FHLBank Boston

Providing highly reliable wholesale funding and liquidity to member insurance companies

2026

FHLBank Boston

Benefits of Membership

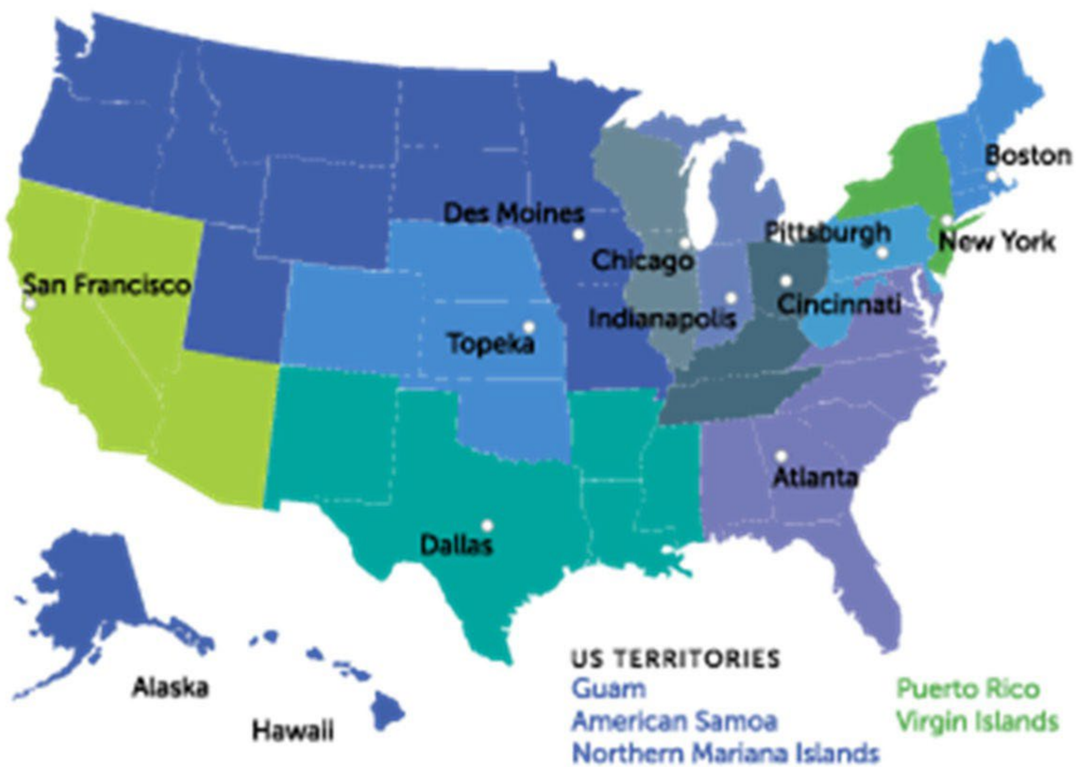
- Easy to use
- Low-cost funding
- Improves financial flexibility
- Funding available in all business cycles
- Viewed favorably by rating agencies and regulators

Key Membership Qualification Criteria

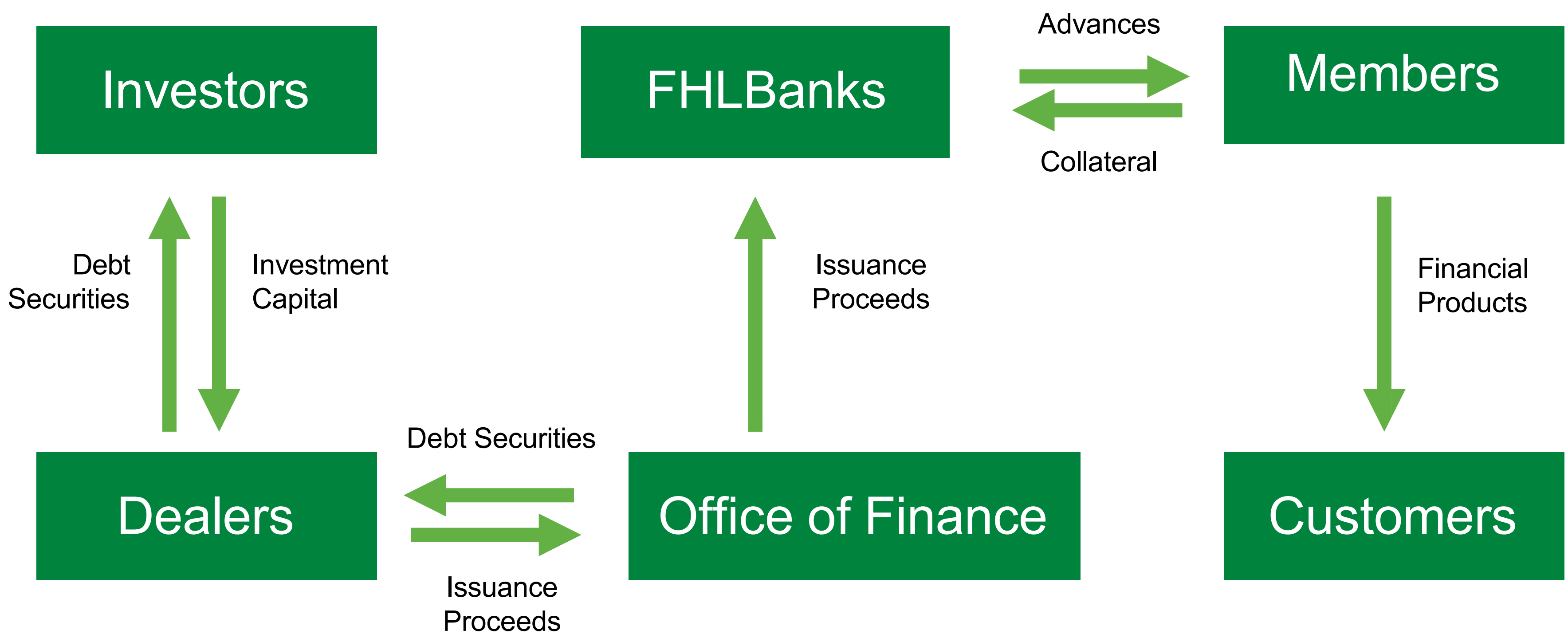
- Insurance company duly organized and subject to inspection and regulation
- Makes long-term home mortgage loans *(e.g., holds mortgage-backed securities)*
- Demonstrates character of management and sound financial condition
- Membership is at insurance entity level

Federal Home Loan Bank System Overview

- **Established by Congress** in 1932 to provide liquidity and funding to member institutions
- **Regulated by Federal Housing Finance Agency** and subject to the terms of FHLBank Act
- **Cooperative Structure** – Bank is owned by its members
- **Offers Low-Cost Loans to Members** – Economies of scale, GSE Status, and Tax Exempt Status
- **Extremely Secure** – FHLB debt is the joint obligation of all 11 banks



How the FHLBank System Works



All debt securities issued through the Office of Finance are the joint and several obligations of the 11 FHLBanks.

Rating Agency & Industry Perspective

Access to an alternative, low-cost funding source is credit positive. The FHLBs offer eligible insurers access to low- cost, collateralized borrowing capacity for both their ordinary operating needs and emergency liquidity.

– Moody's

Although not immune to major market dislocations, the FHLB System has proven to be a stable source of funding through good times and bad.

A material dislocation in financial markets will not likely affect the FHLB in providing insurers this alternative access to funding.

– S&P

Fitch Ratings believes that membership in the Federal Home Loan Bank (FHLB) system can enhance liquidity and financial flexibility for insurance companies, particularly those insurers with limited access to capital markets.

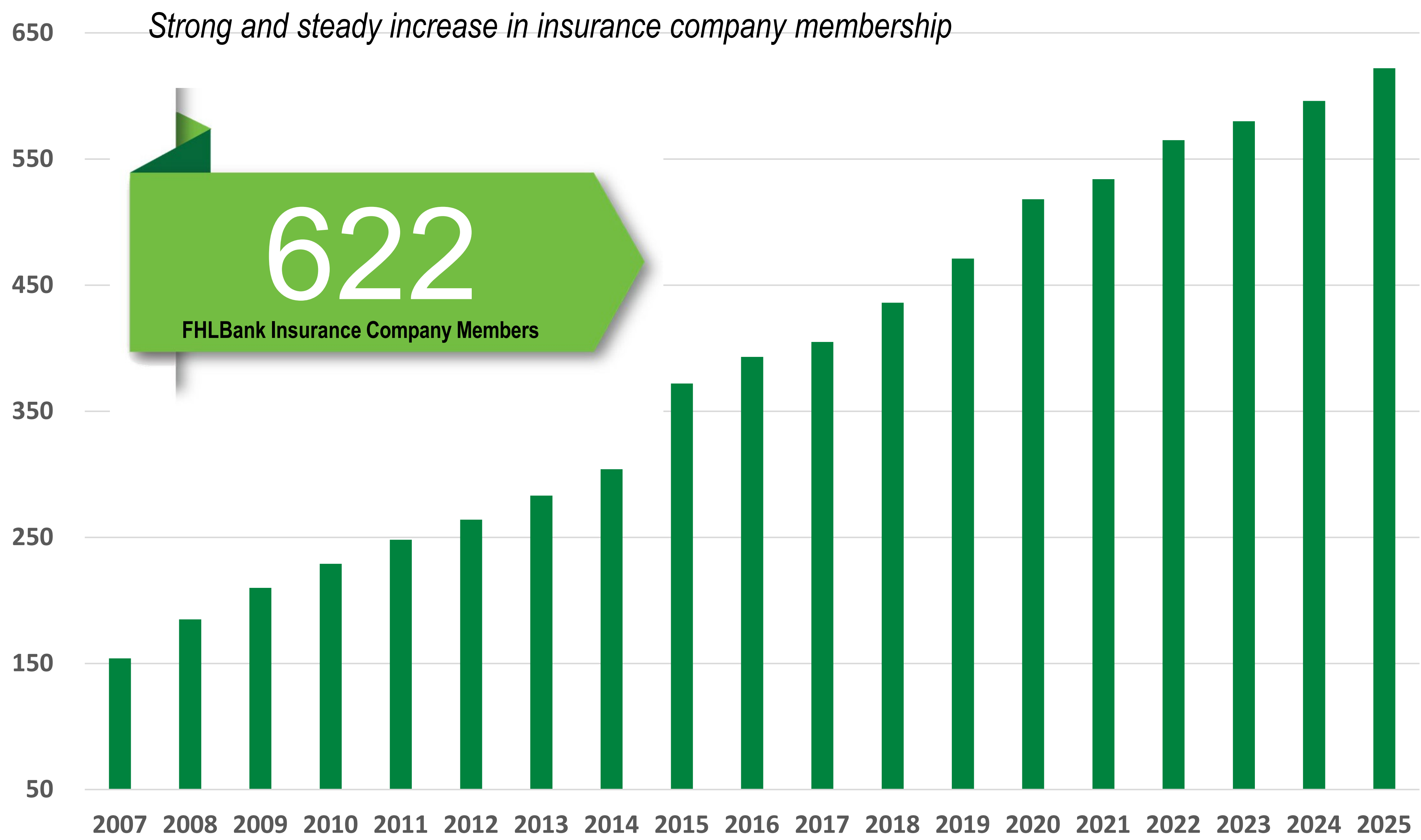
The FHLB is able to source funds at very low rates due to its position as a government-sponsored entity (GSE).

– Fitch Ratings

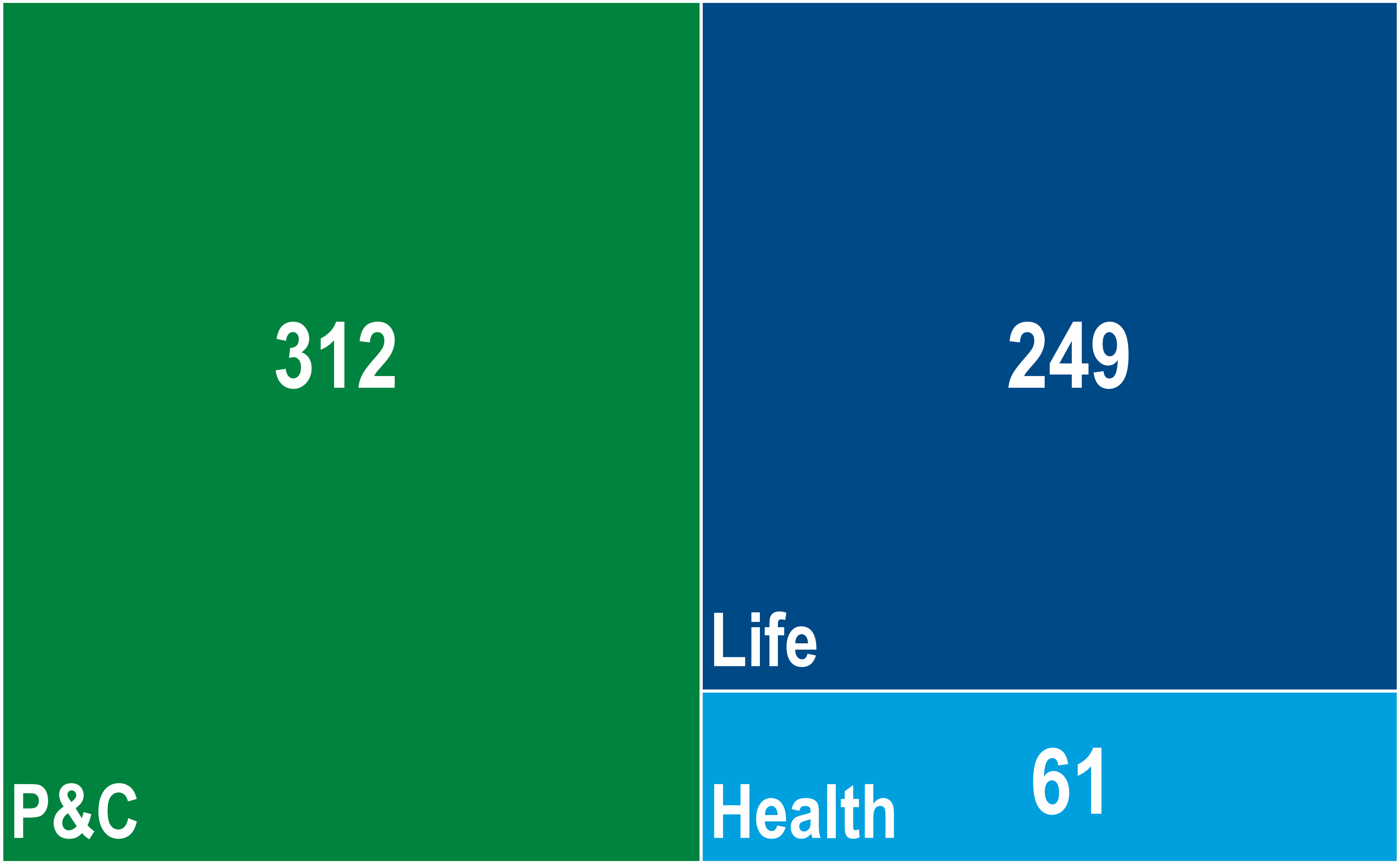
FHLB programs provide financial flexibility for insurance company members and are an attractive source of capital because of the low rate offered on advances.

– AM Best

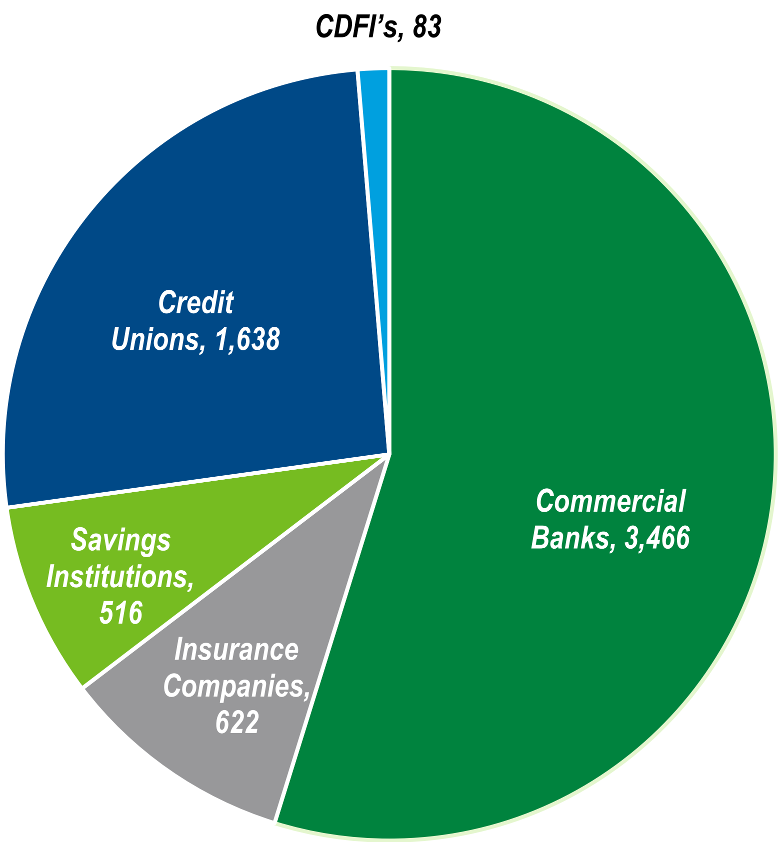
Total Insurance Company Membership – FHLB System

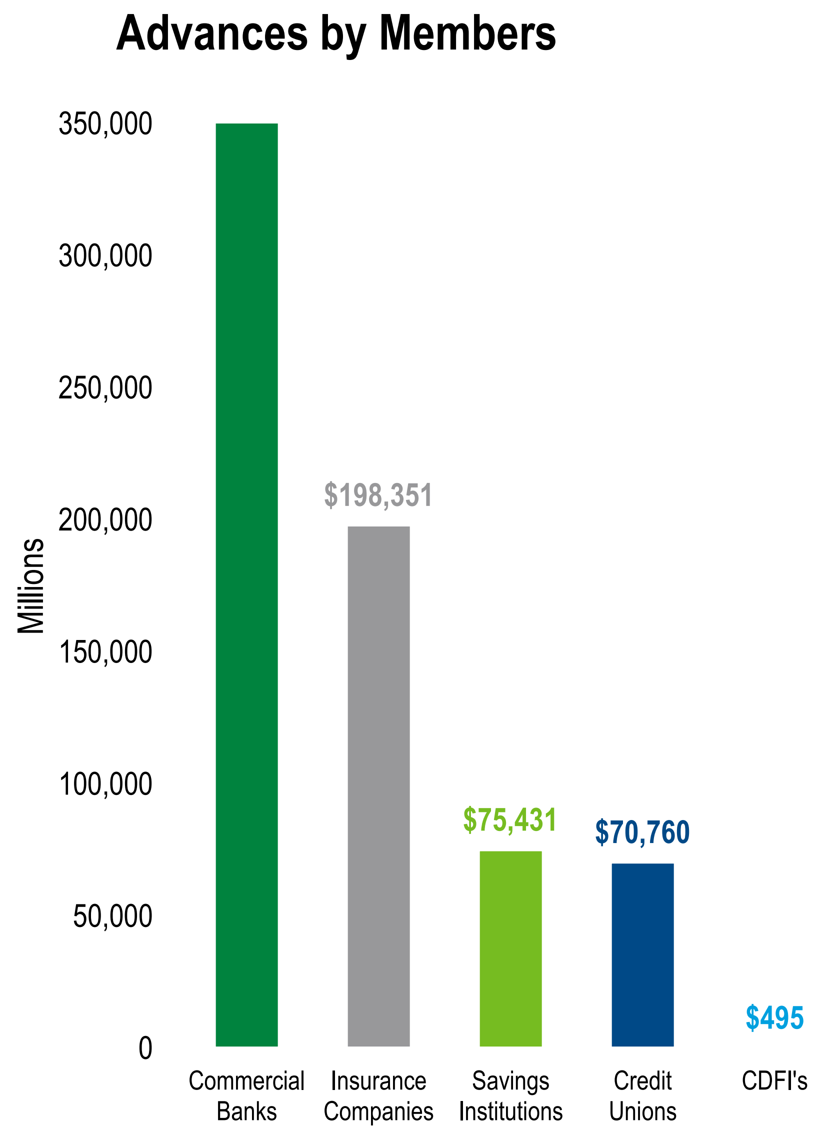


FHLBank System Insurance Company
Members by Sector



Member Types – FHLBank System





1Q 2026 Data

Source: Office of Finance Consolidated Financials

Classification: Internal

FHLBank Boston Insurance Members

FHLBank Boston

Life Companies
1. Amica Life Insurance
2. Boston Mutual Life Insurance
3. Ceres Life Insurance
4. Commonwealth Annuity & Life
5. Empower Annuity Insurance
6. First Allmerica Financial Life
7. Hartford Life and Accident
8. Knighthead American Life Insurance
9. Massachusetts Mutual Life Insurance
10. Merit Life Insurance
11. National Life Insurance
12. Nassau Life Insurance
13. Nassau Life and Annuity
14. PHL Variable Life Insurance
15. SBLI of Massachusetts
16. Starmount Life Insurance
17. Talcott Resolution Life Insurance
18. Talcott Life and Annuity Insurance
19. Unum Life Insurance
20. Vantis Life
21. Voya Retirement Insurance & Annuity

Health Companies

22. Aetna Life Insurance
23. Blue Cross Blue Shield of MA
24. Blue Cross Blue Shield of MA HMO Blue
25. Blue Cross Blue Shield of Rhode Island
26. Blue Cross Blue Shield of Vermont
27. Fallon Community Health
28. Harvard Pilgrim Health Care
29. Tufts Associated Health Maintenance
30. Tufts Health Public Plans

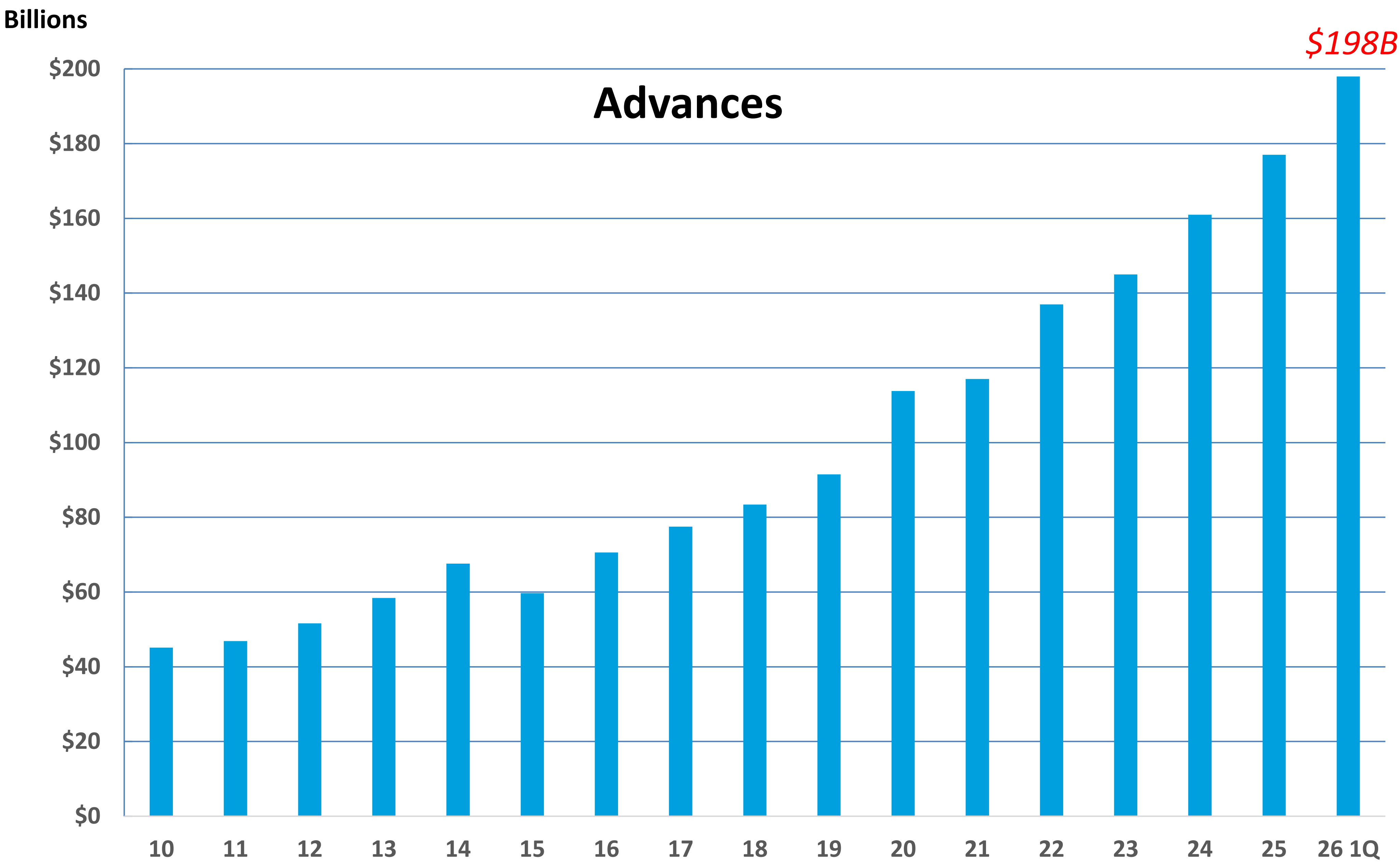
P&C Companies

31. AIM Mutual
32. Alliance of Non Profits, RRG
33. American European
34. American Excess, RRG
35. Amica Mutual Insurance
36. Arbella Mutual Insurance
37. Aspen American Insurance
38. Aspen Specialty Insurance
39. Barnstable County Mutual
40. Beacon Mutual Insurance
41. Citizens Insurance Co of America
42. College Insurance
43. Commerce Insurance Co
44. Community Hospital Alternative for Risk, RRG
45. Connecticut Attorneys Title
46. Coverys, RRG
47. Danbury Mutual
48. Dorchester Mutual
49. Eastern Dentist, RRG
50. Farmers Property & Casualty
51. Fitchburg Mutual
52. Greenwich Insurance (AXA)
53. Hanover Insurance Co
54. Hartford Fire Insurance
55. Hingham Mutual
56. Hospitality Mutual
57. Housing Authority Property Insurance
58. Housing Authority, RRG
59. ICI Mutual, RRG
60. Integris Insurance
61. Lexington Insurance (AIG)
62. Liberty Mutual Insurance Co
63. Maine Employers Medical Mutual
64. MCIC Vermont, RRG
65. Medical Professional Mutual
66. MEMIC Casualty
67. MEMIC Indemnity
68. MMG Insurance
69. Narragansett Bay Insurance
70. New London County Mutual
71. Norfolk and Dedham
72. Odyssey Reinsurance
73. Ohio Casualty Insurance
74. Ophthalmic Mutual Insurance Co, RRG
75. Partners Reinsurance of the US
76. Patrons Co-operative Fire Insurance
77. Peerless Insurance Co
78. Providence Mutual Fire Insurance
79. Quincy Mutual Insurance
80. Safeco Insurance Co of America
81. Safety Insurance
82. Vermont Mutual
83. Union Mutual
84. United Educators, RRG
85. Yosemite Insurance

Depositors Insurance

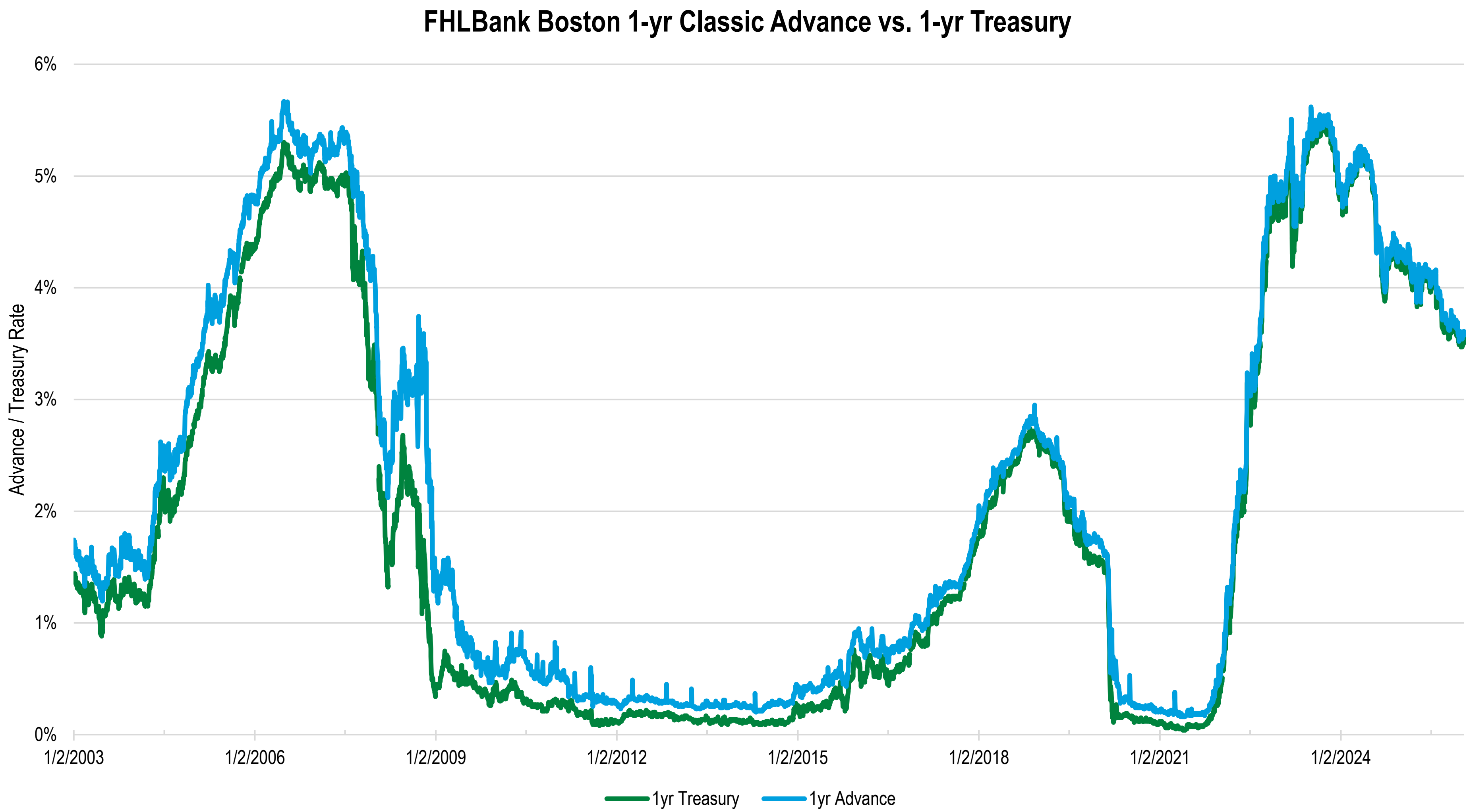
86. Depositors Insurance Fund
87. Mass Credit Union Share Ins.

FHLB System – All Insurance Companies



Stable Funding

As one of the largest and most consistent issuers of debt in the capital markets, FHLBank trades at narrow spreads to Treasurys.



Source: FHLBank Boston, Federal Reserve Bank of St. Louis

FHLBank Funding

Advances (Loans)

- Easy one-phone-call access to funds
- Terms from overnight out to 30 years
- Fixed v. floating and bullet v. amortizing
- All types of derivatives can be embedded
- Same-day settlement for term funding available until noon
- Overnight funding available until 5:00 p.m.

Letters of Credit

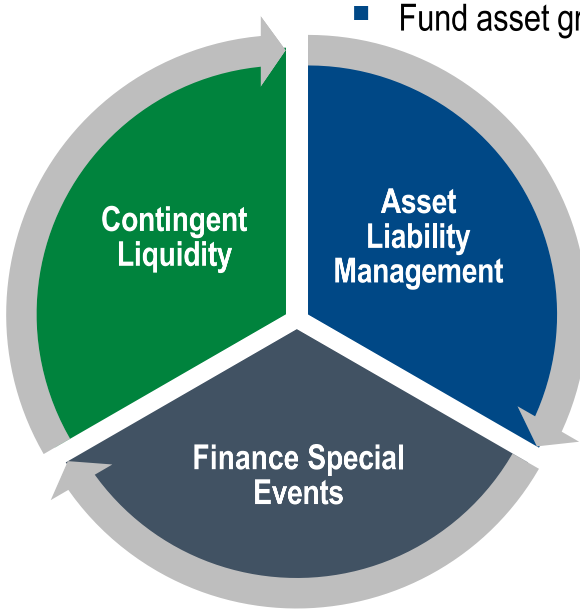
- FHLB Boston is an NAIC-approved bank for Letters of Credit

Housing + Community Investment

- Affordable Housing Program
- Community Development Advance Program

Funding Usage

- Cash management
- Emergency/backup liquidity
- Fill reinsurance payment gaps
- Gain liquidity from illiquid assets
- Strategies for matching maturity & liability portfolio
- Additional revenue from spread management
- Interest-rate-risk management
- Fund asset growth



- Other funding needs, e.g., M&A, fund retirement plan, purchase/renovate a building

As a co-op structure, members purchase capital stock

	Membership Stock	Activity Stock
Frequency of calculation	Annual – stock level can go up or down	When borrowing
Calculation	.0005 x admitted assets	.03 x overnight $ borrowings .04 x >overnight $ borrowings
How long held	Held as long as entity is a member. Redeemed 5 years after termination.	Eligible to be redeemed when borrowing matures

All capital stock eligible to receive dividends

1st quarter 2026 dividend = SOFR plus 300bp

Stock is always redeemed at $100 par value

The Borrowing Process

1) Submit collateral

After the haircuts, the value of pledged assets ≥ the total loans outstanding.

Custodian Options

1. Deliver to FHLBank Boston
2. BNY Mellon
3. CitiBank
4. Fifth Third
5. JP Morgan
6. Northern Trust
7. State Street

Insurance Company

Eligible Types of Assets for Collateral:

- Treasuries & other US Securities
- Agencies
- Non agency CMBS AAA , AA
- Municipal securities with real estate nexus
- Residential loans and Multi-family loans
- Commercial real estate loans

2) Receive low-cost funding

Borrowing capacity is 40 percent of admitted assets but could be limited due to amount of eligible collateral or financial condition

FHLBank Boston

3) Purchase activity stock

May be redeemed after borrowing matures.

Overnight term = 3 percent of borrowing
> Overnight term = 4 percent of borrowing

Summary Level Steps to Membership

STEP 1	**See FHLBank Boston website for membership application**
STEP 2	**Have the insurance entity's Board of Directors pass a corporate resolution** (see application)
STEP 3	**Have insurance regulator acknowledge membership**
STEP 4	**Submit Application with following:** ▪ Statement that company supports housing finance mission by investing in related assets (MBS, etc.) ▪ Last quarterly and year-end statement filed with state commissioner, most recent regulatory examination report ▪ Brief bio of Senior Management, Most recent annual report, By-laws and Articles of Incorporation ▪ Statement that you meet NAIC capital requirements (Risk Based Capital > minimum) ▪ List of established lines of credit ▪ Correspondent Services Agreement (in the application package)
STEP 5	**Upon approval of membership or earlier:** ▪ Some applicants my need to submit a legal opinion ▪ Establish authorities with the Bank ▪ A custodian account will be established ▪ Purchase membership stock within 60 days of approval

Active FHLBank Boston Membership