October 30, 2018

FOR IMMEDIATE RELEASE:

Office of Finance Announces Third Quarter 2018 Combined Operating Highlights for the Federal Home Loan Banks

The third quarter 2018 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, 2018, and filed a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was $942 million and $2,771 million for the three and nine months ended September 30, 2018, increases of 10% for both periods compared to the same periods in 2017. Balance sheet highlights as of September 30, 2018, compared to December 31, 2017, were:

- Total assets were $1,089.3 billion, a decrease of 1%.
- Total liabilities were $1,031.7 billion, a decrease of 1%.
- Total GAAP capital was $57.6 billion, an increase of 2%.

Balance Sheet

(Dollars in millions)	September 30, 2018	December 31, 2017	Change
Assets			
Cash and due from banks	$ 772	$ 7,175	$ (6,403)
Investments	318,285	307,280	11,005
Advances	706,005	731,544	(25,539)
Mortgage loans held for portfolio, net	60,075	53,827	6,248
Other assets	4,118	3,625	493
Total assets	**$ 1,089,255**	**$ 1,103,451**	**$ (14,196)**
Liabilities			
Consolidated obligations			
Discount notes	$ 402,823	$ 391,480	$ 11,343
Bonds	613,471	641,601	(28,130)
Total consolidated obligations	1,016,294	1,033,081	(16,787)
Mandatorily redeemable capital stock	1,078	1,272	(194)
Other liabilities	14,299	12,618	1,681
Total liabilities	**1,031,671**	**1,046,971**	**(15,300)**
Capital			
Capital stock	37,415	37,657	(242)
Retained earnings	19,308	18,099	1,209
Accumulated other comprehensive income (loss)	861	724	137
Total capital (GAAP)	**57,584**	**56,480**	**1,104**
Total liabilities and capital	**$ 1,089,255**	**$ 1,103,451**	**$ (14,196)**
Regulatory capital	**$ 57,801**	**$ 57,027**	**$ 774**
GAAP capital-to-assets ratio	**5.29%**	**5.12%**	**0.17%**
Regulatory capital-to-assets ratio	**5.31%**	**5.17%**	**0.14%**

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As of September 30, 2018, total assets and total liabilities each decreased 1%, and total GAAP capital increased 2%, compared to December 31, 2017.

- Advances totaled $706.0 billion at September 30, 2018, a decrease of 3% due primarily to a decline in variable-rate advances.
- Investments were $318.3 billion at September 30, 2018, an increase of 4% driven by increases in interest-bearing deposits and federal funds sold, partially offset by a decrease in securities purchased under agreement to resell.
- Mortgage loans held for portfolio, net grew to $60.1 billion at September 30, 2018, an increase of 12% as mortgage loan purchases continued to outpace principal repayments.
- Consolidated obligations totaled $1,016.3 billion at September 30, 2018, a decrease of 2% in line with the decrease in total assets and consisted of a 4% decrease in consolidated bonds and a 3% increase in consolidated discount notes.
- Capital stock was $37.4 billion at September 30, 2018, a decrease of 1% due to the reclassification of shares to mandatorily redeemable capital stock, partially offset by the net issuance of capital stock.
- Retained earnings grew to $19.3 billion at September 30, 2018, an increase of 7% resulting from net income of $2,771 million, partially offset by dividends of $1,567 million.

Income Statement

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Interest income						
Advances	$ 4,190	$ 2,591	$ 1,599	$ 11,504	$ 6,313	$ 5,191
Investments	2,026	1,418	608	5,530	3,783	1,747
Mortgage loans held for portfolio	504	434	70	1,447	1,269	178
Other interest income	1	3	(2)	4	5	(1)
Total interest income	**6,721**	**4,446**	**2,275**	**18,485**	**11,370**	**7,115**
Interest expense						
Consolidated obligations - Discount notes	1,950	1,120	830	5,241	2,597	2,644
Consolidated obligations - Bonds	3,380	2,052	1,328	9,168	5,425	3,743
Other interest expense	51	38	13	139	103	36
Total interest expense	**5,381**	**3,210**	**2,171**	**14,548**	**8,125**	**6,423**
Net interest income	**1,340**	**1,236**	**104**	**3,937**	**3,245**	**692**
Provision (reversal) for credit losses	—	(1)	1	1	—	1
Net interest income after provision (reversal) for credit losses	**1,340**	**1,237**	**103**	**3,936**	**3,245**	**691**
Non-interest income (loss)						
Net other-than-temporary impairment losses	(5)	(7)	2	(12)	(20)	8
Net gains (losses) on trading securities	(24)	2	(26)	(106)	28	(134)
Net gains (losses) on derivatives and hedging activities	24	—	24	116	293	(177)
Gains on litigation settlements, net	13	—	13	14	139	(125)
Other	32	33	(1)	91	117	(26)
Total non-interest income (loss)	**40**	**28**	**12**	**103**	**557**	**(454)**
Non-interest expense	331	314	17	954	1,006	(52)
Affordable Housing Program assessments	107	97	10	314	286	28
Net income	**$ 942**	**$ 854**	**$ 88**	**$ 2,771**	**$ 2,510**	**$ 261**
Net interest margin	**0.49%**	**0.45%**	**0.04%**	**0.47%**	**0.41%**	**0.06%**

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Net Income

Net income was $942 million for the three months ended September 30, 2018, an increase of 10% compared to the same period in 2017, resulting primarily from an increase in net interest income. Net income was $2,771 million for the nine months ended September 30, 2018, an increase of 10% compared to the same period in 2017, primarily the result of an increase in net interest income, partially offset by lower non-interest income.

Net Interest Income

Net interest income after provision (reversal) for credit losses was $1,340 million and $3,936 million for the three and nine months ended September 30, 2018, increases of 8% and 21% compared to the same periods in 2017. Net interest margin improved to 0.49% and 0.47% for the three and nine months ended September 30, 2018, increases of 4 and 6 basis points compared to the same periods in 2017.

- Interest income grew to $6,721 million and $18,485 million for the three and nine months ended September 30, 2018, increases of 51% and 63% compared to the same periods in 2017. These increases were the result of higher yields on interest-earning assets, principally advances, driven by the higher interest-rate environment. The yields on average interest-earning assets were 2.46% and 2.23% for the three and nine months ended September 30, 2018, increases of 84 and 80 basis points compared to the same periods in 2017.
- Interest expense was $5,381 million and $14,548 million for the three and nine months ended September 30, 2018, increases of 68% and 79% compared to the same periods in 2017. These increases were the result of higher yields on consolidated bonds and consolidated discount notes, driven by the higher interest-rate environment. The yields on average interest-bearing liabilities were 2.08% and 1.85% for the three and nine months ended September 30, 2018, increases of 85 and 78 basis points compared to the same periods in 2017.

Non-Interest Income

Non-interest income was $40 million for the three months ended September 30, 2018, an increase of $12 million compared to the same period in 2017. Non-interest income was $103 million for the nine months ended September 30, 2018, a decrease of $454 million compared to the same period in 2017, due primarily to lower gains on derivatives and hedging activities, losses on trading securities, and lower gains on litigation settlements.

Non-Interest Expense

Non-interest expense was $331 million for the three months ended September 30, 2018, an increase of $17 million compared to the same period in 2017. Non-interest expense was $954 million for the nine months ended September 30, 2018, a decrease of $52 million compared to the same period in 2017. The decrease for the nine months ended September 30, 2018, was primarily the result of expenses incurred during the first quarter of 2017 related to a charge of $70 million by the FHLBank of New York to settle all claims related to the 2008 Lehman Brothers bankruptcy.

Affordable Housing Program Assessments

Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were $107 million and $314 million for the three and nine months ended September 30, 2018, increases of 10% for both periods compared to the same periods in 2017.

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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 6,900 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] September 30, 2018	Combined[1] December 31, 2017	Boston September 30, 2018	Boston December 31, 2017	New York September 30, 2018	New York December 31, 2017	Pittsburgh September 30, 2018	Pittsburgh December 31, 2017	Atlanta September 30, 2018	Atlanta December 31, 2017	Cincinnati September 30, 2018	Cincinnati December 31, 2017
Assets												
Cash and due from banks	$ 772	$ 7,175	$ 46	$ 262	$ 87	$ 127	$ 159	$ 3,415	$ 64	$ 2,357	$ 13	$ 27
Investments	318,285	307,280	19,322	17,942	42,177	33,069	20,321	17,756	44,680	40,378	31,580	27,058
Advances	706,005	731,544	40,928	37,566	100,166	122,448	68,301	74,280	109,746	102,440	57,771	69,918
Mortgage loans held for portfolio, net	60,075	53,827	4,192	4,004	2,910	2,897	4,332	3,923	376	435	10,181	9,681
Other assets	4,118	3,625	206	588	517	377	369	289	725	956	251	211
Total assets	$ 1,089,255	$ 1,103,451	$ 64,694	$ 60,362	$ 145,857	$ 158,918	$ 93,482	$ 99,663	$ 155,591	$ 146,566	$ 99,796	$ 106,895
Liabilities												
Consolidated obligations												
Discount notes	$ 402,823	$ 391,480	$ 33,432	$ 27,721	$ 50,821	$ 49,614	$ 27,756	$ 36,193	$ 62,632	$ 50,139	$ 45,313	$ 46,211
Bonds	613,471	641,601	26,741	28,345	85,910	99,288	59,837	57,534	83,761	87,523	46,913	54,163
Total consolidated obligations	1,016,294	1,033,081	60,173	56,066	136,731	148,902	87,593	93,727	146,393	137,662	92,226	100,374
Mandatorily redeemable capital stock	1,078	1,272	32	36	7	20	24	5	2	1	22	30
Other liabilities	14,299	12,618	969	995	1,537	1,755	968	1,003	1,444	1,636	2,313	1,326
Total liabilities	1,031,671	1,046,971	61,174	57,097	138,275	150,677	88,585	94,735	147,839	139,299	94,561	101,730
Capital												
Capital stock	37,415	37,657	2,477	2,284	5,856	6,750	3,547	3,659	5,557	5,154	4,242	4,241
Retained earnings	19,308	18,099	1,386	1,308	1,679	1,546	1,255	1,158	2,104	2,003	1,008	940
Accumulated other comprehensive income (loss)	861	724	(343)	(327)	47	(55)	95	111	91	110	(15)	(16)
Total capital (GAAP)	57,584	56,480	3,520	3,265	7,582	8,241	4,897	4,928	7,752	7,267	5,235	5,165
Total liabilities and capital	$ 1,089,255	$ 1,103,451	$ 64,694	$ 60,362	$ 145,857	$ 158,918	$ 93,482	$ 99,663	$ 155,591	$ 146,566	$ 99,796	$ 106,895
Regulatory capital	$ 57,801	$ 57,027	$ 3,895	$ 3,628	$ 7,541	$ 8,316	$ 4,826	$ 4,822	$ 7,663	$ 7,157	$ 5,272	$ 5,211

	Indianapolis September 30, 2018	Indianapolis December 31, 2017	Chicago September 30, 2018	Chicago December 31, 2017	Des Moines September 30, 2018	Des Moines December 31, 2017	Dallas September 30, 2018	Dallas December 31, 2017	Topeka September 30, 2018	Topeka December 31, 2017	San Francisco September 30, 2018	San Francisco December 31, 2017
Assets												
Cash and due from banks	$ 116	$ 55	$ 44	$ 42	$ 155	$ 503	$ 55	$ 88	$ 20	$ 268	$ 15	$ 31
Investments	21,181	17,572	29,841	30,683	35,139	34,452	29,434	30,941	14,439	13,998	30,292	43,570
Advances	33,567	34,055	54,667	48,085	100,787	102,613	42,242	36,461	28,472	26,296	69,359	77,382
Mortgage loans held for portfolio, net	11,294	10,356	6,439	5,193	7,549	7,096	1,795	878	8,114	7,287	2,892	2,076
Other assets	314	311	419	352	465	435	184	156	252	228	415	326
Total assets	$ 66,472	$ 62,349	$ 91,410	$ 84,355	$ 144,095	$ 145,099	$ 73,710	$ 68,524	$ 51,297	$ 48,077	$ 102,973	$ 123,385
Liabilities												
Consolidated obligations												
Discount notes	$ 22,650	$ 20,358	$ 37,674	$ 41,191	$ 42,101	$ 36,682	$ 33,997	$ 32,511	$ 22,417	$ 20,421	$ 24,030	$ 30,440
Bonds	39,564	37,896	46,232	37,121	92,998	98,893	34,382	31,377	25,836	24,514	71,405	85,063
Total consolidated obligations	62,214	58,254	83,906	78,312	135,099	135,575	68,379	63,888	48,253	44,935	95,435	115,503
Mandatorily redeemable capital stock	164	164	313	311	277	385	7	6	5	5	227	309
Other liabilities	1,036	985	1,867	880	1,414	2,118	1,393	1,150	649	630	721	767
Total liabilities	63,414	59,403	86,086	79,503	136,790	138,078	69,779	65,044	48,907	45,570	96,383	116,579
Capital												
Capital stock	1,901	1,858	1,718	1,443	5,163	5,068	2,609	2,318	1,464	1,640	2,883	3,243
Retained earnings	1,061	976	3,488	3,297	2,019	1,839	1,042	942	894	841	3,370	3,245
Accumulated other comprehensive income (loss)	96	112	118	112	123	114	280	220	32	26	337	318
Total capital (GAAP)	3,058	2,946	5,324	4,852	7,305	7,021	3,931	3,480	2,390	2,507	6,590	6,806
Total liabilities and capital	$ 66,472	$ 62,349	$ 91,410	$ 84,355	$ 144,095	$ 145,099	$ 73,710	$ 68,524	$ 51,297	$ 48,077	$ 102,973	$ 123,385
Regulatory capital	$ 3,126	$ 2,998	$ 5,519	$ 5,051	$ 7,459	$ 7,292	$ 3,657	$ 3,266	$ 2,362	$ 2,486	$ 6,480	$ 6,797

(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] 2018	Combined[1] 2017	Boston 2018	Boston 2017	New York 2018	New York 2017	Pittsburgh 2018	Pittsburgh 2017	Atlanta 2018	Atlanta 2017	Cincinnati 2018	Cincinnati 2017
Net interest income after provision (reversal) for credit losses	$ 1,340	$ 1,237	$ 77	$ 72	$ 212	$ 180	$ 120	$ 109	$ 143	$ 123	$ 130	$ 110
Non-interest income (loss)	40	28	16	—	—	1	12	6	19	18	(9)	(3)
Non-interest expense	331	314	21	22	37	33	22	21	44	36	20	21
Affordable Housing Program assessments	107	97	7	5	18	15	11	10	11	10	10	8
Net income (loss)	$ 942	$ 854	$ 65	$ 45	$ 157	$ 133	$ 99	$ 84	$ 107	$ 95	$ 91	$ 78

	Indianapolis 2018	Indianapolis 2017	Chicago 2018	Chicago 2017	Des Moines 2018	Des Moines 2017	Dallas 2018	Dallas 2017	Topeka 2018	Topeka 2017	San Francisco 2018	San Francisco 2017
Net interest income after provision (reversal) for credit losses	$ 73	$ 69	$ 127	$ 124	$ 156	$ 173	$ 81	$ 62	$ 68	$ 69	$ 153	$ 146
Non-interest income (loss)	(7)	(4)	6	5	7	4	(2)	6	(1)	5	7	(4)
Non-interest expense	23	19	47	43	36	30	23	23	20	18	46	51
Affordable Housing Program assessments	4	5	9	9	14	15	6	5	5	6	12	10
Net income (loss)	$ 39	$ 41	$ 77	$ 77	$ 113	$ 132	$ 50	$ 40	$ 42	$ 50	$ 102	$ 81

Nine Months Ended September 30,

(Dollars in millions)	Combined[1] 2018	Combined[1] 2017	Boston 2018	Boston 2017	New York 2018	New York 2017	Pittsburgh 2018	Pittsburgh 2017	Atlanta 2018	Atlanta 2017	Cincinnati 2018	Cincinnati 2017
Net interest income after provision (reversal) for credit losses	$ 3,936	$ 3,245	$ 236	$ 198	$ 612	$ 530	$ 343	$ 328	$ 409	$ 35	$ 377	$ 319
Non-interest income (loss)	103	557	19	1	(19)	6	22	26	67	349	(25)	(4)
Non-interest expense	954	1,006	63	63	106	165	66	66	112	100	64	60
Affordable Housing Program assessments	314	286	19	14	49	37	30	29	36	28	29	25
Net income (loss)	$ 2,771	$ 2,510	$ 173	$ 122	$ 438	$ 334	$ 269	$ 259	$ 328	$ 256	$ 259	$ 230

	Indianapolis 2018	Indianapolis 2017	Chicago 2018	Chicago 2017	Des Moines 2018	Des Moines 2017	Dallas 2018	Dallas 2017	Topeka 2018	Topeka 2017	San Francisco 2018	San Francisco 2017
Net interest income after provision (reversal) for credit losses	$ 213	$ 193	$ 383	$ 353	$ 480	$ 496	$ 225	$ 176	$ 203	$ 201	$ 455	$ 424
Non-interest income (loss)	29	(11)	15	31	23	45	1	22	(10)	14	4	92
Non-interest expense	68	59	135	129	101	93	69	66	52	49	138	170
Affordable Housing Program assessments	18	13	27	26	42	46	16	13	14	17	34	37
Net income (loss)	$ 156	$ 110	$ 236	$ 229	$ 360	$ 402	$ 141	$ 119	$ 127	$ 149	$ 287	$ 309

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