April 28, 2017

FOR IMMEDIATE RELEASE:

Office of Finance Announces First Quarter 2017 Combined Operating Highlights for the Federal Home Loan Banks

These highlights are preliminary and prepared from the unaudited financial information of each Federal Home Loan Bank (FHLBank) and are subject to change. The combined and individual FHLBank balance sheet and income statement highlights are attached as Tables I and II. Each of the FHLBanks has released its unaudited financial results for the period ended March 31, 2017, filing a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was $812 million for the three months ended March 31, 2017, a decrease of 3% compared to the same period in 2016. This decrease was primarily the result of lower gains on litigation settlements, an increase in non-interest expense, and lower net interest income, partially offset by gains on derivatives and hedging activities.

Key balance sheet highlights as of March 31, 2017, compared to December 31, 2016, were:

- Total assets decreased 3% to $1.026 trillion;
- Advances decreased 6% to $660.7 billion;
- Consolidated obligations decreased 3% to $958.5 billion; and
- Total GAAP capital decreased 1% to $52.0 billion.

Balance Sheet

Total assets were $1.026 trillion at March 31, 2017, a decrease of 3% from $1.057 trillion at December 31, 2016.

- Advances were $660.7 billion, a decrease of 6% driven primarily by lower member demand, particularly by large members.

- Investments were $308.6 billion, an increase of 6% resulting from an increase in federal funds sold, partially offset by a decrease in securities purchased under agreements to resell.

- Mortgage loans held for portfolio, net were $49.0 billion, an increase of 1% as mortgage loan purchases outpaced principal repayments.

Total liabilities were $974.0 billion at March 31, 2017, a decrease of 3% from $1.004 trillion at December 31, 2016. Total consolidated obligations were $958.5 billion, a decrease of 3% due primarily to reduced funding needs related to the decline in total assets. The decrease in total consolidated obligations was driven by an 8% decrease in consolidated discount notes.

Total GAAP capital was $52.0 billion at March 31, 2017, a decrease of 1% from $52.5 billion at December 31, 2016. This decrease was due primarily to a decline in capital stock outstanding, partially offset by growth in retained earnings and an increase in accumulated other comprehensive income.

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(Dollars in millions)	March 31, 2017	December 31, 2016	Change
Assets			
Cash and due from banks	$ 4,384	$ 7,441	$ (3,057)
Investments	308,551	292,017	16,534
Advances	660,740	705,225	(44,485)
Mortgage loans held for portfolio, net	48,972	48,476	496
Other assets	3,380	3,553	(173)
Total assets	**$ 1,026,027**	**$ 1,056,712**	**$ (30,685)**
Liabilities			
Consolidated obligations			
Discount notes	$ 376,967	$ 409,815	$ (32,848)
Bonds	581,538	578,927	2,611
Total consolidated obligations	958,505	988,742	(30,237)
Mandatorily redeemable capital stock	1,462	1,704	(242)
Other liabilities	14,046	13,807	239
Total liabilities	**974,013**	**1,004,253**	**(30,240)**
Capital			
Capital stock	35,003	36,234	(1,231)
Additional capital from merger	9	52	(43)
Retained earnings	16,779	16,330	449
Accumulated other comprehensive income (loss)	223	(157)	380
Total capital (GAAP)	**52,014**	**52,459**	**(445)**
Total liabilities and capital	**$ 1,026,027**	**$ 1,056,712**	**$ (30,685)**
Regulatory capital	**$ 53,251**	**$ 54,318**	**$ (1,067)**
GAAP capital-to-assets ratio	**5.07%**	**4.96%**	**0.11%**
Regulatory capital-to-assets ratio	**5.19%**	**5.14%**	**0.05%**

Net Income

Net income was $812 million for the three months ended March 31, 2017, a decrease of 3% compared to the same period in 2016. This decrease was primarily the result of lower gains on litigation settlements, an increase in non-interest expense, and lower net interest income, partially offset by gains on derivatives and hedging activities.

	Three Months Ended March 31,		
(Dollars in millions)	2017	2016	Change
Net interest income after provision (reversal) for credit losses	$ 820	$ 936	$ (116)
Non-interest income (loss)	492	268	224
Non-interest expense	407	276	131
Affordable Housing Program assessments	93	94	(1)
Net income (loss)	**$ 812**	**$ 834**	**$ (22)**

Net Interest Income

Net interest income after provision (reversal) for credit losses was $820 million for the three months ended March 31, 2017, a decrease of 12% compared to the same period in 2016. Net interest margin for the three months ended March 31, 2017, was 0.31%, a decrease of 8 basis points compared to the same period in 2016. Net interest income, net interest margin, and yield on advances for the three months ended March 31, 2017, were negatively affected by the FHLBank of Atlanta's recording of $302 million of accelerated amortization due to prepayments of certain

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previously restructured and hedged advances. However, this accelerated amortization was offset by corresponding gains recorded in net gains (losses) on derivatives and hedging activities included in non-interest income.

- Interest income was $3,076 million for the three months ended March 31, 2017, an increase of 21% compared to the same period in 2016. This increase was due primarily to higher yields on advances and investments, and an increase in the average balance of advances.

- Interest expense was $2,256 million for the three months ended March 31, 2017, an increase of 40% compared to the same period in 2016. This increase was due primarily to an increase in the average balance of consolidated bonds and higher yields on consolidated discount notes and consolidated bonds.

	Three Months Ended March 31,		
(Dollars in millions)	**2017**	**2016**	**Change**
Interest income			
Advances	$ 1,530	$ 1,141	$ 389
Prepayment fees on advances, net	9	13	(4)
Investments and other	1,123	984	139
Mortgage loans	414	408	6
Total interest income	**3,076**	**2,546**	**530**
Interest expense			
Consolidated obligations - Discount notes	626	489	137
Consolidated obligations - Bonds	1,598	1,085	513
Total consolidated obligations	2,224	1,574	650
Deposits and other borrowings	32	35	(3)
Total interest expense	**2,256**	**1,609**	**647**
Net interest income	**820**	**937**	**(117)**
Provision (reversal) for credit losses	—	1	(1)
Net interest income after provision (reversal) for credit losses	**$ 820**	**$ 936**	**$ (116)**
Net interest margin	**0.31%**	**0.39%**	**(0.08)%**

Non-Interest Income

Non-interest income was $492 million for the three months ended March 31, 2017, an increase of $224 million compared to the same period in 2016, resulting primarily from higher gains on derivatives and hedging activities, partially offset by lower gains on litigation settlements.

- Net gains on derivatives and hedging activities were $310 million for the three months ended March 31, 2017, consisting primarily of gains related to fair value hedge ineffectiveness resulting from prepayments of certain previously restructured and hedged advances at the FHLBank of Atlanta.

- Gains on litigation settlements, net were $139 million for the three months ended March 31, 2017, resulting from the settlements of certain claims arising from investments in private-label mortgage-backed securities, primarily from the FHLBank of San Francisco's recognition of settlements of $119 million.

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(Dollars in millions)	Three Months Ended March 31, 2017	2016	Change
Net other-than-temporary impairment losses	$ (5)	$ (9)	$ 4
Net gains (losses) on trading securities	10	102	(92)
Net gains (losses) on derivatives and hedging activities	310	(237)	547
Gains on litigation settlements, net	139	348	(209)
Other	38	64	(26)
Total non-interest income (loss)	**$ 492**	**$ 268**	**$ 224**

Non-Interest Expense

Non-interest expense for the three months ended March 31, 2017, was $407 million, an increase of 47% compared to the same period in 2016. This increase was primarily the result of a charge of $70 million by the FHLBank of New York to settle all claims related to the 2008 Lehman Brothers bankruptcy and a voluntary charitable contribution of $40 million for a donor-advised fund established to support quality job growth and small business expansion by the FHLBank of San Francisco, during the first quarter of 2017.

Affordable Housing Program Assessments

Affordable Housing Program assessments for the three months ended March 31, 2017, were $93 million, a decrease of 1% compared to the same period in 2016. Affordable Housing Program assessments result from individual FHLBank income subject to assessments.

About the FHLBanks

Each FHLBank manages its operations independently and is responsible for establishing its own accounting and financial reporting policies in accordance with GAAP. The accounting and financial reporting policies and practices of the individual FHLBanks are not always identical because different policies and presentations are permitted under GAAP in certain circumstances within a combined financial statement presentation.

The FHLBanks have delivered innovation and service to the U.S. housing market since 1932, and currently have approximately 7,100 members serving all 50 states, the District of Columbia, and U.S. territories. Please contact Nancy Nowalk at 703-467-3608 or nnowalk@fhlb-of.com for additional information.

Statements contained in this release may be "forward-looking statements," including those statements related to financial performance. Forward-looking statements may be identified by words such as "anticipates," "believes," "could," "estimates," "may," or comparable terminology. Any forward-looking statements are subject to risks and uncertainties related to the future operations of the FHLBanks and the business environment. These risks and uncertainties could cause actual results to differ materially from current expectations. These risks and uncertainties include, but are not limited to, the following: changes in interest rates and housing prices; size and volatility of the residential mortgage market; demand for FHLBank advances; volatility of market prices, rates, and indices that could affect the value of investments, including collateral held by the FHLBanks as security; political events, including legislative, regulatory, judicial, or other developments, that affect the FHLBanks, their members, counterparties, underwriters, and/or investors in the consolidated obligations of the FHLBanks; competitive forces, including other sources of funding available to FHLBank members; changes in investor demand for consolidated obligations, including those resulting from changes in credit ratings and/or the terms of derivative transactions; implementation of accounting rules; and the ability to introduce new FHLBank products and services and successfully manage the risks associated with those products and services. Investors are encouraged to consider these and other risks and uncertainties that are discussed in periodic combined financial reports posted on the Office of Finance web site, www.fhlb-of.com, and in reports filed by each FHLBank with the U. S. Securities and Exchange Commission. Any duty to update these forward-looking statements is disclaimed.

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Table I to Combined Operating Highlights
Balance Sheet Highlights
Unaudited

(Dollars in millions)	Combined[1]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Assets												
Cash and due from banks	$ 4,384	$ 7,441	$ 13	$ 520	$ 141	$ 152	$ 2,551	$ 3,588	$ 1,041	$ 1,815	$ 9	$ 9
Investments	308,551	292,017	17,216	18,032	36,925	30,685	18,722	17,227	41,805	36,510	25,526	25,334
Advances	660,740	705,225	35,479	39,099	101,428	109,257	70,317	76,809	90,688	99,077	61,286	69,882
Mortgage loans held for portfolio, net	48,972	48,476	3,676	3,694	2,787	2,746	3,419	3,391	512	523	9,292	9,149
Other assets	3,380	3,553	185	201	520	766	224	245	684	746	215	261
Total assets	$ 1,026,027	$ 1,056,712	$ 56,569	$ 61,546	$ 141,801	$ 143,606	$ 95,233	$ 101,260	$ 134,730	$ 138,671	$ 96,328	$ 104,635
Liabilities												
Consolidated obligations												
Discount notes	$ 376,967	$ 409,815	$ 24,179	$ 30,054	$ 46,162	$ 49,358	$ 24,191	$ 28,500	$ 42,066	$ 41,292	$ 36,298	$ 44,690
Bonds	581,538	578,927	27,978	27,171	86,143	84,785	65,481	67,156	84,292	88,647	53,497	53,191
Total consolidated obligations	958,505	988,742	52,157	57,225	132,305	134,143	89,672	95,656	126,358	129,939	89,795	97,881
Mandatorily redeemable capital stock	1,462	1,704	33	33	21	31	5	5	1	1	32	35
Other liabilities	14,046	13,807	1,033	1,043	2,183	1,808	919	805	1,706	1,780	1,488	1,741
Total liabilities	974,013	1,004,253	53,223	58,301	134,509	135,982	90,596	96,466	128,065	131,720	91,315	99,657
Capital												
Capital stock	35,003	36,234	2,459	2,412	5,973	6,308	3,523	3,755	4,650	4,955	4,173	4,157
Additional capital from merger	9	52	—	—	—	—	—	—	—	—	—	—
Retained earnings	16,779	16,330	1,230	1,217	1,395	1,412	1,031	986	1,910	1,892	853	834
Accumulated other comprehensive income (loss)	223	(157)	(343)	(384)	(76)	(96)	83	53	105	104	(13)	(13)
Total capital (GAAP)	52,014	52,459	3,346	3,245	7,292	7,624	4,637	4,794	6,665	6,951	5,013	4,978
Total liabilities and capital	$ 1,026,027	$ 1,056,712	$ 56,569	$ 61,546	$ 141,801	$ 143,606	$ 95,233	$ 101,260	$ 134,730	$ 138,671	$ 96,328	$ 104,635
Regulatory capital	$ 53,251	$ 54,318	$ 3,722	$ 3,661	$ 7,389	$ 7,751	$ 4,560	$ 4,746	$ 6,561	$ 6,848	$ 5,058	$ 5,026

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Assets												
Cash and due from banks	$ 117	$ 547	$ 34	$ 351	$ 237	$ 223	$ 92	$ 28	$ 108	$ 207	$ 41	$ 2
Investments	16,942	15,460	28,547	28,060	41,792	41,218	26,041	25,129	14,286	13,610	40,983	40,986
Advances	29,671	28,096	42,328	45,067	123,609	131,601	31,059	32,506	25,823	23,986	49,052	49,845
Mortgage loans held for portfolio, net	9,633	9,501	4,940	4,967	6,870	6,913	178	124	6,701	6,640	966	826
Other assets	306	303	260	247	410	650	156	425	173	774	248	282
Total assets	$ 56,669	$ 53,907	$ 76,109	$ 78,692	$ 172,918	$ 180,605	$ 57,526	$ 58,212	$ 47,091	$ 45,217	$ 91,290	$ 91,941
Liabilities												
Consolidated obligations												
Discount notes	$ 18,399	$ 16,802	$ 32,806	$ 35,949	$ 72,549	$ 80,947	$ 22,783	$ 26,942	$ 22,506	$ 21,775	$ 35,028	$ 33,506
Bonds	34,470	33,467	37,662	36,903	90,956	89,898	30,128	26,997	21,670	20,722	49,493	50,224
Total consolidated obligations	52,869	50,269	70,468	72,852	163,505	170,845	52,911	53,939	44,176	42,497	84,521	83,730
Mandatorily redeemable capital stock	167	170	301	301	494	664	3	3	2	3	403	457
Other liabilities	1,096	1,032	922	844	1,470	1,695	1,671	1,453	781	754	793	2,217
Total liabilities	54,132	51,471	71,691	73,997	165,469	173,204	54,585	55,395	44,959	43,254	85,717	86,404
Capital												
Capital stock	1,554	1,493	1,282	1,711	5,803	5,917	1,952	1,930	1,353	1,227	2,280	2,370
Additional capital from merger	—	—	—	—	9	52	—	—	—	—	—	—
Retained earnings	903	887	3,083	3,020	1,590	1,450	853	824	769	736	3,150	3,056
Accumulated other comprehensive income (loss)	80	56	53	(36)	47	(18)	136	63	10	—	143	111
Total capital (GAAP)	2,537	2,436	4,418	4,695	7,449	7,401	2,941	2,817	2,132	1,963	5,573	5,537
Total liabilities and capital	$ 56,669	$ 53,907	$ 76,109	$ 78,692	$ 172,918	$ 180,605	$ 57,526	$ 58,212	$ 47,091	$ 45,217	$ 91,290	$ 91,941
Regulatory capital	$ 2,624	$ 2,550	$ 4,666	$ 5,032	$ 7,896	$ 8,083	$ 2,808	$ 2,757	$ 2,122	$ 1,965	$ 5,833	$ 5,883

(1) The sum of the individual FHLBank balance sheet amounts may not agree to the combined balance sheet amounts due to combining adjustments.

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Table II to Combined Operating Highlights
Income Statement Highlights
Unaudited

Three Months Ended March 31,

(Dollars in millions)	Combined(1) 2017	Combined(1) 2016	Boston 2017	Boston 2016	New York 2017	New York 2016	Pittsburgh 2017	Pittsburgh 2016	Atlanta 2017	Atlanta 2016	Cincinnati 2017	Cincinnati 2016
Net interest income after provision (reversal) for credit losses	$ 820	$ 936	$ 62	$ 56	$ 174	$ 126	$ 108	$ 82	$ (202)	$ 93	$ 103	$ 89
Non-interest income (loss)	492	268	—	(4)	4	(5)	12	1	319	(3)	(11)	(4)
Non-interest expense	407	276	21	19	100	29	24	20	34	34	20	22
Affordable Housing Program assessments	93	94	4	3	8	9	9	6	8	6	7	6
Net income (loss)	$ 812	$ 834	$ 37	$ 30	$ 70	$ 83	$ 87	$ 57	$ 75	$ 50	$ 65	$ 57

	Indianapolis 2017	Indianapolis 2016	Chicago 2017	Chicago 2016	Des Moines 2017	Des Moines 2016	Dallas 2017	Dallas 2016	Topeka 2017	Topeka 2016	San Francisco 2017	San Francisco 2016
Net interest income after provision (reversal) for credit losses	$ 59	$ 49	$ 113	$ 120	$ 153	$ 103	$ 53	$ 36	$ 67	$ 65	$ 134	$ 123
Non-interest income (loss)	(3)	(1)	10	(3)	35	132	8	(7)	9	(6)	112	171
Non-interest expense	20	18	42	40	32	27	22	20	16	14	80	36
Affordable Housing Program assessments	4	3	8	8	16	21	4	1	6	5	18	27
Net income (loss)	$ 32	$ 27	$ 73	$ 69	$ 140	$ 187	$ 35	$ 8	$ 54	$ 40	$ 148	$ 231

(1) The sum of the individual FHLBank income statement amounts may not agree to the combined income statement amounts due to combining adjustments.