October 31, 2017

FOR IMMEDIATE RELEASE:

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

The third quarter 2017 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 September 30, 2017, filing a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was $854 million for the three months ended September 30, 2017, a decrease of 1% compared to the same period in 2016. Net income was $2,510 million for the nine months ended September 30, 2017, an increase of 1% compared to the same period in 2016.

Key balance sheet highlights as of September 30, 2017, compared to December 31, 2016, were:

- Total assets increased 4% to $1,097.5 billion;
- Total liabilities increased 4% to $1,042.2 billion; and
- Total GAAP capital increased 5% to $55.3 billion.

Balance Sheet

Total assets were $1,097.5 billion at September 30, 2017, an increase of 4% from $1,056.7 billion at December 31, 2016.

- Advances were $719.4 billion, an increase of 2% due to an increase in non-callable or non-prepayable advances, partially offset by a decrease in variable-rate advances with call or prepayment options.
- Investments were $318.3 billion, an increase of 9% driven by 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 $52.2 billion, an increase of 8%.

Total liabilities were $1,042.2 billion at September 30, 2017, an increase of 4% from $1,004.3 billion at December 31, 2016, consistent with the increase in total assets. Total consolidated obligations were $1,028.0 billion, an increase of 4%, consisting of a 7% increase in consolidated bonds and a 1% decrease in consolidated discount notes.

Total GAAP capital was $55.3 billion at September 30, 2017, an increase of 5% from $52.5 billion at December 31, 2016. This increase was driven by growth in retained earnings, as well as increases in accumulated other comprehensive income and capital stock.

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(Dollars in millions)	September 30, 2017	December 31, 2016	Change
Assets			
Cash and due from banks	$ 3,944	$ 7,441	$ (3,497)
Investments	318,349	292,017	26,332
Advances	719,387	705,225	14,162
Mortgage loans held for portfolio, net	52,210	48,476	3,734
Other assets	3,619	3,553	66
Total assets	**$ 1,097,509**	**$ 1,056,712**	**$ 40,797**
Liabilities			
Consolidated obligations			
Discount notes	$ 407,311	$ 409,815	$ (2,504)
Bonds	620,706	578,927	41,779
Total consolidated obligations	1,028,017	988,742	39,275
Mandatorily redeemable capital stock	1,347	1,704	(357)
Other liabilities	12,829	13,807	(978)
Total liabilities	**1,042,193**	**1,004,253**	**37,940**
Capital			
Capital stock	37,007	36,234	773
Additional capital from merger	—	52	(52)
Retained earnings	17,681	16,330	1,351
Accumulated other comprehensive income (loss)	628	(157)	785
Total capital (GAAP)	**55,316**	**52,459**	**2,857**
Total liabilities and capital	**$ 1,097,509**	**$ 1,056,712**	**$ 40,797**
Regulatory capital	**$ 56,037**	**$ 54,318**	**$ 1,719**
GAAP capital-to-assets ratio	**5.04%**	**4.96%**	**0.08 %**
Regulatory capital-to-assets ratio	**5.11%**	**5.14%**	**(0.03)%**

Net Income

Net income was $854 million for the three months ended September 30, 2017, a decrease of 1% compared to the same period in 2016, primarily due to the effect of lower gains on litigation settlements offset by an increase in net interest income.

Net income was $2,510 million for the nine months ended September 30, 2017, an increase of 1% compared to the same period in 2016. This increase was primarily due to gains on derivatives and hedging activities and an increase in net interest income, partially offset by lower gains on litigation settlements and an increase in non-interest expense.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	2017	2016	Change	2017	2016	Change
Net interest income after provision (reversal) for credit losses	$ 1,237	$ 975	$ 262	$ 3,245	$ 2,815	$ 430
Non-interest income (loss)	28	281	(253)	557	803	(246)
Non-interest expense	314	291	23	1,006	837	169
Affordable Housing Program assessments	97	100	(3)	286	286	—
Net income (loss)	**$ 854**	**$ 865**	**$ (11)**	**$ 2,510**	**$ 2,495**	**$ 15**

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Net Interest Income

Net interest income after provision (reversal) for credit losses was $1,237 million and $3,245 million for the three and nine months ended September 30, 2017, increases of 27% and 15% compared to the same periods in 2016. Net interest margin was 0.45% and 0.41% for the three and nine months ended September 30, 2017, increases of 7 and 3 basis points compared to the same periods in 2016.

- Interest income was $4,446 million and $11,370 million for the three and nine months ended September 30, 2017, increases of 60% and 43% compared to the same periods in 2016. These increases were due primarily to higher yields on interest-earning assets in the higher interest rate environment, driven principally by an increase in the yield on advances.

- Interest expense was $3,210 million and $8,125 million for the three and nine months ended September 30, 2017, increases of 78% and 58% compared to the same periods in 2016. These increases were due primarily to higher yields on consolidated discount notes and consolidated bonds in the higher interest rate environment, as well as an increase in the average balance of consolidated bonds.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	2017	2016	Change	2017	2016	Change
Interest income						
Advances	$ 2,586	$ 1,364	$ 1,222	$ 6,291	$ 3,739	$ 2,552
Prepayment fees on advances, net	5	26	(21)	22	76	(54)
Investments and other	1,421	999	422	3,788	2,954	834
Mortgage loans	434	389	45	1,269	1,189	80
Total interest income	**4,446**	**2,778**	**1,668**	**11,370**	**7,958**	**3,412**
Interest expense						
Consolidated obligations - Discount notes	1,120	527	593	2,597	1,529	1,068
Consolidated obligations - Bonds	2,052	1,245	807	5,425	3,509	1,916
Total consolidated obligations	3,172	1,772	1,400	8,022	5,038	2,984
Deposits and other borrowings	38	28	10	103	100	3
Total interest expense	**3,210**	**1,800**	**1,410**	**8,125**	**5,138**	**2,987**
Net interest income	**1,236**	**978**	**258**	**3,245**	**2,820**	**425**
Provision (reversal) for credit losses	(1)	3	(4)	—	5	(5)
Net interest income after provision (reversal) for credit losses	**$ 1,237**	**$ 975**	**$ 262**	**$ 3,245**	**$ 2,815**	**$ 430**
Net interest margin	**0.45%**	**0.38%**	**0.07%**	**0.41%**	**0.38%**	**0.03%**

Non-Interest Income

Non-interest income was $28 million for the three months ended September 30, 2017, a decrease of $253 million compared to the same period in 2016, due primarily to lower gains on litigation settlements. Non-interest income was $557 million for the nine months ended September 30, 2017, a decrease of $246 million compared to the same period in 2016, resulting primarily from lower gains on litigation settlements, partially offset by gains on derivatives and hedging activities.

- Gains on litigation settlements, net, consisting of settlements of certain claims arising from investments in private-label mortgage-backed securities, were less than $1 million and $139 million for the three and nine months ended September 30, 2017.

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- Net gains on derivatives and hedging activities were less than $1 million for the three months ended September 30, 2017. Net gains on derivatives and hedging activities were $293 million for the nine months ended September 30, 2017, consisting primarily of gains related to fair value hedge ineffectiveness.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	2017	2016	Change	2017	2016	Change
Net other-than-temporary impairment losses	$ (7)	$ (4)	$ (3)	$ (20)	$ (19)	$ (1)
Net gains (losses) on trading securities	2	(19)	21	28	129	(101)
Net gains (losses) on derivatives and hedging activities	—	23	(23)	293	(287)	580
Gains on litigation settlements, net	—	241	(241)	139	841	(702)
Other	33	40	(7)	117	139	(22)
Total non-interest income (loss)	**$ 28**	**$ 281**	**$ (253)**	**$ 557**	**$ 803**	**$ (246)**

Non-Interest Expense

Non-interest expense for the three months ended September 30, 2017, was $314 million an increase of 8% compared to the same period in 2016. Non-interest expense for the nine months ended September 30, 2017, was $1,006 million an increase of 20% compared to the same period in 2016. The increase for the nine months ended September 30, 2017, was primarily the result of a charge of $70 million during the first quarter of 2017 by the FHLBank of New York to settle all claims related to the 2008 Lehman Brothers bankruptcy and voluntary charitable contributions of $50 million during the nine months ended September 30, 2017, by the FHLBank of San Francisco for a donor-advised fund established to support quality job growth and small business expansion.

Affordable Housing Program Assessments

Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were $97 million and $286 million for the three and nine months ended September 30, 2017, relatively flat when compared to the same periods in 2016.

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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 7,000 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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FHLBanks Office of Finance
Table I to Combined Operating Highlights
Balance Sheet Highlights
Unaudited

(Dollars in millions)	Combined[1]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Assets												
Cash and due from banks	$ 3,944	$ 7,441	$ 32	$ 520	$ 216	$ 152	$ 2,069	$ 3,588	$ 1,138	$ 1,815	$ 8	$ 9
Investments	318,349	292,017	19,341	18,032	31,796	30,685	19,529	17,227	41,564	36,510	27,575	25,334
Advances	719,387	705,225	37,467	39,099	113,081	109,257	74,228	76,809	99,812	99,077	67,943	69,882
Mortgage loans held for portfolio, net	52,210	48,476	3,942	3,694	2,881	2,746	3,763	3,391	461	523	9,504	9,149
Other assets	3,619	3,553	193	201	375	766	276	245	949	746	221	261
Total assets	$ 1,097,509	$ 1,056,712	$ 60,975	$ 61,546	$ 148,349	$ 143,606	$ 99,865	$ 101,260	$ 143,924	$ 138,671	$ 105,251	$ 104,635
Liabilities												
Consolidated obligations												
Discount notes	$ 407,311	$ 409,815	$ 28,048	$ 30,054	$ 37,681	$ 49,358	$ 38,877	$ 28,500	$ 49,727	$ 41,292	$ 49,540	$ 44,690
Bonds	620,706	578,927	28,492	27,171	100,893	84,785	55,140	67,156	85,517	88,647	49,298	53,191
Total consolidated obligations	1,028,017	988,742	56,540	57,225	138,574	134,143	94,017	95,656	135,244	129,939	98,838	97,881
Mandatorily redeemable capital stock	1,347	1,704	36	33	20	31	5	5	3	1	32	35
Other liabilities	12,829	13,807	1,171	1,043	2,017	1,808	903	805	1,541	1,780	1,249	1,741
Total liabilities	1,042,193	1,004,253	57,747	58,301	140,611	135,982	94,925	96,466	136,788	131,720	100,119	99,657
Capital												
Capital stock	37,007	36,234	2,273	2,412	6,318	6,308	3,697	3,755	5,041	4,955	4,229	4,157
Additional capital from merger	—	52	—	—	—	—	—	—	—	—	—	—
Retained earnings	17,681	16,330	1,265	1,217	1,498	1,412	1,119	986	1,972	1,892	915	834
Accumulated other comprehensive income (loss)	628	(157)	(310)	(384)	(78)	(96)	124	53	123	104	(12)	(13)
Total capital (GAAP)	55,316	52,459	3,228	3,245	7,738	7,624	4,940	4,794	7,136	6,951	5,132	4,978
Total liabilities and capital	$ 1,097,509	$ 1,056,712	$ 60,975	$ 61,546	$ 148,349	$ 143,606	$ 99,865	$ 101,260	$ 143,924	$ 138,671	$ 105,251	$ 104,635
Regulatory capital	$ 56,037	$ 54,318	$ 3,574	$ 3,661	$ 7,836	$ 7,751	$ 4,822	$ 4,746	$ 7,016	$ 6,848	$ 5,176	$ 5,026

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Assets												
Cash and due from banks	$ 70	$ 547	$ 32	$ 351	$ 218	$ 223	$ 148	$ 28	$ 8	$ 207	$ 7	$ 2
Investments	18,648	15,460	31,885	28,060	39,341	41,218	29,255	25,129	13,767	13,610	45,775	40,986
Advances	32,953	28,096	50,153	45,067	117,514	131,601	36,288	32,506	28,319	23,986	61,629	49,845
Mortgage loans held for portfolio, net	10,195	9,501	5,024	4,967	7,031	6,913	577	124	7,056	6,640	1,774	826
Other assets	312	303	394	247	441	650	182	425	211	774	318	282
Total assets	$ 62,178	$ 53,907	$ 87,488	$ 78,692	$ 164,545	$ 180,605	$ 66,450	$ 58,212	$ 49,361	$ 45,217	$ 109,503	$ 91,941
Liabilities												
Consolidated obligations												
Discount notes	$ 22,381	$ 16,802	$ 45,460	$ 35,949	$ 52,976	$ 80,947	$ 31,439	$ 26,942	$ 21,281	$ 21,775	$ 29,902	$ 33,506
Bonds	35,903	33,467	35,890	36,903	102,294	89,898	30,060	26,997	25,070	20,722	72,266	50,224
Total consolidated obligations	58,284	50,269	81,350	72,852	155,270	170,845	61,499	53,939	46,351	42,497	102,168	83,730
Mandatorily redeemable capital stock	165	170	308	301	422	664	7	3	5	3	342	457
Other liabilities	899	1,032	958	844	1,355	1,695	1,655	1,453	705	754	644	2,217
Total liabilities	59,348	51,471	82,616	73,997	157,047	173,204	63,161	55,395	47,061	43,254	103,154	86,404
Capital												
Capital stock	1,779	1,493	1,557	1,711	5,624	5,917	2,207	1,930	1,467	1,227	2,815	2,370
Additional capital from merger	—	—	—	—	—	52	—	—	—	—	—	—
Retained earnings	948	887	3,219	3,020	1,774	1,450	921	824	817	736	3,226	3,056
Accumulated other comprehensive income (loss)	103	56	96	(36)	100	(18)	161	63	16	—	308	111
Total capital (GAAP)	2,830	2,436	4,872	4,695	7,498	7,401	3,289	2,817	2,300	1,963	6,349	5,537
Total liabilities and capital	$ 62,178	$ 53,907	$ 87,488	$ 78,692	$ 164,545	$ 180,605	$ 66,450	$ 58,212	$ 49,361	$ 45,217	$ 109,503	$ 91,941
Regulatory capital	$ 2,893	$ 2,550	$ 5,084	$ 5,032	$ 7,820	$ 8,083	$ 3,135	$ 2,757	$ 2,289	$ 1,965	$ 6,383	$ 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.

FHLBanks Office of Finance
Table II to Combined Operating Highlights
Income Statement Highlights
Unaudited

Three Months Ended September 30,

(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	$ 1,237	$ 975	$ 72	$ 65	$ 180	$ 139	$ 109	$ 78	$ 123	$ 94	$ 110	$ 94
Non-interest income (loss)	28	281	—	(4)	1	4	6	2	18	28	(3)	(5)
Non-interest expense	314	291	22	20	33	28	21	20	36	34	21	21
Affordable Housing Program assessments	97	100	5	4	15	12	10	6	10	9	8	7
Net income (loss)	$ 854	$ 865	$ 45	$ 37	$ 133	$ 103	$ 84	$ 54	$ 95	$ 79	$ 78	$ 61

	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	$ 69	$ 49	$ 124	$ 113	$ 173	$ 116	$ 62	$ 44	$ 69	$ 62	$ 146	$ 123
Non-interest income (loss)	(4)	(4)	5	14	4	(5)	6	3	5	10	(4)	241
Non-interest expense	19	18	43	42	30	28	23	23	18	19	51	39
Affordable Housing Program assessments	5	3	9	9	15	9	5	2	6	5	10	34
Net income (loss)	$ 41	$ 24	$ 77	$ 76	$ 132	$ 74	$ 40	$ 22	$ 50	$ 48	$ 81	$ 291

Nine Months Ended September 30,

(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	$ 3,245	$ 2,815	$ 198	$ 176	$ 530	$ 394	$ 328	$ 253	$ 35	$ 267	$ 319	$ 265
Non-interest income (loss)	557	803	1	9	6	(1)	26	4	349	42	(4)	(2)
Non-interest expense	1,006	837	63	58	165	84	66	59	100	99	60	64
Affordable Housing Program assessments	286	286	14	13	37	31	29	20	28	21	25	20
Net income (loss)	$ 2,510	$ 2,495	$ 122	$ 114	$ 334	$ 278	$ 259	$ 178	$ 256	$ 189	$ 230	$ 179

	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	$ 193	$ 144	$ 353	$ 344	$ 496	$ 312	$ 176	$ 118	$ 201	$ 191	$ 424	$ 363
Non-interest income (loss)	(11)	(7)	31	56	45	319	22	1	14	(11)	92	403
Non-interest expense	59	55	129	123	93	82	66	63	49	47	170	112
Affordable Housing Program assessments	13	9	26	28	46	56	13	5	17	13	37	69
Net income (loss)	$ 110	$ 73	$ 229	$ 249	$ 402	$ 493	$ 119	$ 51	$ 149	$ 120	$ 309	$ 585

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