
Michigan

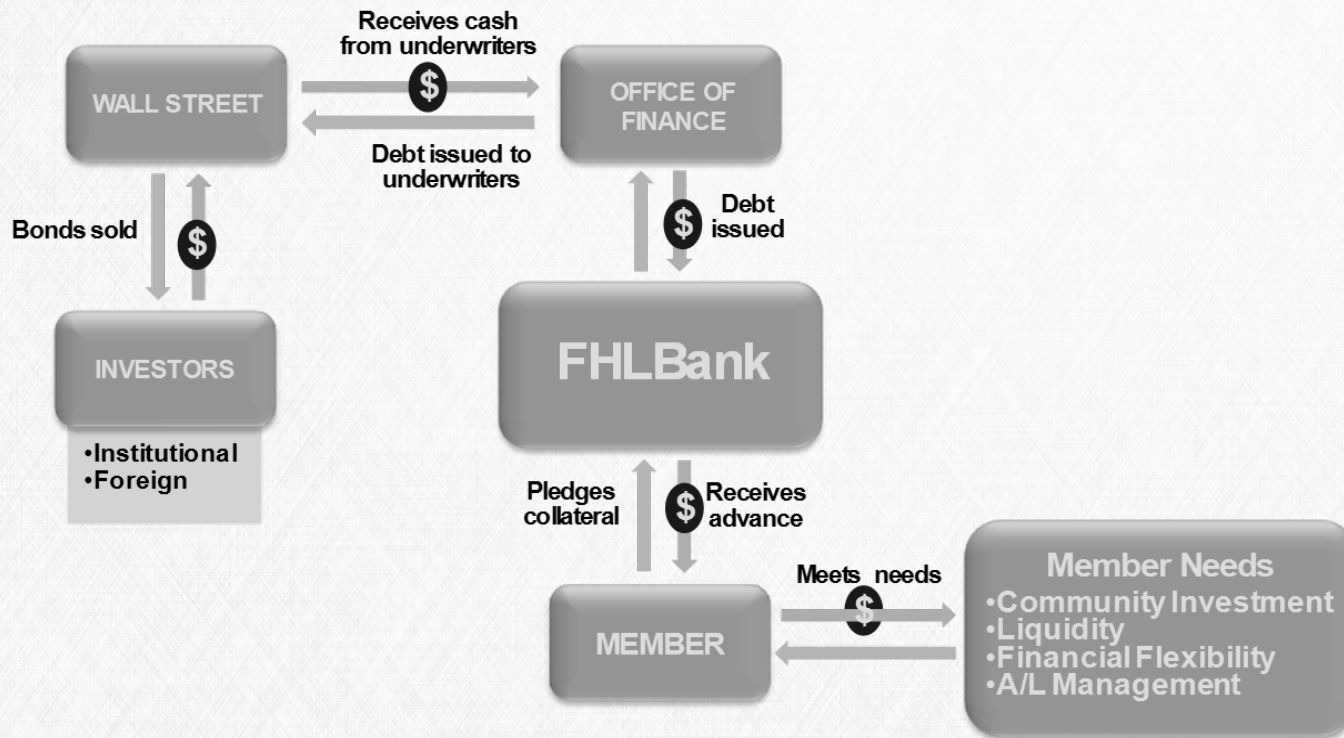
150
Indiana

FHLB System Overview

FUNDING FOR THE FHLBANKS



Aligning Investor Needs with Member Needs



- 11 FHLBanks jointly issue debt in capital markets
- Consolidated obligations
- Debt is rated by Moody's (Aaa and P-1) and Standard & Poor's (AA+ and A-1+)

FHLBank System

PRODUCTS AND SERVICES



Enable member/owner financial institutions to:

- Offer customers a stable, competitively priced, and reliable source of funds with attractive terms (**Advances**)
- More effectively manage liquidity, interest rate, and other risks (**Advances**)
- Create opportunities to prudently utilize excess capital (**Advances**)
- Benefit from access to the secondary mortgage market (**MPP**)
- Serve local communities via Affordable Housing Program (**AHP**) and Community Investment Program (**CIP**)



Bank Leadership

Why Is This Important?

We are in a consolidating industry!



FDIC-insured banks at 12/31/06: 8,681.

FDIC-insured banks at 12/31/21: 4,839.

3²

So...What traits does a bank leader need?



1. BE A SERVANT LEADER

“A community bank leader is one who WANTS to help others. One who is WILLING to make lemonade out of lemons...”

“Community bankers are the lifeblood of the communities where they work and live...be willing to work at the dream factory...”

Community bankers have “a willingness to give of time and talents in their local communities...do not be afraid to get on a local board in your community and contribute!”

So...What traits does a bank leader need?



2. BE NIMBLE & AGGRESSIVE

“Community bankers are nimble when others cannot be...”

“It’s easier to ask for forgiveness than permission; as long as you are IN YOUR LANE, go and make things happen.”

“It will be the leaders who adopt new technologies and provide a desirable working environment that will prevail...today’s leaders need to be willing to disrupt the status quo to differentiate their services from the increasing number of non-bank financial services providers.”

So...What traits does a bank leader need?



3. BE FORWARD THINKING

“Develop a vision and execute on it. For me that has been building out the bank’s infrastructure and culture. Determine what matters at your organization and use that determination to get results.”

“I would also highly recommend that future leaders identify whom they view as successors for key roles in the Bank.”

“Some long-range planning from time to time is useful, but if you can get a little better every year the long term will take care of itself.”

“Change when you are a leader should be like turning a Battleship; long and deliberate so everyone behind you can see where you are going.”

So...What traits does a bank leader need?

4. KNOW YOUR STUFF...BUT EMPOWER THOSE YOU LEAD



“The best advice I received years ago was to read anything and everything pertaining to the position I was currently in as well as the position I was seeking.”

“I once had a board member tell me ‘you aren’t in this alone and you can’t do everything.’ Perhaps the hardest thing about working all the way up through the bank is letting go of things and trusting others to do it as well or better than you did.”

“Get the best teammates, win the game.”

So...What traits does a bank leader need?

5. TOLERATE RISK, AND LEARN FROM FAILURE



“...Embrace failures or miscues as a learning exercise and persevere.”

“If I’m going to make a mistake, it should more often than not come when I am on the offensive, rather than in a position of retreat.”

So...What traits does a bank leader need?

6. KNOW YOUR TEAM, AND KNOW WHY THEY LEAVE



A new bank president, a pipe, the Wall Street Journal, and the break room

Why are you leaving us?

Conclusions

BE THIS GUY



“Always be considerate of everyone in the room.”



Conclusions

BE PROUD OF YOUR INDUSTRY



Never be ashamed to say you work at a bank!

- We are fighting a lot of negative information
- Great Financial Crisis

Final Questions - Additional Information



- www.fhlbi.com
 - Events and Training Registration
 - Contact information
 - Member Link log-in
- www.fhlbanks.com
- www.fhfa.gov
- **Matt Fix, Indiana Account Director, 317-465-0424 mfix@fhlbi.com**

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