

FEDERAL HOME LOAN BANKS

Combined Financial Report for the Year Ended December 31, 2025

This Combined Financial Report provides financial information on the Federal Home Loan Banks. The Federal Home Loan Banks issue consolidated bonds and consolidated discount notes (collectively referred to as consolidated obligations). Consolidated obligations are joint and several obligations of all Federal Home Loan Banks, which means that each individual Federal Home Loan Bank is responsible for the payment of principal and interest on all consolidated obligations. Each Federal Home Loan Bank is a separately chartered entity with its own board of directors and management. There is no centralized, system-wide management or oversight by a single board of directors of the Federal Home Loan Banks.

Federal Home Loan Bank consolidated obligations are not obligations of the United States and are not guaranteed by the United States. No person other than the Federal Home Loan Banks will have any obligations or liability with respect to consolidated obligations.

The Securities Act of 1933, as amended, does not require the registration of consolidated obligations; therefore, no registration statement with respect to consolidated obligations has been filed with the U.S. Securities and Exchange Commission. Neither the U.S. Securities and Exchange Commission, nor the Federal Housing Finance Agency, nor any state securities commission has approved or disapproved of these consolidated obligations or determined if this report is truthful or complete.

Carefully consider the risk factors provided in this and other Combined Financial Reports of the Federal Home Loan Banks (collectively referred to as Combined Financial Reports). Neither the Combined Financial Reports nor any offering materials provided by, or on behalf of, the Federal Home Loan Banks describe all the risks of investing in consolidated obligations. Investors should consult with their financial and legal advisors about the risks of investing in consolidated obligations.

This Combined Financial Report is available on the Federal Home Loan Banks Office of Finance website at fhlb-of.com. This website address is provided as a matter of convenience only, and its contents are not made part of or incorporated by reference into this report.

Investors should direct questions about consolidated obligations or the Combined Financial Reports to the Federal Home Loan Banks Office of Finance at (703) 467-3600 or at info@fhlb-of.com.

This Combined Financial Report was issued on March 24, 2026.

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EXPLANATORY STATEMENT ABOUT FEDERAL HOME LOAN BANKS COMBINED FINANCIAL REPORT

The Federal Home Loan Banks (FHLBanks) are government-sponsored enterprises (GSEs), federally-chartered but privately capitalized and independently managed. The FHLBanks together with the Federal Home Loan Banks Office of Finance (Office of Finance) comprise the FHLBank System.

The Office of Finance is responsible for preparing the Combined Financial Reports of the FHLBanks. Each FHLBank is responsible for the financial information and underlying data it provides to the Office of Finance for inclusion in the Combined Financial Reports. The Office of Finance is responsible for combining the financial information it receives from each of the FHLBanks.

The Combined Financial Reports are intended to be used by investors in consolidated obligations (consolidated bonds and consolidated discount notes) of the FHLBanks as these are joint and several obligations of all FHLBanks. This Combined Financial Report is provided using combination accounting principles generally accepted in the United States of America. This combined presentation in no way indicates that these assets and liabilities are under joint management and control as each individual FHLBank manages its operations independently. Therefore, each FHLBank's business, risk profile, financial condition, and results of operations will vary from FHLBank to FHLBank.

Because of the FHLBank System's structure, the Office of Finance does not prepare consolidated financial statements. Consolidated financial statements are generally considered to be appropriate when a controlling financial interest rests directly or indirectly in one of the enterprises included in the consolidation, which is the case in a typical holding company structure where there is a parent company that owns, directly or indirectly, one or more subsidiaries. However, the FHLBanks do not have a parent company that controls each of the FHLBanks. Instead, each of the FHLBanks is owned by its respective members and certain former members.

Each FHLBank is a separately chartered cooperative with its own board of directors and management and is responsible for establishing its own accounting and financial reporting policies in accordance with accounting principles generally accepted in the United States of America (GAAP). Although the FHLBanks work together in an effort to achieve consistency on significant accounting policies, the FHLBanks' accounting and financial reporting policies and practices may vary because alternative policies and presentations are permitted under GAAP in certain circumstances. Statements in this report may be qualified by a term such as "generally," "primarily," "typically," or words of similar meaning to indicate that the statement is generally applicable, but may not be applicable to all FHLBanks or their transactions as a result of their different business practices and accounting and financial reporting policies under GAAP.

An investor may not be able to obtain easily a system-wide view of the FHLBanks' business, risk profile, and financial information because there is no centralized, system-wide management or centralized board of directors oversight of the individual FHLBanks. This decentralized structure is not conducive to preparing disclosures from a system-wide view in the same manner as is generally expected of U.S. Securities and Exchange Commission (SEC) registrants. For example, a conventional Management's Discussion and Analysis is not provided in this Combined Financial Report; instead, this report includes a "Financial Discussion and Analysis" prepared by the Office of Finance using information provided by each FHLBank.

Each FHLBank is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and must file periodic reports and other information with the SEC. Each FHLBank prepares an annual financial report, filed on SEC Form 10-K, quarterly financial reports, filed on SEC Form 10-Q, and current reports, filed on SEC Form 8-K. Those reports contain additional information that is not contained in this Combined Financial Report. An investor should review those reports and other available information on individual FHLBanks to obtain additional

detail on each FHLBank's business, risk profile, financial condition, results of operations, and accounting and financial reporting policies. Periodic reports and other information filed by each FHLBank with the SEC are made available on its website and on the SEC's website at [sec.gov](https://www.sec.gov). References to websites and to reports and other information filed by individual FHLBanks with the SEC are provided as a matter of convenience only, and their contents are not made part of or incorporated by reference into this report.

FORWARD-LOOKING INFORMATION

Statements contained in this report, including statements describing the objectives, projections, estimates, or predictions of the future of the FHLBanks and the Office of Finance, may be “forward-looking statements.” These statements may use forward-looking terminology, such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “projects,” “plans,” “may,” “should,” “will,” “would,” “likely,” “possible,” or their negatives or other variations on these terms. Investors should note that forward-looking statements, by their nature, involve risks or uncertainties, including those set forth in the [Risk Factors](#) section of this report. Therefore, the actual results could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized.

These forward-looking statements involve risks and uncertainties including, but not limited to, the following:

- changes in the general economy, money and capital markets, the rate of inflation (or deflation), employment rates, housing market activity and housing prices, the size and volatility of the residential mortgage market, and uncertainty regarding the global economy;
- levels and volatility of market prices, interest rates, and indices, including those that could affect the value of investments or collateral held by the FHLBanks;
- changes in monetary and fiscal policies;
- changes in liquidity in the financial markets;
- natural disasters, pandemics or other widespread health emergencies, terrorist attacks, cyber-attacks, civil unrest, geopolitical instability or conflicts, trade disruptions, such as those arising from tariffs imposed or proposed by the U.S. or its trading partners, economic or other sanctions, or other unanticipated or catastrophic events;
- executive, legislative, regulatory, judicial, or other developments that affect the FHLBanks, their members, counterparties, dealers of consolidated obligations, or investors in consolidated obligations, such as changes in the Federal Home Loan Bank Act of 1932, as amended (FHLBank Act), in the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, or in regulations that affect FHLBank operations, housing finance and GSE reform, and Federal Housing Finance Agency (FHFA) actions;
- the FHLBanks’ plans, intent, and ability to make or increase voluntary contributions to their Affordable Housing Program (AHP) or other housing and community investment initiatives;
- competitive forces, including other sources of funding available to FHLBank members and other entities borrowing funds in the capital markets;
- disruptions in the credit and debt markets and the effect on the FHLBanks’ funding costs, sources, and availability;
- changes in demand for FHLBank advances, including those resulting from changes in FHLBank members’ deposit flows and credit demands, from changes in liquidity in the financial markets, or from changes in regulatory requirements or supervisory expectations affecting FHLBank members;

- loss of members and repayment of advances made to those members due to institutional failures, consolidations, voluntary withdrawals, or involuntary terminations from FHLBank membership, and changes in the financial health of members;
- changes in investor demand for consolidated obligations, including short-term funding, or the terms of derivative transactions and similar transactions, including changes in the relative attractiveness of consolidated obligations as compared to other investment opportunities, changes in the availability of other investment opportunities, and changes in support from dealers of consolidated obligations;
- changes in the credit ratings or ratings outlook of the U.S. government or the FHLBanks;
- the availability of acceptable institutional counterparties for business transactions, including derivative transactions used to manage interest-rate risk;
- the ability to introduce new products and services and successfully manage the risks associated with those products and services, including new types of collateral used to secure advances;
- the pace of technological change and the ability to develop, secure, and support technology and information systems to effectively manage the risks, including information security; and
- the effect of new accounting guidance, including the development of supporting systems and related internal controls.

Neither the FHLBanks nor the Office of Finance undertakes any obligation to publicly update or revise any forward-looking statements contained in this Combined Financial Report, whether as a result of new information, future events, changed circumstances, or any other reason.

BUSINESS

General Information

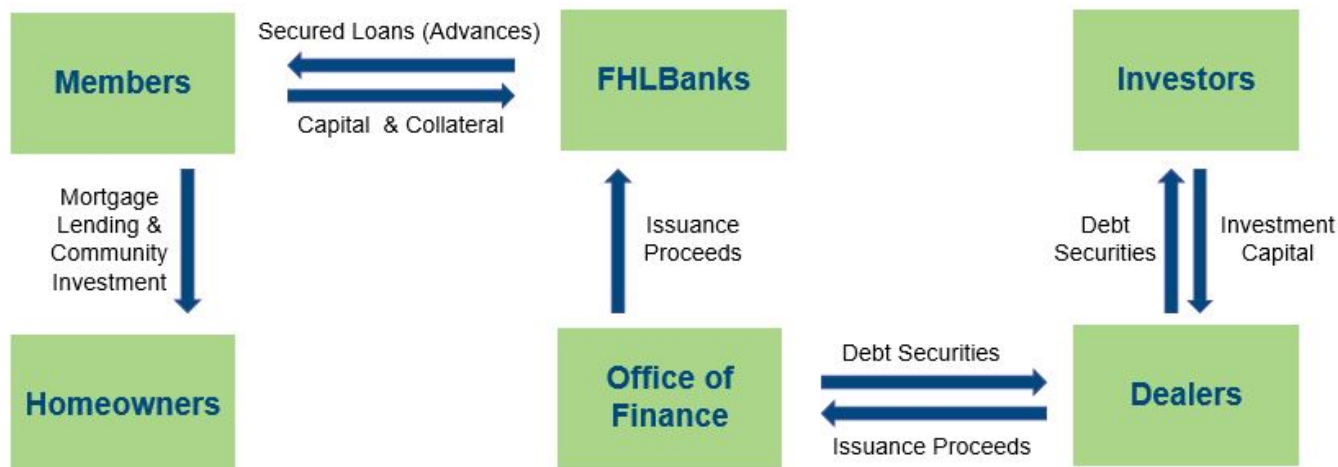
The 11 FHLBanks are GSEs, organized under the authority of the FHLBank Act. The Office of Finance is a joint office of the FHLBanks established to facilitate the issuance and servicing of debt instruments for the FHLBanks, known as consolidated obligations, and to prepare the quarterly and annual Combined Financial Reports of the FHLBanks. The FHLBanks and the Office of Finance are regulated by the FHFA. (See [Regulatory Oversight, Audits, and Examinations - FHLBanks' Regulator](#) for more information regarding the FHFA.)

The mission of the FHLBanks is to provide financial products and services to their members and housing associates, including, but not limited to, secured loans known as advances, that assist and enhance their financing of: (1) housing, including single-family and multi-family housing serving consumers at all income levels; and (2) community investment. As part of their mission, the FHLBanks serve as a reliable source of liquidity to their members throughout the economic cycle. (See [Other Mission-Related Activities](#) for additional information.) FHFA regulations require each FHLBank's board of directors to have in effect, at all times, a strategic business plan that describes how the significant business activities of that FHLBank will achieve its mission and public purposes consistent with its relevant statute and meet the FHFA's regulatory guidance related to core mission achievement. (See [Supplemental Information - Individual FHLBanks Selected Financial Data and Financial Ratios](#) for more information on each FHLBank's core mission asset ratio at December 31, 2025.)

The FHLBanks primarily serve the public by providing a readily available, competitively-priced source of funds to FHLBank members through advances. These funds may be used for, among other things, residential mortgages, community investments, and other services for housing and community development. In addition, the FHLBanks may provide members and housing associates with a means of enhancing liquidity by purchasing home mortgage loans through mortgage programs developed for their members. Members can also borrow from an FHLBank to fund low-income housing, thereby helping the members satisfy their regulatory requirements under the Community Reinvestment Act. Finally, the FHLBanks may offer their members a variety of other products and services, such as:

- correspondent banking, which includes security safekeeping, wire transfers, and settlements;
- cash management;
- letters of credit; and
- derivative intermediation.

The following illustrates the flow of funds relating to the making of advances to FHLBank members and the issuance of consolidated obligations, which are the principal source of funding for the FHLBanks.



Each FHLBank's funding is principally obtained from consolidated obligations, which are debt instruments issued through the Office of Finance on behalf of the FHLBanks. Each FHLBank is jointly and severally liable with the other FHLBanks for all consolidated obligations issued. Consolidated obligations are not obligations of the United States and are not guaranteed by the United States. Each FHLBank also raises funds through member deposits and the issuance of capital stock.

The FHLBanks are cooperatives that are privately and wholly owned by their members and certain former members (including non-members that own FHLBank capital stock as a result of merger or acquisition, relocation, charter termination, voluntary termination, or involuntary termination of an FHLBank member). Each FHLBank operates as a separate entity within a defined geographic region of the country, known as its district, with its own board of directors, management, and employees. As a condition of membership, each FHLBank member must purchase and maintain capital stock of its FHLBank. To the extent declared by an FHLBank's board of directors, a stockholder may receive dividends on its investment in its FHLBank's capital stock.

Membership in an FHLBank is voluntary and is generally limited to federally-insured depository institutions (including federally-insured depository community development financial institutions), insurance companies, and non-federally-insured depository community development financial institutions and non-depository community development financial institutions that have been certified by the U.S. Department of the Treasury's (U.S. Treasury) Community Development Financial Institutions Fund. Eligible non-depository community development financial institutions may include, for example, community development loan funds and community development venture capital funds. (See [Market for Capital Stock and Related Stockholder Matters](#) - Table 4 - Membership by Type of Member, which presents FHLBank membership by membership type.) Eligible institutions may generally only become members of the FHLBank whose district includes the location of the institution's principal place of business. Financial institution holding companies may have one or more subsidiaries, each of which may be a member of the same or a different FHLBank.

Each FHLBank conducts its credit and mortgage program businesses almost exclusively with its members and housing associates. An FHLBank may also have investments in interest-bearing deposits, securities purchased under agreements to resell, federal funds sold, and certificates of deposit, and may also purchase mortgage-backed securities and execute derivative transactions, with members, former members, or their affiliates. All of these transactions are executed at then-current market prices without preference to the status of the counterparty or the issuer of the investment as a member, former member, or affiliate.

The value of FHLBank membership includes access to readily available credit and other services from the FHLBanks and the value of the cost differential between an FHLBank's advances and other potential sources of funds, as well as the potential for dividends received on a member's investment in an FHLBank's capital stock. Due to the FHLBanks' cooperative structures, the FHLBanks generally earn a narrow net interest spread and historically have returned a portion of their net income to their stockholders in the form of dividends. Accordingly, the FHLBanks' net income and balance of retained earnings are relatively low as compared to total assets and total liabilities. (See [Selected Financial Data](#) for additional information.)

The primary source of each FHLBank's earnings is net interest income, which is the interest income on advances, mortgage loans, and investments, less the interest expense on consolidated obligations, deposits, and mandatorily redeemable capital stock. The expenses of the FHLBanks, other than interest expense, primarily consist of employee compensation and benefits, other operating expenses, voluntary housing and community investment expenses, and AHP assessments. The FHLBanks may also recognize non-interest gains and losses, such as gains and losses on derivatives and hedging activities and gains and losses on investment securities.

Advances

The FHLBanks provide funding to members and housing associates through secured loans known as advances. Advances are the FHLBanks' largest asset category on a combined basis and provide a reliable source of liquidity to members throughout the economic cycle, including during times of market stress. Each FHLBank makes advances based on the security of mortgage loans and other types of eligible collateral pledged by, and the creditworthiness and financial condition of, the borrowing institutions. (See [Financial Discussion and Analysis - Risk Management - Credit Risk - Advances](#) for additional information on advances collateral.) Access to FHLBank advances can reduce the amount of low-yielding liquid assets a member would otherwise hold to ensure the same amount of liquidity. Because members may originate loans that are not sold in the secondary mortgage market, FHLBank advances can serve as a funding source for a variety of mortgages, including those focused on very low- and low- or moderate-income households. In addition, FHLBank advances can provide interim funding for those members that choose to sell or securitize their mortgages. FHLBank advances can also be a source of funding to smaller lenders that may not have access to all of the funding options available to large financial institutions.

FHLBank credit products also aid members in asset and liability management. Each FHLBank develops its advance programs to meet the particular needs of its members and offers a wide range of fixed-rate and variable-rate advance products, with different maturities, interest rates, payment characteristics, and optionality. For example, an FHLBank may offer advances that have amortization schedules that are structured to match the maturity and payment characteristics of mortgage loans. These advances can reduce a member's interest-rate risk associated with holding long-term, fixed-rate mortgages. In addition, an FHLBank may make commitments for advances to a member covering a predefined period, which aids a member and an FHLBank in cash flow planning and enables members to reduce funding risk.

Each FHLBank may also offer specialized programs that provide members with access to below-market interest rate advances to create affordable homeownership and rental opportunities, and for commercial and economic development activities. (See [Other Mission-Related Activities](#) for more information.)

Advance Products

- **Fixed-Rate Advances.** These advances are available over a variety of terms and are used to fund both the short- and long-term liquidity needs of borrowers. Typically, interest is paid monthly or quarterly and the principal is paid at maturity.
- **Variable-Rate Advances.** These advances are available over a variety of terms and are used to fund both short- and long-term liquidity needs of borrowers. Variable-rate advances have interest rates that reset periodically based on specified indices, such as Secured Overnight Financing Rate (SOFR), or consolidated obligation yields. Typically, interest is paid monthly or quarterly and the principal is paid at maturity.
- **Hybrid Advances.** These advances contain a one-time option to embed either a floor or cap at any time during the life of the advance and may be either fixed- or variable-rate at the time of issuance.
- **Convertible Advances.** These advances allow an FHLBank to convert an advance from one interest-payment term structure to another. Fixed-rate to variable-rate convertible advances have a defined lockout period after which they convert to the current market rate or another structure. A convertible advance generally carries a lower initial interest rate than a comparable-maturity fixed-rate advance without the conversion feature. Variable- to fixed-rate convertible advances have a defined lockout period during which the interest rates adjust based on a spread to specified indices, such as SOFR, or consolidated obligation yields. At the end of the lockout period, these advances may convert to fixed-rate advances. The fixed rates on the converted advances are determined at origination.

- **Amortizing Advances.** These advances are medium- or long-term loans with amortization schedules. In addition, certain amortizing advances have amortization schedules that are structured to match the payment characteristics of a mortgage loan or portfolio of mortgage loans. The principal and interest are repaid monthly, quarterly, semi-annually, or annually over the term of the advances. Amortizing advances may be fully amortizing to the maturity date, or may have a balloon payment due at maturity.
- **Overnight Advances.** These advances are used primarily to fund the short-term liquidity needs of borrowers. An overnight advance may automatically renew until the member pays down the advance, or it may mature on the next business day. Interest rates are set daily.

In addition to these advance products, the FHLBanks' advance programs may include products with embedded option features, such as interest-rate caps, floors, and call and put options, advances with non-standard interest-rate indices, forward-starting advances, and advances with a combination of these, or other, features.

Advances to Housing Associates

The FHLBanks are permitted to provide advances to housing associates (including state and local housing authorities) that are approved mortgagees under Title II of the National Housing Act and that meet the following requirements:

- it is a chartered institution having succession;
- it is subject to the inspection and supervision of some governmental agency;
- its principal activity in the mortgage field consists of lending its own funds;
- its financial condition is such that advances may be safely made to the housing associate; and
- if it is a state housing financing agency (as defined by FHFA regulation), it shall provide satisfactory evidence that it functions as a source of mortgage loan financing in that state or for the Indian or Alaskan Native community.

Housing associates are not subject to certain provisions applicable to members under the FHLBank Act. For example, they are not required or permitted to purchase capital stock in an FHLBank. However, the regulatory lending requirements that apply to members generally also apply to housing associates. Advances to housing associates were \$759 million and \$917 million at December 31, 2025 and 2024.

Standby Letters of Credit

An FHLBank issues standby letters of credit on behalf of its members to support certain obligations of the members to third-party beneficiaries. These standby letters of credit are generally subject to the same collateralization and borrowing limits that are applicable to advances. Standby letters of credit may be offered to assist members and non-member housing associates in facilitating residential housing finance, community lending, and asset-liability management, and to provide liquidity. In particular, members often use standby letters of credit as collateral for deposits from federal, state, and local government agencies. Standby letters of credit are executed for members for a fee. If an FHLBank is required to make a payment for a beneficiary's draw, the member either reimburses the FHLBank for the amount drawn or, subject to the applicable FHLBank's discretion, the amount drawn may be converted into a collateralized advance to the member. (See [Note 15 - Commitments and Contingencies](#) to the accompanying combined financial statements for more information.)

Investments

The FHLBanks maintain investment portfolios for liquidity purposes and to generate additional earnings. The income from these investment portfolios also bolsters the FHLBanks' capacity to support affordable housing and community investment.

The FHLBanks maintain short-term investment portfolios, the proceeds of which may provide funds to meet the credit needs of their members and to maintain liquidity. Within their portfolios of short-term investments, the FHLBanks may have unsecured credit exposure on certain investments. These portfolios may include:

- interest-bearing deposits;
- securities purchased under agreements to resell;
- federal funds sold;
- certificates of deposit;
- U.S. Treasury obligations;
- other U.S. obligations; and
- GSE obligations.

The FHLBanks maintain long-term investment portfolios as an additional source of liquidity and to earn interest income. These investments generally provide the FHLBanks with higher returns than those available on short-term investments. These portfolios may include:

- U.S. Treasury obligations;
- other U.S. obligations;
- GSE obligations;
- other agency obligations; and
- other MBS and ABS.

FHFA regulations prohibit the FHLBanks from investing in certain types of securities and limit the FHLBanks' investment in mortgage-backed securities (MBS) and asset-backed securities (ABS). (See [Financial Discussion and Analysis - Combined Financial Condition - Investments](#) and [Financial Discussion and Analysis - Risk Management - Credit Risk - Investments](#) for information on these restrictions and limitations.)

Mortgage Loans

An FHLBank may have programs to purchase mortgage loans from members or housing associates called participating financial institutions (PFIs). These programs include the Mortgage Purchase Program (MPP), the Mortgage Partnership Finance® (MPF®) Program ("Mortgage Partnership Finance," "MPF," and "MPF Xtra®" are registered trademarks of the FHLBank of Chicago), and the Mortgage Asset Program ("MAP®", a registered trademark of the FHLBank of New York). Through these programs, an FHLBank invests principally in qualifying 15-year to 30-year conventional and government-guaranteed or -insured fixed-rate single-family mortgage loans (secured by four or fewer residential units) and participations in pools of these mortgage loans. Government-guaranteed or -insured mortgage loans are guaranteed or insured by the Federal Housing Administration, the Department of Veterans Affairs, the Rural Housing Service of the Department of Agriculture, or the U.S. Department of Housing and Urban Development (HUD).

An FHLBank may purchase mortgage loans to support the FHLBank's housing mission, provide an additional source of liquidity to its members, diversify its investments, and generate additional earnings. As such, these programs serve as a secondary mortgage structure for those FHLBank members originating mortgage loans that they choose to sell into the secondary mortgage market rather than hold in their own loan portfolios.

Each FHLBank manages the interest-rate risk, prepayment option risk, and liquidity risk of the fixed-rate mortgage loans in which it holds an interest, while the PFI generally manages the origination and servicing activities. For conventional mortgage loans held in an FHLBank's portfolio, the FHLBank and the PFI share in the credit risk pursuant to a master commitment because the PFI is required to provide a measure of credit-loss protection to the FHLBank(s) holding interests in loans generated by the PFI. For government-guaranteed or -insured mortgage loans, the servicer provides and maintains a guarantee or insurance from the applicable government agency. The servicer is responsible for compliance with all government agency requirements and for obtaining the benefit of the applicable guarantee or insurance with respect to defaulted government-guaranteed or -insured mortgage loans. Any losses incurred on these government-guaranteed or -insured mortgage loans that are not recovered from the issuer or the guarantor are absorbed by the servicer. (See [Note 6 - Mortgage Loans - Credit Enhancements](#) to the accompanying combined financial statements and [Financial Discussion and Analysis - Risk Management - Credit Risk - Mortgage Loans Held for Portfolio](#) for a detailed discussion of the credit enhancement and risk sharing arrangements and loan product information for these programs.)

MPP

Each FHLBank participating in the MPP (MPP FHLBank) may acquire mortgage loans from its approved PFIs, which can also be third-party servicers for the FHLBank's MPP loans. Each MPP FHLBank is responsible for operating its own program, including the marketing and funding of acquired loans, and establishing the loan origination, underwriting, and servicing criteria of the loans. An MPP FHLBank neither services the acquired loans, nor owns any servicing rights. However, an MPP FHLBank must approve any servicer, including a member-servicer, and any transfers of servicing to third parties. Each MPP FHLBank has engaged Rocket Companies, Inc., d/b/a Mr. Cooper, as the master servicer for its MPP.

MAP

The FHLBank of New York offers the MAP for its members to acquire mortgage loans from its PFIs, which can also be third-party servicers for the MAP loans. Existing MPF loans from its prior participation in the MPF Program continue to be held by the FHLBank of New York and supported by the FHLBank of Chicago as the MPF administrator. The FHLBank of New York engaged Rocket Companies, Inc., d/b/a Mr. Cooper, as the master servicer for the MAP.

MPF Program

The FHLBank of Chicago acts as the master servicer and administrator of the MPF Program and provides programmatic and operational support to the MPF FHLBanks and each of their PFIs. The FHLBank of Chicago has engaged a vendor for certain master servicing activities, including issuing periodic reports to the FHLBank of Chicago regarding PFI activity and MPF Program requirements. The PFIs can also be third-party servicers of MPF Program loans. As of December 31, 2025, there were four MPF Program portfolio products (MPF Original, MPF 125, MPF 35, and MPF Government) under which an MPF FHLBank purchases loans from a PFI.

In addition to offering the MPF products above, the FHLBank of Chicago purchases eligible mortgage loans from PFIs located in its district, and in other MPF FHLBank districts, under the MPF Xtra and the MPF Government MBS products. PFIs are not required to provide credit enhancement and do not receive credit enhancement fees in connection with these off-balance sheet mortgage loan products. Upon purchase from PFIs, the FHLBank of Chicago concurrently sells mortgage loans to Fannie Mae under the MPF Xtra product. Under the MPF Government MBS product, the FHLBank of Chicago aggregates government-guaranteed or -insured mortgage loans, which are classified as mortgage loans held for sale for a short period of time until securitized as Ginnie Mae MBS. (See [Note 1 - Summary of Significant Accounting Policies](#) to the accompanying combined financial statements for additional information.)

Consolidated Obligations

Consolidated obligations consist of consolidated bonds and consolidated discount notes, which are joint and several obligations of all FHLBanks, issued through the Office of Finance as their agent. Consolidated obligations are the FHLBanks' largest liability category on a combined basis and are the principal funding source used by the FHLBanks to make advances and to purchase mortgage loans and investments.

The debt structures and maturities of consolidated obligations issued by the FHLBanks are generally driven by market conditions, cost of specific debt issuance, or desired maturity terms. All consolidated obligations are issued through the Office of Finance on behalf of the FHLBanks. The Office of Finance can issue consolidated obligations only when an FHLBank provides a request for and agrees to accept the funds. An FHLBank is generally prohibited by regulation from purchasing, directly or indirectly, securities issued through the Office of Finance upon their initial issuance. The FHFA and the Secretary of the Treasury have oversight over the issuance of FHLBank debt.

The capital markets have generally considered the FHLBanks' consolidated obligations to be agency debt. As a result, although the U.S. government does not guarantee the FHLBanks' debt securities, the FHLBanks have historically had ready access to funding at relatively favorable rates. The FHLBanks' ability to access the capital markets through the issuance of consolidated obligations, using a variety of debt structures and maturities, allows the FHLBanks to manage their balance sheets effectively and efficiently. (See [Financial Discussion and Analysis - External Credit Ratings](#) for information about the credit ratings associated with the FHLBanks' consolidated obligations as well as the credit rating of each individual FHLBank.)

Interest Rates. Consolidated obligations can be issued with either fixed-rate coupon payment terms or variable-rate coupon payment terms that are indexed to specified indices, such as SOFR. The FHLBanks may issue variable-rate consolidated bonds and simultaneously execute interest-rate swaps to manage the interest-rate risk of the variable-rate debt. (See [Note 7 - Derivatives and Hedging Activities](#) to the accompanying combined financial statements.)

Derivative Transactions. An FHLBank may enter into derivative transactions concurrently with the issuances of consolidated obligations to hedge the interest-rate risk associated with its debt issuances. This strategy of issuing consolidated obligations while simultaneously entering into derivatives enables an FHLBank to offer a wider range of competitively-priced advances to its members and allows an FHLBank to manage its funding costs and associated interest-rate risk. Each FHLBank transacts most of its derivatives with counterparties that are large banks and major broker-dealers. Some of these banks and broker-dealers, or their affiliates, may buy, sell, and distribute consolidated obligations.

Other Transactions and Services. Certain securities dealers and banks or their affiliates enter into other transactions with, and perform other services for, the FHLBanks. These services include the purchase and sale of investment securities. In some cases, some or all of the net proceeds from an issue of consolidated obligations may be loaned to a member that is affiliated with the securities dealer involved in underwriting that issue.

Joint and Several Liability. Although each FHLBank is primarily liable for its portion of consolidated obligations (i.e., those issued on its behalf), each FHLBank is also jointly and severally liable with the other FHLBanks for the payment of principal and interest on all consolidated obligations of the FHLBanks. The FHFA, at its discretion, may require any FHLBank to make principal or interest payments due on any consolidated obligation whether or not the consolidated obligation represents a primary liability of that FHLBank. Although an FHLBank has never made the principal or interest payments due on a consolidated obligation on behalf of another FHLBank, if that event should occur, FHFA regulations provide that the paying FHLBank is entitled to reimbursement from the FHLBank that is primarily liable for that consolidated obligation for any payments and other associated costs, including interest to be determined by the FHFA. If, however, that FHLBank is unable to satisfy its repayment obligations,

then the FHFA may allocate the outstanding liabilities of that FHLBank among the remaining FHLBanks on a pro-rata basis in proportion to each FHLBank's participation in all consolidated obligations outstanding or in any other manner it may determine to ensure that the FHLBanks operate in a safe and sound manner.

Regulatory Requirements. FHFA regulations require that each FHLBank maintain the following types of assets, free from any lien or pledge, in an amount at least equal to a pro-rata share of the total amount of currently outstanding consolidated obligations and equal to that FHLBank's participation in all such consolidated obligations outstanding:

- cash;
- obligations of or fully guaranteed by the United States;
- secured advances;
- mortgages which have any guaranty, insurance, or commitment from the United States or any agency of the United States; and
- investments described in Section 16(a) of the FHLBank Act (i.e., direct obligations of the United States; obligations, participations, or other instruments of or issued by Fannie Mae or Ginnie Mae; mortgages, obligations, or other securities which are or ever have been sold by Freddie Mac; and such securities as fiduciary and trust funds may invest in under the laws of the state in which the FHLBank is located).

Any assets subject to a lien or pledge for the benefit of the holders of any issue of consolidated obligations are treated as if they were free from lien or pledge for purposes of compliance with these regulations. In addition, each FHLBank must adhere to the leverage limits set by the FHLBank Act and the regulatory limits set by the FHFA. At December 31, 2025, each FHLBank was in compliance with these requirements.

Consolidated Discount Notes

Investor demand for short-term securities (one year or less) may be met through FHLBank discount note programs. Discount notes are offered to the market through the discount note window or through regularly scheduled competitive auctions.

Discount Note Window. On a daily basis, through the discount note window, the FHLBanks may request that specific amounts of consolidated discount notes with specific maturity dates be offered by the Office of Finance for sale through approved dealers, or directly to approved institutional investors without the use of a dealer of consolidated obligations. Discount notes issued through the discount note window are generally available with same day, next business day, and two or more business days settlement. Consolidated discount notes have a maturity range of one day to one year, are generally issued below face value, and mature at face value. Rates and maturity categories for the discount note window are set frequently and announced to dealers of consolidated obligations on the Office of Finance's public website, over a nationally recognized financial news service, or through an electronic communication medium. The Office of Finance commits to issue consolidated discount notes on behalf of the requesting FHLBanks after dealers submit orders for the specific consolidated discount notes offered for sale. The FHLBanks receive funding based on the time of their request, the rate requested for issuance, the trade date, the settlement date, and the maturity date. However, an FHLBank may receive less than its requested funding (or may not receive any funding) because of investor demand or competing requests from other FHLBanks for the same funding.

Auctions. Twice weekly, one or more of the FHLBanks may also request that specific amounts of consolidated discount notes with fixed maturities of 4, 8, 13, 17, and 26 weeks be offered by the Office of Finance through single-price (Dutch) auctions conducted with securities dealers in the consolidated discount note bidding group. Issuance is contingent on FHLBank demand for funding with these terms. Discount notes issued through the auction are available with next business day settlement. Auction sizes and maturity categories are announced to dealers of consolidated obligations during the auction process on the Office of Finance's public website, over a

nationally recognized financial news service, or through an electronic communication medium. The consolidated discount notes offered for sale through Dutch auctions are not subject to a limit on the maximum costs the FHLBanks are willing to pay. Bids will be accepted from the lowest bid rate until the auction size is met, and all winning bids will be awarded at the highest bid rate accepted. The FHLBanks receive funding based on their requests at the highest bid rate accepted. If the bids submitted are less than the total of the FHLBanks' requests, an FHLBank receives funding based on that FHLBank's regulatory capital relative to the regulatory capital of other FHLBanks offering consolidated discount notes.

Consolidated Bonds

Consolidated bonds may be issued to raise short-, intermediate-, or long-term funds for the FHLBanks. Consolidated bonds are issued with either fixed-rate coupon payment terms or variable-rate coupon payment terms and typically have maturities ranging from three months to 30 years. To meet the specific needs of both the FHLBanks and certain investors in consolidated obligations, both fixed-rate and variable-rate consolidated bonds may contain features that result in complex coupon payment terms and call options. Consolidated bonds can be issued and distributed through negotiated or competitive bidding (auction) transactions with approved dealers or directly to approved institutional investors without the use of a dealer of consolidated obligations.

Negotiated Transactions

Reverse Inquiry. The FHLBanks may issue fixed-rate non-callable (bullet), floating-rate, callable, step-up/step-down, and other types of bonds through negotiated bond transactions. These transactions are flexible and can be investor-customized with different interest-rate characteristics, terms, and, for bonds issued under the Global Debt Program, currencies. Dealers of consolidated obligations contact the Office of Finance or the FHLBanks directly if there is a bond structure they need to meet investor demand.

Syndicated. The FHLBanks may issue bonds (e.g., SOFR-linked floating-rate notes) on a syndicated basis through a group of approved dealers selected by the FHLBanks.

Mandated Global. The FHLBanks may issue large, liquid bullet bonds through the Global Debt Program (mandated global bullets) to expand their pool of investors, while diversifying their funding sources. Mandated global bullets are issued through a formal dealer syndicate following pre-announced calendar issuance dates. The FHLBanks and the Office of Finance maintain a debt issuance process for scheduled issuance of mandated global bullets. As part of this process, management from each FHLBank will determine and communicate a firm commitment to the Office of Finance for an amount of scheduled mandated global bullet debt to be issued on its behalf. If the FHLBanks' commitments either exceed or fail to meet the minimum debt issue size, the proceeds are allocated among the FHLBanks based on established allocation methodologies. The FHLBanks can, however, pass on any scheduled calendar slot and decline to issue any mandated global bullets upon agreement of a minimum number of the FHLBanks.

Competitive Bidding (Auction) Transactions

TAP Issue Program. The FHLBanks use the TAP Issue Program to issue fixed-rate, non-callable bonds with specific maturities that may be reopened daily through a Dutch award method through a designated TAP bidding group. The goal of the TAP Issue Program is to aggregate frequent smaller fixed-rate funding needs into a larger bond issue that may have greater market liquidity.

Callables. American-style, and potentially other callable bonds, may be auctioned through the callable bidding group.

Mandated Global Reopenings. Individual mandated global bullet bonds may be reopened on any pre-announced calendar issuance date through a Dutch award method through a designated bidding group.

Window Transactions

Floating-Rate Note Window. The FHLBanks may offer non-callable and callable floating-rate notes (currently limited to SOFR-linked floating-rate notes) through an electronic application referred to as the floating-rate note window, which is available to approved dealers. SOFR-linked floating-rate notes offered through the floating-rate note window are typically available with two business days settlement (although other settlements are possible). SOFR-linked floating-rate notes typically have a maturity of three months or longer and are generally issued and mature at face value. SOFR-linked floating-rate notes may be callable in whole or in part at face value. Rates and maturity categories for the floating-rate note window are typically set in the morning and announced on the Office of Finance's public website, over a nationally recognized financial news service, or through an electronic communication medium. The Office of Finance commits to issue SOFR-linked floating-rate notes on behalf of the requesting FHLBanks after dealers submit orders for the specific SOFR-linked floating-rate notes offered for sale. The FHLBanks receive funding based on the time of their request, the rate requested for issuance, the trade date, the settlement date, and the maturity date. However, an FHLBank may receive less than its requested funding (or may not receive any funding) because of investor demand or competing requests from other FHLBanks for the same funding. In addition, dealers may contact the Office of Finance through reverse inquiry if there is a SOFR-linked floating-rate note structure they need to meet investor demand.

Deposits

The FHLBanks offer demand and overnight deposit programs to members and qualifying non-members. In addition, certain FHLBanks offer short-term interest-bearing deposit programs to members, and in certain cases, qualifying non-members. The FHLBank Act and FHFA regulations allow each FHLBank to accept deposits from:

- its members;
- any institution for which it is providing correspondent services;
- other FHLBanks; and
- other U.S. government instrumentalities.

Deposit programs, although not as significant as other funding sources, provide some of the funding resources for the FHLBanks including funding for advances, mortgage loans, and investments. At the same time, they offer members a low-risk earning asset that satisfies their regulatory liquidity requirements.

Capital, Capital Rules, and Dividends

Capital Structure

Each FHLBank is permitted to issue one or two classes of capital stock, each with sub-classes. Class A capital stock (Class A stock) is redeemable on six-months written notice from a member and Class B capital stock (Class B stock) is redeemable on five-years written notice from a member. If a member withdraws its membership in an FHLBank, or otherwise has had its membership terminated, it may not acquire shares of any FHLBank for five years after the date on which its divestiture of capital stock is completed. This restriction does not apply if the member is transferring its membership from one FHLBank to another FHLBank on an uninterrupted basis. The FHFA's regulation that implements a capital structure for the FHLBanks also establishes risk-based and leverage capital requirements for the FHLBanks. (See [Note 11 - Capital](#) to the accompanying combined financial statements for additional information.)

Capital Adequacy

Each FHLBank is required to ensure that it operates in a safe and sound manner, with sufficient permanent capital and reserves to manage risks that arise in the operations and management of that FHLBank. Each FHLBank is subject to these three regulatory capital requirements: risk-based capital, regulatory capital, and leverage capital. The FHFA may require an FHLBank to maintain greater minimum capital levels than are required based on FHFA rules and regulations. Each FHLBank was in compliance with FHFA regulatory capital requirements at December 31, 2025.

Risk-Based Capital. Permanent capital for each FHLBank is defined as the amount paid-in for Class B stock, plus the amount of an FHLBank's retained earnings, as determined in accordance with GAAP. Mandatorily redeemable capital stock is considered capital for regulatory purposes. Each FHLBank must maintain at all times permanent capital in an amount at least equal to the sum of its credit risk, market risk, and operational risk capital requirements, all of which are calculated in accordance with the rules and regulations of the FHFA.

Credit Risk. Each FHLBank's credit risk capital must at all times equal the sum of its credit risk capital charges for all advances, residential mortgage assets, non-mortgage assets, certain other assets, off-balance sheet items, and derivative contracts. These computations are based on, among other requirements, the credit risk percentages assigned to each item as required by the FHFA.

Market Risk. Each FHLBank's market risk capital must at all times equal the market value of its portfolio at risk from market movements, primarily interest rates, that could occur during times of market stress. Each FHLBank must calculate the market value of its portfolio at risk by using either an internal market risk model or an internal cash flow model approved by the FHFA. Although each FHLBank models its own market risk, the FHFA has reviewed and approved the modeling approach and underlying assumptions used by each FHLBank and reviews these modeling approaches on an ongoing basis.

Operational Risk. Each FHLBank's operational risk capital must at all times equal 30% of the sum of its credit risk and market risk capital requirements. The FHFA can approve a reduction in this percentage if an FHLBank meets alternative requirements.

Regulatory Capital. Each FHLBank must maintain at all times a regulatory capital-to-assets ratio of at least four percent. Capital for regulatory capital adequacy purposes is defined as the sum of each FHLBank's:

- permanent capital;
- amounts paid-in for Class A stock;
- general loss allowance, if consistent with GAAP and not established for specific assets; and
- other amounts from sources determined by the FHFA as available to absorb losses.

Leverage Capital. Each FHLBank must maintain at all times a leverage capital-to-assets ratio of at least five percent. Leverage capital is defined as the sum of permanent capital weighted 1.5 times and all other components of total capital.

Summary of Individual FHLBank's Capital Plan Structure

Single Class of Class B Stock. Each of the FHLBanks of Boston, Cincinnati, and San Francisco offers a single class of Class B stock. Each of these FHLBanks requires its members to maintain a membership and/or activity-based stock balance based on the terms of the respective FHLBank's capital plan.

Sub-Classes of Class B Stock. Each of the FHLBanks of New York, Pittsburgh, Indianapolis, Chicago, Des Moines, and Dallas offers two sub-classes of Class B stock, which represent either membership or activity-based stock requirements based on the terms of the respective FHLBank's capital plan. The two sub-classes of Class B stockholders may or may not have the same voting rights and dividend rates, which are based on the terms of the respective FHLBank's capital plan.

The FHLBank of Atlanta offers three sub-classes of Class B stock, which represent either membership or advances activity-based stock requirement or standby letters of credit activity-based stock requirement based on the terms of the FHLBank of Atlanta's capital plan. The three sub-classes of Class B stockholders may or may not have the same voting rights and dividend rates for each class of stock, which are based on the terms of the FHLBank of Atlanta's capital plan.

Class A and Class B Stock. The FHLBank of Topeka offers a single series of Class A stock and a single series of Class B stock. Usage of Class A stock and Class B stock to meet membership and activity-based requirements, as well as dividend rates and voting rights for each class of stock, are determined based on the terms of the FHLBank of Topeka's capital plan.

Capital Classification Determination

In accordance with the Housing and Economic Recovery Act of 2008, as amended (Housing Act), the FHFA defines four capital classifications for the FHLBanks: adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized. It also defines the prompt corrective action provisions that apply to an FHLBank that is deemed to be not adequately capitalized. The FHFA determines each FHLBank's capital classification on at least a quarterly basis. If an FHLBank is determined to be other than adequately capitalized, that FHLBank becomes subject to additional supervisory authority by the FHFA. Before implementing a reclassification, the Director of the FHFA is required to provide that FHLBank with written notice of the proposed action and an opportunity to submit a response. Each FHLBank is classified by the FHFA as adequately capitalized as of the date of the FHFA's most recent notification to each FHLBank.

Mandatorily Redeemable Capital Stock

An FHLBank generally reclassifies capital stock subject to redemption from capital to a mandatorily redeemable capital stock liability upon expiration of a grace period, if applicable, after a member exercises a written redemption right, or gives notice of intent to withdraw from membership, or attains non-member status by merger or acquisition, relocation, charter termination, or involuntary termination of membership. Shares of capital stock meeting these definitions are reclassified to mandatorily redeemable capital stock at fair value. The fair value of capital stock subject to mandatory redemption is generally equal to its par value as indicated by contemporaneous member purchases and sales at par value. Fair value also includes an estimated dividend earned at the time of reclassification from capital to a liability, until such amount is paid, and any subsequently declared dividend. Dividends related to capital stock classified as mandatorily redeemable capital stock are accrued at the expected dividend rate and reported as interest expense on the Combined Statements of Income.

Statutory and Regulatory Restrictions on Capital Stock Redemptions and Repurchases

Each class of FHLBank stock is considered putable by the member, and an FHLBank may repurchase, at its sole discretion, any member's stock investments that exceed the required minimum amount. However, there are significant statutory and regulatory restrictions on the obligation to redeem, or right to repurchase, the outstanding stock. As a result, whether or not a member may have its capital stock in an FHLBank repurchased (at an FHLBank's discretion at any time before the end of the redemption period) or redeemed (at a member's request, completed at the end of a redemption period) will depend on whether the applicable FHLBank is in compliance with the following restrictions.

- An FHLBank may not redeem or repurchase any capital stock if, following such redemption or repurchase, the FHLBank would fail to satisfy any of its minimum capital requirements. No FHLBank stock may be redeemed or repurchased if the FHLBank becomes undercapitalized.
- An FHLBank may not redeem or repurchase any capital stock without approval of the FHFA if either its board of directors or the FHFA determines that it has incurred, or is likely to incur, losses resulting, or expected to result, in a charge against capital while such charges are continuing or expected to continue.
- An FHLBank's board of directors can suspend redemptions of stock if it determines that redemptions would result in the FHLBank failing to maintain adequate capital considering risks faced by the FHLBank or would otherwise prevent the FHLBank from operating in a safe and sound manner.

These restrictions apply even if an FHLBank is in compliance with its minimum capital requirements. As a result, repurchases or redemptions of a member's capital stock in an FHLBank may only happen when the FHLBank is in compliance with its three regulatory capital requirements (risk-based capital, regulatory capital, and leverage capital). In addition, an individual FHLBank may, at its discretion, institute a higher capital requirement to meet internally-established thresholds or to address supervisory matters, limit dividend payments, or restrict excess capital stock repurchases as part of its retained earnings policies.

Additionally, an FHLBank may not redeem or repurchase shares of capital stock from any of its members if:

- the principal or interest due on any consolidated obligation has not been paid in full when due;
- the FHLBank fails to certify in writing to the FHFA that it will remain in compliance with its liquidity requirements and will remain capable of making full and timely payment of all of its current obligations;
- the FHLBank notifies the FHFA that it cannot provide the foregoing certification, projects it will fail to comply with statutory or regulatory liquidity requirements, or will be unable to timely and fully meet all of its obligations; or
- the FHLBank actually fails to comply with statutory or regulatory liquidity requirements, or to timely and fully meet all of its current obligations, or enters or negotiates to enter into an agreement with one or more FHLBanks to obtain financial assistance to meet its current obligations.

If an FHLBank is liquidated, after payment in full to the FHLBank's creditors, the FHLBank's stockholders will be entitled to receive the par value of their capital stock to the extent sufficient funds remain. The rights of the Class A stockholders and the Class B stockholders in connection with a liquidation, merger, or other consolidation with another FHLBank shall be determined in accordance with the capital plan of the affected FHLBank, subject to any terms and conditions imposed by the FHFA.

In addition to possessing the authority to suspend stock redemptions, in certain situations, an FHLBank's board of directors has the right to call for the FHLBank's members, as a condition of membership, to make additional capital stock purchases as needed to satisfy statutory and regulatory capital requirements.

Each FHLBank's board of directors has a statutory obligation to review and adjust member capital stock requirements in order to comply with the FHLBank's minimum capital requirements, and each member must comply promptly with any such requirement. However, in certain scenarios, a member could reduce its outstanding business with an FHLBank as an alternative to purchasing stock.

If, during the period between receipt of a stock redemption notification from a member and the actual redemption (which may last indefinitely if an FHLBank is undercapitalized), an FHLBank is either liquidated or forced to merge with another FHLBank, the redemption value of the stock will be established after the settlement of all senior claims. Generally, no claims would be subordinated to the rights of FHLBank stockholders.

Dividends and Retained Earnings

According to FHFA regulations and the terms of the Joint Capital Enhancement Agreement, as amended by and among the FHLBanks (Capital Agreement), an FHLBank's board of directors may declare and pay dividends, in either cash or capital stock, from unrestricted retained earnings or current net income not required to be added to restricted retained earnings. An FHLBank is prohibited from paying a dividend if it has failed to meet any capital requirements or would fail to meet any such requirements after paying the dividend. FHFA regulations also limit the ability of an FHLBank to create excess capital stock under certain circumstances. The FHLBanks define excess capital stock as the amount of stock held by a member (or former member) in excess of that institution's minimum stock ownership requirement. An FHLBank may not pay dividends in the form of capital stock or issue new excess capital

stock to members if that FHLBank's excess capital stock exceeds one percent of its total assets, or if the issuance of excess capital stock would cause that FHLBank's excess capital stock to exceed one percent of its total assets.

The Capital Agreement is intended to enhance the capital position of each FHLBank. The Capital Agreement provides that each FHLBank will, on a quarterly basis, allocate 20% of its net income to a separate restricted retained earnings account until the balance of that account, calculated as of the last day of each calendar quarter, equals at least one percent of that FHLBank's average balance of outstanding consolidated obligations for the calendar quarter. These restricted retained earnings are not available to pay dividends. Additionally, the Capital Agreement provides that amounts in restricted retained earnings in excess of 150% of an FHLBank's restricted retained earnings minimum (i.e., one percent of that FHLBank's average balance of outstanding consolidated obligations calculated as of the last day of each calendar quarter) may be released from restricted retained earnings.

Use of Derivatives

The use of derivatives is an integral part of each FHLBank's financial and risk management strategy to reduce identified risks inherent in its lending, investing, and funding activities. The FHLBanks are exposed to interest-rate risk primarily from the effect of interest rate changes on their interest-earning assets and their interest-bearing liabilities that finance these assets. To mitigate the risk of loss, each FHLBank has established policies and procedures, which include guidelines on the amount of exposure to interest rate changes it is willing to accept. In addition, each FHLBank monitors the risk to its interest income, net interest margin, and average maturity of interest-earning assets and interest-bearing liabilities. FHFA regulation and each FHLBank's risk management policy prohibit the speculative use of derivative instruments and limit credit risk arising from these instruments. The FHLBanks primarily use the following derivative instruments: interest-rate swaps, options, swaptions, interest-rate cap and floor agreements, and futures and forward contracts. The most common ways in which an FHLBank uses derivatives are to:

- reduce the interest-rate sensitivity and repricing gaps of assets and liabilities;
- preserve a favorable interest-rate spread between the yield of an asset (e.g., an advance) and the cost of the related liability (e.g., the consolidated obligation used to fund the advance);
- mitigate the adverse earnings effects of the shortening or extension of certain assets (e.g., advances or mortgage assets) and liabilities;
- manage embedded options in assets and liabilities;
- reduce funding costs by combining a derivative with a consolidated obligation because the cost of a combined funding structure can be lower than the cost of a comparable consolidated obligation; and
- protect the value of existing asset or liability positions or of anticipated transactions.

Each FHLBank transacts most of its derivatives with counterparties that are large banks and major broker-dealers. Some of these banks and broker-dealers, or their affiliates, buy, sell, and distribute consolidated obligations. An FHLBank may enter into derivative transactions concurrently with the issuance of consolidated obligations. This strategy of issuing consolidated obligations while simultaneously entering into derivatives enables an FHLBank to offer a wider range of competitively-priced advances to its members and allows an FHLBank to manage its funding costs and associated interest-rate risk. The continued attractiveness of this strategy depends on the yield relationship between an FHLBank's consolidated obligations and the derivatives market. If conditions change, an FHLBank may alter the types or terms of the consolidated obligations that it issues. (See [Note 7 - Derivatives and Hedging Activities](#) to the accompanying combined financial statements, [Financial Discussion and Analysis - Risk Management - Credit Risk - Derivative Counterparties](#) for information on credit exposure on derivatives, and

[Quantitative and Qualitative Disclosures about Market Risk - Use of Derivatives to Manage Interest-Rate Risk](#) for information on the use of derivatives to manage interest-rate risk.)

Regulatory Oversight, Audits, and Examinations

The business of each of the FHLBanks and the Office of Finance is subject to extensive regulation and supervision. The laws and regulations to which the FHLBanks and the Office of Finance are subject cover all key aspects of their business, and directly and indirectly affect the FHLBanks' product and service offerings, pricing, competitive position and strategic plan, relationship with members and third parties, capital structure, cash needs and uses, and information security. As discussed throughout this Combined Financial Report, these laws and regulations have a significant effect on key drivers of the FHLBanks' financial condition and results of operations, including, for example, their capital and liquidity, product and service offerings, risk management, and costs of compliance. (See [Financial Discussion and Analysis - Legislative and Regulatory Developments](#) and [Risk Factors - Business Risk - Legislative and Regulatory](#) for more information.)

FHLBanks' Regulator

The FHFA, an independent agency in the executive branch of the U.S. government, supervises and regulates the FHLBanks and the Office of Finance. The FHFA has regulatory authority over FHLBank matters such as: board of directors composition, executive compensation, risk-based capital standards and prompt corrective action enforcement provisions, membership eligibility, affordable housing goals, and the FHLBank affordable housing and community investment programs. The FHFA's mission, with respect to the FHLBanks, is to ensure the FHLBanks fulfill their mission by operating in a safe and sound manner to serve as a reliable source of liquidity and funding for the housing finance market throughout the economic cycle. (See [Note 11 - Capital](#) to the accompanying combined financial statements and [Financial Discussion and Analysis - Legislative and Regulatory Developments](#) for more information regarding the FHFA's regulatory actions.)

To carry out those responsibilities, the FHFA conducts ongoing monitoring and targeted examinations of each of the FHLBanks and the Office of Finance. The FHFA also requires each of the FHLBanks to submit monthly financial information on its financial condition and results of operations. The FHFA is required to present the findings of the agency's examinations of the FHLBanks and the Office of Finance to the U.S. Congress.

The FHFA is headed by a Director appointed by the President of the United States, by and with the advice and consent of the U.S. Senate, to serve a five-year term (unless removed by the President or the Director voluntarily resigns before the end of the term). The Director of the FHFA, by statute, must have a demonstrated understanding of financial management or oversight and have a demonstrated understanding of mortgage securities markets and housing finance.

The Federal Housing Finance Oversight Board advises the Director of the FHFA about overall strategies and policies for executing the duties of the Director of the FHFA. The Federal Housing Finance Oversight Board is comprised of four board members: the Secretary of the Treasury, the Secretary of HUD, the Chair of the SEC, and the Director of the FHFA, who serves as the chairperson of the board. The FHFA is financed by assessments from the entities it regulates, including the FHLBanks. No tax dollars or other government appropriations are directed to support the operations of the FHFA or the FHLBanks.

The principal duties of the Director of the FHFA, with respect to the FHLBanks, are the following:

- to oversee the prudential operations of the FHLBanks;
- to ensure that each FHLBank operates in a safe and sound manner, including maintenance of adequate capital and internal controls;

- to ensure that the operations and activities of each FHLBank foster liquid, efficient, competitive, and resilient national housing finance markets (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities);
- to ensure that each FHLBank complies with the applicable rules, regulations, guidelines, and orders;
- to ensure that each FHLBank carries out its statutory mission; and
- to ensure that the activities of each FHLBank and the manner in which each FHLBank is operated are consistent with the public interest.

The FHFA is located at 400 7th Street, SW, Washington, D.C. 20219, and its website is fhfa.gov. This website is provided as a matter of convenience only, and its contents are not made part of or incorporated by reference into this report.

Government Corporation Control Act

The Government Corporation Control Act provides that, before a government corporation issues and offers obligations to the public, the Secretary of the Treasury shall prescribe the form, denomination, maturity, interest rate, and conditions to which the obligations will be subject; the method and time issued; and the selling price. The FHLBanks meet the definition of government corporations under the Government Corporation Control Act.

An independent registered public accounting firm audits the annual financial statements of each FHLBank and the annual combined financial statements of the FHLBanks prepared by the Office of Finance. The accounting firm conducts the audit of each FHLBank in accordance with the standards of the Public Company Accounting Oversight Board and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The accounting firm conducts the audit of the annual combined financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Each FHLBank is required to submit an annual management report to the U.S. Congress, which includes its financial statements, the report of its independent accounting firm on its financial statements, a statement on its internal accounting and administrative control systems, and other comments and information necessary to inform the U.S. Congress about its operations and financial condition. In addition, each FHLBank is required to provide a copy of that report to the President of the United States, the Director of the Office of Management and Budget, and the Comptroller General of the United States.

The Government Corporation Control Act provides that the Comptroller General of the United States may review any audit of the financial statements of an FHLBank conducted by an independent registered public accounting firm and shall report to the U.S. Congress, the Director of the Office of Management and Budget, and the FHLBank under review regarding the results of the review and make any recommendation the Comptroller General of the United States considers appropriate. The Comptroller General of the United States may also audit the financial statements of an FHLBank at the discretion of the Comptroller General or at the request of a committee of the U.S. Congress.

Other Mission-Related Activities

In addition to supporting residential mortgage lending, one of the FHLBanks' core missions is to support affordable housing and community investment. A number of programs administered by the FHLBanks are targeted to fulfill that mission. These programs have provided affordable homeownership and rental opportunities for hundreds of

thousands of very low- and low- or moderate-income families and have funded community lending, which is intended to strengthen communities across the United States and its territories.

Affordable Housing Program (AHP)

The AHP subsidizes the cost of owner-occupied housing provided that the household's income does not exceed 80% of the area median income; and in the case of rental housing, at least 20% of the units must be occupied by, and affordable for, households whose incomes do not exceed 50% of the area median income. The subsidy may be in the form of a grant or a reduced interest rate on an advance. AHP funds are awarded through a General Fund and any Targeted Funds established at each of the FHLBanks. The General Fund is a program that each FHLBank is required to establish. The Targeted Fund is a program that an FHLBank may establish, at its discretion, to address specific affordable housing needs in its district that are unmet, are difficult to address through its General Fund, or align with objectives identified in its strategic plan. Each FHLBank approves applications to its General Fund or any Targeted Funds through a competitive application process, whereby members submit applications on behalf of one or more sponsors of eligible housing projects. In order to obtain funding, proposed AHP projects must meet certain eligibility requirements and are approved based on scoring guidelines established by each FHLBank, pursuant to the FHFA's AHP regulation.

AHP funds may also be provided through a homeownership set-aside program on a first-come, first-served basis. Under this type of program, an FHLBank may, at its discretion, allocate annually up to the greater of \$4.5 million or 35% of its annual required AHP funding contribution to assist eligible low- or moderate-income households, provided that at least one-third of the FHLBank's set-aside funds are allocated to assist first-time homebuyers or households for owner-occupied rehabilitation. Members obtain AHP homeownership set-aside funds from an FHLBank and then provide those funds as grants to eligible households. Set-aside funds may be used for down payment, closing costs, counseling, or rehabilitation assistance in connection with a household's purchase or rehabilitation of an owner-occupied unit. Each FHLBank sets its own maximum grant amount per household, which may not exceed a maximum established pursuant to FHFA regulation.

If an FHLBank fails to use or commit the full amount it is required to contribute to its AHP in any year, then 90% of the unused or uncommitted amount shall be deposited by the FHLBank in an Affordable Housing Reserve Fund established and administered by the FHFA. The remaining 10% of the unused and uncommitted amount retained by that FHLBank should be fully used or committed by that FHLBank during the following year, and any remaining portion must be deposited in the Affordable Housing Reserve Fund. As of December 31, 2025, no FHLBank has ever deposited funds in an Affordable Housing Reserve Fund.

An FHLBank may also provide subsidized advances to members that are used for affordable housing under the AHP. AHP subsidized advances outstanding were \$546 million and \$186 million at December 31, 2025 and 2024. (See [Note 10 - Affordable Housing Program and Voluntary Contributions](#) to the accompanying combined financial statements for additional information about statutory and voluntary AHP contributions.)

Community Investment Cash Advance Programs

The FHLBanks offer funding to members, often at below-market interest rates and for long terms, through Community Investment Cash Advance (CICA) programs. Under these programs, each FHLBank:

- must offer a Community Investment Program (CIP);
- may offer a Rural Development Funding Program;
- may offer an Urban Development Funding Program; and
- may offer other programs that have been approved by the FHFA for community lending.

CICA programs provide financing for projects that target housing for households at lower income levels and certain economic development activities, including commercial, industrial, manufacturing, social service, infrastructure, and public facility projects and activities. Lending under the economic development programs target specific

beneficiaries, which are determined by the geographical area in which a project is located, by the individuals who benefit from a project as employees or service recipients, or by projects that qualify as small businesses. Members may use the proceeds of CICA funding to finance targeted economic development projects through loan originations and participations, by lending to other lenders for eligible purposes, or by purchasing eligible mortgage-backed securities, mortgage revenue bonds, and low-income housing tax credits. Approved housing associates may also use certain CICA programs.

Community Investment Program. The CIP is a lending program that allows members to borrow at a discounted rate of interest, or to obtain letters of credit, from an FHLBank. An advance under the CIP is offered to a member at no higher than an FHLBank's cost of funds plus reasonable administrative costs. An FHLBank may, at its discretion, require the member to pass on any discount in the interest rate on these advances to its own borrowers. Members use the CIP for housing advances to provide financing of owner-occupied and rental housing for households whose incomes do not exceed 115% of the area median income. Examples of CIP advance uses are converting commercial buildings into low-income rentals, developing condominiums for underserved senior citizens, creating living centers for at-risk veterans, and other projects. The FHLBanks had \$7.8 billion and \$9.2 billion of CIP housing advances outstanding at December 31, 2025 and 2024.

In addition to housing, this program can be used for commercial and economic development activities that benefit households with incomes at 80% or less of the area median income or households that are located in neighborhoods where at least 51% of households' incomes do not exceed 80% of the area median income. The FHLBanks had \$394 million and \$445 million of CIP commercial and economic development advances outstanding at December 31, 2025 and 2024.

For the year ended December 31, 2025, the FHLBanks funded \$5.3 billion in CIP advances, including housing advances and economic development advances.

Rural Development Funding Program. The Rural Development Funding Program provides advances or grants for community lending, defined as providing financing for economic development projects for targeted beneficiaries, in rural areas, with the targeted beneficiaries having incomes at or below 115% of the area median income.

Urban Development Funding Program. The Urban Development Funding Program provides advances or grants for community lending in urban areas for targeted beneficiaries with incomes at or below 100% of the area median income.

Other Community Investment Cash Advance Programs. Some FHLBanks have other CICA programs designed to retain or create jobs, or to otherwise improve the economic status of communities. For the year ended December 31, 2025, the FHLBanks funded \$2.5 billion of these other CICA economic development advances.

Community Support Program

To retain access to long-term advances from an FHLBank, each member that is subject to community support review is required to meet certain standards of community support activities, which it documents by submitting a Community Support Statement to the FHFA every two years. These standards take into account each member's performance under the Community Reinvestment Act of 1977, as amended, and the member's record of lending to first-time homebuyers.

Standby Letters of Credit

An FHLBank's credit services also include letters of credit issued or confirmed on behalf of members and housing associates to facilitate business transactions with third parties that support residential housing finance, community lending, or asset/liability management or to provide liquidity to members. Letters of credit are also issued on behalf of members to secure the deposits of public entities that are held by such members. All letters of credit are required to be fully collateralized.

Voluntary Contributions to Affordable Housing and Community Investment Initiatives

In addition to statutory AHP assessments, the FHLBanks may make voluntary contributions to the AHP or other affordable housing and community investment initiatives. (See [Combined Results of Operations - Supporting Housing and Community Investment](#) for further information about the FHLBanks' voluntary contributions supporting affordable housing and community investment initiatives.)

Competition

Advances

The demand for FHLBank advances is affected by, among other things, the availability and cost of other sources of liquidity available to FHLBank members, including deposits. Each FHLBank individually competes with its members' depositors as well as suppliers of secured and unsecured wholesale funding. These competitors may include investment banks, commercial banks, Federal Reserve Banks, and, in certain circumstances, one or more other FHLBanks when affiliates of their members are members of other FHLBanks. Both small and large FHLBank members typically have access to brokered deposits and repurchase agreements, each of which presents a competitive alternative to advances. Larger members also have greater access to other competitive sources of funding and asset and liability management facilitated by the domestic and global credit markets. These sources may include debt issued in the capital markets, interbank loans, interest-rate swaps, options, bank notes, and commercial paper. In addition, the FHLBanks' competitive environment may be affected by various legislative, regulatory, and supervisory initiatives, including those affecting the FHLBanks or their members.

The availability of alternative funding sources to members can significantly influence the demand for FHLBank advances. This availability can vary as a result of a variety of factors, including:

- market conditions;
- products and structures available in the marketplace;
- member creditworthiness;
- availability of collateral; and
- new government programs, regulations, and supervisory guidance or changes to existing ones.

Mortgage Loans

The FHLBanks' mortgage loan programs are subject to significant competition in purchasing conventional fixed-rate mortgage and government-guaranteed or -insured loans. The FHLBanks face competition in customer service, the prices paid for these assets, and ancillary services, such as automated underwriting. The most direct competition for mortgages comes from other housing GSEs that also purchase conventional fixed-rate mortgage loans, specifically Fannie Mae and Freddie Mac, which are the dominant purchasers of residential fixed-rate conventional mortgages. The FHLBanks primarily compete on the basis of product structure, price, and services offered.

Consolidated Obligations

The FHLBanks compete primarily with the U.S. Treasury, Fannie Mae, Freddie Mac, and other GSEs, as well as corporate, state and local, sovereign, sub-sovereign, and supranational entities, for funds raised through the issuance of unsecured debt, known as consolidated obligations in the case of the FHLBanks, in the domestic and global debt markets. If the supply of competing debt products increases without a corresponding increase in demand, or if certain investors change their view of investing in consolidated obligations, debt costs may rise, or less debt may be issued at the same cost. In addition, certain regulatory initiatives may adversely affect the availability and cost of funds raised through the issuance of certain types of consolidated obligations.

The issuance of consolidated obligations and the simultaneous execution of derivative transactions that mirror the debt issued has been an important source of competitive funding for the FHLBanks. As such, the availability of

markets for consolidated obligations and derivative transactions may be an important factor in determining the FHLBanks' relative cost of funds. There is considerable competition in the markets for consolidated obligations and for derivative transactions with high credit quality entities. Investors should not expect that these markets will necessarily be available in the future based on their availability to date.

For more information on competition related to advances, mortgage loans, and debt issuance, see [Risk Factors - Business Risk - Legislative and Regulatory](#) and [Risk Factors - Business Risk - Strategic](#).

Tax Status and Assessments

The FHLBanks are exempt from all corporate federal, state, and local taxation, except for local real estate taxes and certain employer payroll taxes. However, by regulation, each FHLBank is required to contribute to its AHP and recognizes AHP assessment expense equal to the greater of 10% of its annual income subject to assessment, or the prorated sum required to ensure the aggregate contribution by the FHLBanks is no less than \$100 million for each year. In addition to the statutory AHP assessment, an FHLBank may elect to make voluntary contributions to its AHP or other affordable housing and community investment initiatives. (See [Note 10 - Affordable Housing Program And Voluntary Contributions](#) to the accompanying combined financial statements.)

Cash dividends received by FHLBank members from the FHLBanks are taxable to the members and do not benefit from the exclusion for corporate dividends received.

Office of Finance

The Office of Finance is a joint office of the FHLBanks whose primary functions are to:

- facilitate the issuance and servicing of all FHLBank consolidated obligations;
- prepare the quarterly and annual combined financial reports of the FHLBanks;
- function as the fiscal agent of the FHLBanks; and
- administer the Resolution Funding Corporation, a tax-exempt government corporation created during the savings and loan crisis of the 1980s.

In addition, the Office of Finance performs research and serves as a source of information for the FHLBanks on capital markets developments; manages relationships with the rating agencies and the U.S. Treasury as they relate to consolidated obligations; and performs various debt marketing activities, including investor presentations and conferences.

Pursuant to FHFA regulations, the Office of Finance, in conjunction with the FHLBanks, has adopted policies and procedures for consolidated obligations. These policies and procedures relate to, among other things, the frequency and timing of consolidated obligations issuance, issue size, minimum denomination, selling concessions, approved dealer qualifications and selection, issuance currency, coupon features, call or put features, and principal amortization features. The Office of Finance has responsibility for facilitating and approving the issuance of consolidated obligations in accordance with these policies and procedures. In addition, the Office of Finance has the authority to redirect, limit, or prohibit the FHLBanks' requests to issue consolidated obligations if it determines that the proposed issuance is inconsistent with FHFA regulations or these policies or procedures. The FHFA requires consolidated obligations to be issued efficiently and at the lowest all-in funding costs over time, consistent with:

- prudent risk-management practices, prudential debt parameters, short- and long-term market conditions, and the FHLBanks' role as GSEs;
- maintaining reliable access to the short- and long-term capital markets; and
- positioning the issuance of debt to take advantage of current and future capital market opportunities.

Human Capital Resources

Human capital is a significant contributing factor to the success of the strategic business objectives of each of the FHLBanks and the Office of Finance. In managing its human capital, each of the FHLBanks and the Office of Finance focuses on its workforce profile and various programs and philosophies to help achieve its strategic business initiatives and enhance business performance.

Workforce Profile

The workforce of each of the FHLBanks and the Office of Finance primarily consists of full-time employees, with each entity's respective principal operations primarily in one location. The workforce is generally leanly staffed, and historically has included a number of longer-tenured employees. Each of the FHLBanks and the Office of Finance strives to both develop talent from within the organization and supplement that talent with external hires. Each of the FHLBanks and the Office of Finance believes that developing talent internally results in institutional strength and continuity and promotes loyalty and commitment in its employee base, which furthers its success, while adding new employees contributes to new ideas and continuous improvement. There is no collective bargaining agreement with the employees of any of the FHLBanks or the Office of Finance.

Table 1 presents the workforce of each of the FHLBanks and the Office of Finance at December 31, 2025.

Table 1 - Human Capital

FHLBank	December 31, 2025			
	Average tenure (in years)	Full-time	Part-time	Total
Boston	11.5	214	—	214
New York	10.0	378	—	378
Pittsburgh	9.3	245	—	245
Atlanta	10.3	349	2	351
Cincinnati	9.2	275	1	276
Indianapolis	8.9	271	1	272
Chicago	8.6	467	8	475
Des Moines	8.1	352	5	357
Dallas	9.0	225	2	227
Topeka	9.8	260	3	263
San Francisco	7.5	265	3	268
Office of Finance	8.6	141	4	145
Total	9.2	3,442	29	3,471

Total Rewards

Each of the FHLBanks and the Office of Finance seeks to attract, develop, and retain talented employees to achieve its strategic business initiatives and enhance business performance. Each of the FHLBanks and the Office of Finance supports this objective through a combination of development programs, benefits and employee wellness programs, and by recognizing and rewarding performance. These programs, which vary at each of the FHLBanks and the Office of Finance, may include:

- Cash compensation, primarily including competitive salaries and performance based incentives;
- Benefits, such as health insurance, life insurance, supplemental life insurance, retirement savings plans with employer match or profit sharing opportunities, pension benefits, or healthcare concierge;
- Wellness programs, such as fitness reimbursement, employee assistance programs, health coaching, interactive education sessions, or sporting events sponsorship;
- Time away from work, such as time off for vacation, illness, personal, holiday, or volunteer opportunities;
- Cultural initiatives;

- Work/life balance, such as long- and short-term disability; parental, military, bereavement, jury duty or court appearance leaves; or flexible scheduling, including a hybrid work schedule allowing a balance between in-office and remote work;
- Development programs and training, such as educational assistance programs, or internal and external educational and development opportunities; and
- Management succession planning, including active engagement by the boards of directors and senior management.

The performance management framework of each of the FHLBanks and the Office of Finance includes individual goal setting and an annual performance review. Overall annual ratings are typically calibrated and merit and incentive payments are typically differentiated based on organizational and individual performance.

RISK FACTORS

The following discussion summarizes risks and uncertainties facing the FHLBank System as they potentially affect investors in consolidated obligations. There may be other risks and uncertainties, including those discussed elsewhere in this Combined Financial Report, that are not described here in these risk factors. If any of these risks or uncertainties is realized, it could negatively affect an FHLBank's, and possibly the entire FHLBank System's, financial condition, results of operations, reputation, strategies, or prospects. As a result, there could be a reduction in the value of FHLBank membership or an adverse effect on an FHLBank's, or the entire FHLBank System's, ability to pay its obligations when due. (See each FHLBank's 2025 SEC Form 10-K under *Part I. Item 1A - Risk Factors* for a discussion regarding its risk factors.)

Business Risk - Economic Conditions

A prolonged downturn in the economy, including the U.S. housing market, and related U.S. government monetary and fiscal policies, could adversely affect the FHLBanks' business activities and results of operations.

The FHLBanks' businesses and results of operations are sensitive to the U.S. economy and the U.S. housing market. A prolonged period of slow growth in the U.S. economy, deterioration in general economic conditions, or a downturn in the housing markets could adversely affect FHLBanks' borrowers, particularly those whose businesses are concentrated in the mortgage industry. For example, if home prices decline, the value of collateral securing member credit to each FHLBank may decline, which could in turn increase the possibility of under-collateralization and the risk of loss if an FHLBank member defaults. Deterioration in the residential mortgage markets could also affect the value of collateral securing the FHLBanks' mortgage loan portfolios, increasing the risk of loss due to credit impairment.

Unfavorable economic and market conditions can be caused by many factors. Volatility and uncertainty in global economic and political conditions can significantly affect U.S. economic conditions and financial markets. Negative trends in the global economy and political climate could influence, among other business activities, member borrowing activity and FHLBank lending and investment patterns. Additionally, investors' negative perceptions of the state of the U.S. economy could lead to a decline in investor demand for consolidated obligations. Furthermore, natural disasters, pandemics or other widespread health emergencies, terrorist attacks, cyber-attacks, civil unrest, geopolitical instability or conflicts (such as the ongoing military conflict involving Iran), trade disruptions (such as those arising from tariffs imposed or proposed by the U.S. or its trading partners), economic or other sanctions, or other unanticipated or catastrophic events could create economic and financial disruptions and uncertainties, which may lead to an increased risk of credit losses for the FHLBanks and may adversely affect their cost of funding or access to funding. These events may also lead to operational difficulties that could adversely affect the ability of the FHLBanks and the Office of Finance to conduct and manage their businesses. Any of these factors could adversely affect the FHLBanks' business activities and results of operations.

In addition, the FHLBanks' businesses and results of operations could be significantly affected by the monetary and fiscal policies of the U.S. government and its agencies, including the Federal Reserve and the U.S. Treasury. The policies of the Board of Governors of the Federal Reserve System (Federal Reserve Board) directly and indirectly influence interest rates and liquidity within the banking system. Consequently, any related policy changes could adversely affect the demand for advances and for consolidated obligations as well as the financial condition and results of operations of FHLBank members, an FHLBank, and the FHLBanks on a combined basis. In addition, the FHLBanks currently play a predominant role as lenders in the federal funds market; therefore, any disruption in the federal funds market or any related regulatory or policy change may adversely affect the FHLBanks' cash management activities, results of operations, and reputation. Fiscal policies of the U.S. government could also indirectly affect the FHLBanks' cost of funding. For example, sudden or large increases in the supply of Treasury securities could lead to a general increase in short-term market interest rates, including those for short-term GSE debt securities. Additionally, increases in Treasury issuances could temporarily reduce the capacity of the dealers

of consolidated obligations, many of which are also primary dealers for the Federal Reserve Bank of New York, to participate in the issuances of consolidated obligations, which could in turn increase the FHLBanks' cost of funding. These factors could also cause temporary technical market distortions that may diminish the relative value and pricing of certain consolidated obligations and the FHLBanks' hedging strategies.

Business Risk - Legislative and Regulatory

Changes in the legislative and regulatory environment could negatively affect the FHLBanks' business operations, results of operations, and reputation, and the value of FHLBank membership.

As GSEs, the FHLBanks are organized under the authority of the FHLBank Act and governed by U.S. federal laws and regulations as adopted and applied by the FHFA. Congress could amend the FHLBank Act or other statutes in ways that significantly affect the rights and obligations of the FHLBanks or the manner in which the FHLBanks carry out their mission and business operations. New or modified legislation enacted by Congress or changes in the statutory or regulatory requirements applied or imposed by the FHFA or other financial services regulators could result in, among other things: an increase in the FHLBanks' cost of funding and regulatory compliance; a change in membership or permissible business activities; additional capital and liquidity requirements; reduced demand for advances or limitations on advances made to FHLBank members (including changes relating to credit underwriting standards and member credit risk management requirements); or a change in the size, scope, or nature of the FHLBanks' lending, investment, or mortgage financing activities.

Changes in the legislative and regulatory environment under the current administration, including those relating to regulatory priorities and areas of focus, have continued to evolve, and may involve additional complexities and uncertainties for the FHLBanks, their members, and housing finance generally, as a result of executive orders, policy pronouncements, and other directives or actions. The FHLBanks cannot predict the nature of any potential changes involving new or modified legislation, regulations or guidance, or how these changes might affect the FHLBanks' business operations. The FHLBanks also cannot predict the current administration's actions (including those of the FHFA) on U.S. housing finance and GSEs, including actions taken to address mortgage credit availability or housing affordability; actions taken relating to large institutional investor purchases of single-family homes; actions regarding the revision or end of conservatorships of Fannie Mae and Freddie Mac or potential reforms or enhancements to their capital structure; the imposition of new requirements or limitations on their existing authorities or changes in the nature of their government-backed guarantees; or any corresponding effects on the FHLBank System, the secondary mortgage and mortgage-backed securities market, or the mortgage industry. Any such changes, as well as any resulting increased scrutiny of the FHLBanks and their mission and activities, however, could materially affect the FHLBanks' business operations, results of operations, and reputation, and the value of FHLBank membership.

Additionally, potential legislative and regulatory changes governing or affecting the FHLBanks' members, investors, and dealers of consolidated obligations could adversely affect the business activities, financial condition, and results of operations of an FHLBank and the FHLBanks on a combined basis.

See [Financial Discussion and Analysis - Legislative and Regulatory Developments](#) for more information about recent legislative and regulatory developments.

Changes in the perception, regulation, or status of the GSEs and the related effect on debt issuance could reduce demand for, or increase the cost of, the FHLBanks' debt and adversely affect the FHLBanks' financial condition and results of operations.

The FHLBanks are GSEs organized under the authority of the FHLBank Act and are authorized to issue debt securities, which are the principal source of funding for the FHLBanks. Negative announcements by any of the housing GSEs, concerning topics such as accounting problems, risk-management issues, or regulatory enforcement actions, have historically created, and may in the future create, pressure on debt pricing for all GSEs, as investors

perceive such instruments as bearing increased risk. Any such negative information or other factors could result in the FHLBanks having to pay a higher rate of interest on consolidated obligations to make them attractive to investors, which could negatively affect the FHLBanks' results of operations, and their access to funding.

Given the FHLBanks' shared status as GSEs, the scope, timing, and effect of any regulatory reform affecting the GSEs, including the ultimate resolution to the conservatorship of Fannie Mae and Freddie Mac and resulting changes in the regulation or status of the GSEs, could have a significant effect on the FHLBank System. While there are significant differences between the FHLBank System and Fannie Mae and Freddie Mac, including the FHLBanks' focus on secured lending in the form of advances as opposed to guaranteeing mortgages and their distinctive cooperative business model, legislation or other regulatory reform affecting the GSEs could inadequately account for these differences, which could negatively change the perception of the risks associated with the GSEs and their debt securities. This change in the perception of risk generally, or any actual or perceived competitive advantage to Fannie Mae and Freddie Mac arising from the ultimate resolution to their conservatorship, could adversely affect the FHLBanks' funding costs, access to funding, competitive position, and the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis.

A failure to meet minimum regulatory capital requirements could affect the FHLBanks' ability to pay dividends or repurchase or redeem FHLBank members' capital stock, which may cause a decrease in members' demand for advances or difficulties in retaining existing members and attracting new members.

Each FHLBank is subject to minimum capital requirements under the FHLBank Act and FHFA rules and regulations, including total capital, leverage capital, and risk-based capital requirements. If an FHLBank were unable to satisfy its minimum capital requirements, that FHLBank would be subject to capital restoration requirements. Until the minimum capital levels have been restored, that FHLBank would also be prohibited from paying dividends and redeeming or repurchasing capital stock without the prior approval of the FHFA, which could adversely affect that FHLBank's members' investment in FHLBank capital stock. Furthermore, to the extent that current and prospective members determine that FHLBank's dividend is insufficient or its ability to pay future dividends or repurchase excess capital stock becomes limited, the FHLBank may be unable to expand its membership and may experience decreased member demand for advances or increased member requests for withdrawals. These factors may cause a decline in the value of FHLBank membership and make it difficult to retain existing members or to attract new members. In addition, any capital shortfall by an FHLBank could be perceived by investors as an increased level of risk or deterioration in the performance of that FHLBank, which could result in a downgrade in that FHLBank's outlook or its short- or long-term credit ratings. This, in turn, could negatively affect investors' perception of the FHLBank System and potentially increase the FHLBanks' cost of funding or otherwise negatively affect the FHLBanks' access to funding.

See [Note 11 - Capital](#) to the accompanying combined financial statements and [Business - Capital, Capital Rules, and Dividends](#) for additional information on the FHLBanks' capital requirements.

Business Risk - Strategic

Increased competition or reduced demand could adversely affect the FHLBanks' financial condition, results of operations, and primary business activity, which is to provide financial products and services to members and housing associates.

The FHLBanks' primary business is to provide their members and housing associates with financial products and services, including but not limited to, secured loans known as advances. Each FHLBank competes with other suppliers of wholesale funding, including, but not limited to, investment banks, commercial banks, the Federal Reserve Banks, and, in certain circumstances, other FHLBanks. Changes to legislation, regulations, or supervisory guidance affecting FHLBank members, or the availability of alternative funding sources to FHLBank members, could significantly decrease the demand for FHLBanks' advances, tighten net interest margins, and negatively affect the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis.

The FHLBanks may be required by new legislation, regulations, or supervisory guidance, or other factors to change policies, programs, and agreements affecting members' access to advances, mortgage purchase programs, Affordable Housing Programs, Community Investment Cash Advance programs, and other credit programs that could cause members to obtain financing from alternative sources. New or modified legislation, regulations, or supervisory guidance could also create, or result in a greater use of, alternative funding sources for FHLBank members. Some competitors may not be subject to the regulations that apply to the FHLBanks, which may enable those competitors to offer products and terms that are more favorable than those offered by the FHLBanks. Additionally, some of the FHLBanks compete with Fannie Mae and Freddie Mac, as well as other FHLBanks, to purchase mortgage loans from members. This competition may reduce the amount of available mortgage loans that FHLBanks can purchase, and could negatively affect the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis.

The FHLBanks also compete with the U.S. Treasury, Fannie Mae, Freddie Mac, and other GSEs, as well as corporate, state, local, sovereign, sub-sovereign, and supranational entities, for funds raised through the issuance of unsecured debt in the U.S. and global capital markets. Increases in the supply of competing debt products, such as an increase in the supply of Treasury securities, or any actual or perceived competitive advantage to Fannie Mae and Freddie Mac in the issuance of unsecured debt arising from the ultimate resolution to their conservatorship, could negatively affect the demand for consolidated obligations and result in higher debt costs. Any of these factors could adversely affect the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis, as well as the value of FHLBank membership.

A loss or change of business activities with large members, consolidation of membership, or regulatory changes in membership rules could adversely affect the FHLBanks' financial condition and results of operations.

Membership in an FHLBank is generally limited to federally-insured depository institutions, insurance companies, and community development financial institutions in its district. Given this limitation in membership eligibility, a loss of members or decreased business activities with large members due to withdrawal from membership, acquisition by a non-member, or failure could result in a reduction of an FHLBank's total assets, capital, and net income. For instance, in March and May 2023, four member banks that were among the top borrowers for certain FHLBanks at December 31, 2022 went into voluntary liquidation or Federal Deposit Insurance Corporation (FDIC) receivership. Additionally, regulatory changes in FHLBank membership eligibility or requirements could affect the FHLBanks' business activities, as well as the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis.

Some FHLBanks have a high concentration of advances to and capital with large members, and certain large members have affiliates that are members of other FHLBanks. As the financial industry continues to consolidate into a smaller number of institutions, this could lead to further concentration of large members in some FHLBank districts and a related decrease in membership and significant loss of business for other FHLBanks. If advances are concentrated in a smaller number of members, an FHLBank's risk of loss resulting from a single event could become greater. Industry consolidation could also cause an FHLBank to lose members whose business and stock investments are so substantial that their loss could threaten the viability of that FHLBank. Moreover, as nonbank financial institutions that are currently ineligible for FHLBank membership continue to play an increasing role in mortgage origination, the FHLBanks could experience a decrease in demand for advances or a decrease in volume of mortgage loans available for purchase from their members, which could negatively affect the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis.

See [Financial Discussion and Analysis - Combined Financial Condition - Advances](#) and [Financial Discussion and Analysis - Risk Management - Business Risk](#) for more discussion regarding the FHLBanks' exposure to member concentration risk.

Credit Risk

An increase in credit risk exposure from advances, mortgage loans, or other credit products or FHLBank member failures could adversely affect the FHLBanks' financial condition, results of operations, and reputation.

The FHLBanks are exposed to credit risk as part of their normal business operations through funding advances, purchasing mortgage loans, and extending other credit products, such as lines of credit, standby letters of credit, and other commitments.

The FHLBanks require advances and other extensions of credit to be fully secured with eligible collateral and require borrowers to pledge additional collateral when deemed necessary. The FHLBanks evaluate the types of collateral pledged by the member and assign a borrowing capacity to the collateral, based on the risk associated with that type of collateral. If borrowers are unable to pledge additional collateral to fully secure their obligations with an FHLBank, whether due to significant financial stress, market volatility, or otherwise, it could cause that FHLBank's advance levels to decrease or credit risk to increase. If an FHLBank has insufficient collateral before or after an event of default or failure of the member or the FHLBank is unable to liquidate the collateral, or transfer the collateral to an acquirer or receiver, for the value assigned to it in the event of a default or failure of a member, that FHLBank could experience a credit loss. This, in turn, could adversely affect the financial condition, results of operations, and reputation of that FHLBank and the FHLBanks on a combined basis.

During an economic downturn or period of significant economic and financial disruption and uncertainty, the number of FHLBank members exhibiting significant financial stress may increase, which may expose the FHLBanks to additional member credit risk. Changes in market perception of the financial strength of a financial institution can occur very rapidly and can be difficult to predict, as reflected in the failures of several FHLBank members in March and May 2023. There are continued challenges associated with the commercial real estate sector due to weak leasing demand, lower occupancy rates, and higher interest rates, which may lead to continued declines in the value of commercial real estate loan related collateral held by the FHLBanks and contribute to additional financial stress or failures of FHLBank members, in particular smaller regional and community banks with significant exposure to commercial real estate and high reliance on uninsured deposits. If an FHLBank's member defaults on its obligations or, in the case of a failed institution, the FDIC, or other receiver, fails to either promptly repay all of that failed institution's obligations or assume the outstanding advances, then that FHLBank may be required to liquidate the collateral pledged by the troubled or failed institution. If the proceeds realized from the liquidation of pledged collateral are not sufficient to fully satisfy the amount of the troubled or failed institution's obligations and the operational cost of liquidating the collateral, that FHLBank could incur losses. In addition, a default by a member with significant unsecured obligations to an FHLBank could result in significant losses, which would adversely affect the financial condition, results of operations, and reputation of that FHLBank and the FHLBanks on a combined basis.

The FHLBanks are also exposed to credit risk from their mortgage loans held in portfolios. While the FHLBanks' mortgage loan assets are collateralized by the underlying real estate and are generally credit-enhanced to further mitigate credit risk, natural disasters or a deterioration in economic conditions could result in declines in residential real estate values or increased levels of unemployment. These factors could lead to increased borrower defaults and cause the FHLBanks to incur credit losses on their mortgage loans.

See [Financial Discussion and Analysis - Risk Management](#) - Credit Risk for more discussion and analysis about the FHLBanks' exposure to credit risk and their management of this risk.

Defaults by one or more institutional counterparties on their obligations to the FHLBanks could adversely affect the financial condition and results of operations of one or more FHLBanks and the FHLBanks on a combined basis.

The FHLBanks face the risk that their institutional counterparties may fail to fulfill their contractual obligations. The primary exposures to institutional counterparty credit risk are with:

- unsecured money market transactions, including federal funds sold, or short-term investments with domestic and foreign counterparties;
- derivative counterparties and clearing intermediaries, including Derivative Clearing Organizations and Futures Commission Merchants; and
- mortgage servicers that service loans purchased under the MPF Program, MPP, and MAP.

A counterparty default could result in losses if an FHLBank's credit exposure to that counterparty were unsecured or under-collateralized, or if an FHLBank's credit obligations associated with derivative positions were over-collateralized. The insolvency or other inability of a significant counterparty to perform its obligations under these transactions or other agreements could have an adverse effect on the financial condition and results of operations of one or more FHLBanks and the FHLBanks on a combined basis.

The FHLBanks have both direct and indirect exposure to foreign credit risk through their various counterparties. Adverse economic, political, or other trends that may occur within, across, or among various regions or countries could have direct adverse effects on an FHLBank's institutional counterparties and on the U.S. economy. In turn, the FHLBanks could also experience adverse effects on their ability to meet their obligations given their relationship with these counterparties.

In addition, the FHLBanks' ability to engage in routine derivatives, funding, and other transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are inter-related as a result of trading, clearing, counterparty, and other relationships. As a result, actual and potential defaults of one or more financial services institutions could lead to market-wide disruptions, making it difficult for the FHLBanks to source eligible counterparties for transactions. (See [Financial Discussion and Analysis - Risk Management](#) - Credit Risk for more discussion and analysis about the FHLBanks' exposure to credit risk and their management of this risk.)

Financial difficulties at one FHLBank could require the other FHLBanks to make payment of principal and interest on the consolidated obligations issued on that FHLBank's behalf, which could adversely affect the FHLBanks' financial condition and results of operations.

Under the FHLBank Act and FHFA regulations, each FHLBank is jointly and severally liable with the other FHLBanks for the consolidated obligations issued by the FHLBanks through the Office of Finance. As such, while each FHLBank is primarily liable for its portion of consolidated obligations (i.e., those issued on its behalf), each FHLBank is also jointly and severally liable with the other FHLBanks for the payment of principal and interest on all consolidated obligations issued by the FHLBanks. Although it has never occurred, the FHFA, at its discretion, may require any FHLBank to make principal or interest payments due on any consolidated obligation whether or not the consolidated obligation represents a primary liability of that FHLBank. Additionally, if an FHLBank were to default on its obligation to pay principal or interest on any consolidated obligations, the FHFA may allocate the outstanding liabilities of that FHLBank among the remaining FHLBanks on a pro-rata basis or on any other basis determined by the FHFA. Accordingly, the FHLBanks could incur significant liability beyond their primary obligations due to the failure of an FHLBank to meet its obligations. This could adversely affect the financial condition and results of operations of one or more FHLBanks and the FHLBanks on a combined basis.

Market Risk

Changes in interest rates or an inability to successfully manage interest-rate risk could have a material adverse effect on the FHLBanks' net interest income.

The FHLBanks realize net interest income primarily from the spread between interest earned on their outstanding advances and investments less the interest paid on their consolidated obligations and other liabilities. The FHLBanks' businesses and results of operations are significantly affected by the monetary policies of the U.S. government and its agencies. Therefore, an FHLBank's ability to prepare for changes regarding the direction and speed of interest-rate changes or to use derivatives to hedge related exposures, such as basis risk, significantly affects the success of its asset and liability management activities and its level of net interest income. If an FHLBank is unable to enter into derivative instruments on acceptable terms, that FHLBank may be unable to effectively manage its interest-rate and other risks, which could adversely affect the financial condition and results of operations of that FHLBank and the FHLBanks on a combined basis.

An FHLBank may use a number of measures to monitor and manage interest-rate risk, including income simulations, value at risk, and duration or market value sensitivity analyses. Given the unpredictability of the financial markets, capturing all potential outcomes in these analyses is extremely difficult. Key assumptions include, but are not limited to, loan volumes and pricing, market conditions for consolidated obligations, interest-rate spreads and prepayment speeds, implied volatility of interest rates and options contracts, cash flows on mortgage-related assets, and other model and model related assumptions. Actual results may differ from simulated results due to the timing, magnitude, and frequency of interest-rate changes and changes in market conditions and management strategies, among other factors. In addition, volatility and disruption in the capital markets may result in a higher level of volatility in an FHLBank's interest-rate risk profile and could negatively affect that FHLBank's ability to manage interest-rate risk effectively.

Interest-rate changes can exacerbate prepayment and extension risks. Decreases in interest rates typically cause mortgage prepayments to increase and may result in lower interest income and substandard performance in an FHLBank's mortgage portfolio, as there are generally limited reinvestment opportunities at similar interest rates. In addition, while these prepayments would reduce the asset balance, the associated debt may remain outstanding and at above-market rates. Conversely, when interest rates increase, an FHLBank may experience extension risk, which is the risk that the mortgage-related investments will remain outstanding longer than expected at below-market yields. Therefore, any changes in interest rates could adversely affect an FHLBank's net interest income. (See [Quantitative and Qualitative Disclosures about Market Risk](#) for additional discussion and analysis regarding the FHLBanks' sensitivity to interest-rate changes and the use of derivatives to manage their exposure to interest-rate risk.)

Changes to the credit ratings of consolidated obligations could adversely affect the FHLBanks' ability to access the capital markets, their primary source of funding, on acceptable terms, which could adversely affect the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis.

The FHLBanks' consolidated obligations are rated AA+/A-1+ by S&P Global Ratings (S&P) and Aa1/P-1 by Moody's Investors Service, Inc. (Moody's), with stable outlooks. Rating agencies may from time to time change a rating or outlook or issue negative reports. Investors should not take the FHLBanks' historical or current ratings as an indication of future ratings for the FHLBanks' consolidated obligations. Because the FHLBanks are jointly and severally liable for consolidated obligations, negative developments at any FHLBank may affect these credit ratings or result in the issuance of a negative report regardless of the financial condition and results of operations of the other FHLBanks. In addition, because of the FHLBanks' GSE status, the credit ratings of the FHLBank System, the FHLBanks, and consolidated obligations are directly influenced by the sovereign credit ratings of the United States. Downgrades to the U.S. sovereign credit ratings or outlook have occurred and may occur again if the U.S. government fails to adequately address, based on the credit rating agencies' criteria, its fiscal budget deficit or

statutory debt limit. For example, Fitch Ratings' downgrade and Moody's outlook revision in 2023, and Moody's May 2025 downgrade, of the U.S. sovereign credit rating led to similar actions by the rating agencies with respect to the FHLBanks' ratings and/or outlook. As a result, if the U.S. sovereign credit ratings or outlook were further downgraded, similar downgrades in the credit ratings or outlook of the FHLBanks and consolidated obligations would most likely occur, even though the consolidated obligations are not obligations of the United States and are not guaranteed by the United States.

Future downgrades in credit ratings or outlook may result in higher funding costs, higher volatilities, or other disruptions in the FHLBanks' access to capital markets, including additional collateral posting requirements under certain derivative instrument arrangements. (See [Note 7 - Derivatives and Hedging Activities](#) - *Managing Credit Risk on Derivatives* to the accompanying combined financial statements for more information about the FHLBanks' additional collateral requirements.) Furthermore, member demand for certain FHLBank products could weaken. To the extent that the FHLBanks cannot access funding when needed on acceptable terms to effectively manage their cost of funding, the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis and the value of FHLBank membership could be negatively affected.

Liquidity Risk

Disruptions in the short-term capital markets or changes to the regulatory environment could have an adverse effect on the FHLBanks' ability to refinance their consolidated obligations or to manage their liquidity positions to meet members' needs on acceptable terms.

Each FHLBank's ability to operate its business, meet its obligations, and generate net interest income depends primarily on its ability to issue debt continuously to meet member demand and to refinance existing outstanding debt at attractive rates, maturities, and call features when needed. The FHLBanks' primary source of funds is the sale of consolidated obligations in the capital markets through the Office of Finance. The FHLBanks' ability to obtain funds through the sale of consolidated obligations generally depends on prevailing conditions in the capital markets, and, in particular, their ability to access the short-term capital markets due to their preference for short-term funding.

Access to short-term debt markets has been supported by continued demand as investors, driven by increased liquidity preferences and risk aversion, have sought the FHLBanks' short-term debt as an asset of choice. This has led to advantageous funding opportunities and significant utilization of debt maturing in one year or less. There are inherent risks in utilizing short-term funding to support longer-dated assets and the FHLBanks may be exposed to refinancing risk. Refinancing risk includes the risk that the FHLBanks could have difficulty rolling over short-term obligations when market conditions change or investor demand for short-term consolidated obligations declines.

In managing and monitoring the amounts of financial assets that require refinancing, the FHLBanks consider their contractual maturities, as well as certain assumptions regarding expected cash flows (i.e., estimated prepayments, embedded call optionality, and scheduled amortizations), taking into account the FHLBanks' liquidity positions.

The FHLBanks are also exposed to liquidity risk if there is any significant disruption in the short-term debt markets. Without access to the short-term debt markets on acceptable terms, the alternative longer-term funding, if available, would increase funding costs and interest-rate risk exposure and could cause the FHLBanks to increase advance rates, potentially affecting demand for advances. If this disruption is prolonged, the FHLBanks may not be able to obtain funding on acceptable terms and this could adversely affect their ability to support and continue their operations, including meeting members' demand for funding. As a result, an FHLBank's inability to manage its liquidity position or its contingency funding plan to meet its obligations, as well as the credit and liquidity needs of its members, could adversely affect the financial condition and results of operations of that FHLBank and the FHLBanks on a combined basis as well as the value of FHLBank membership.

Additionally, changes to the regulatory environment that affect FHLBanks' investors and dealers of consolidated obligations, particularly changes related to capital and liquidity requirements and money market fund reforms, have affected, and will continue to affect, the FHLBanks' ability to access the capital markets on acceptable terms. For example, the SEC's implementation of money market fund reforms over the years resulted in a significant increase in demand for U.S. government and agency debt, including the FHLBanks' short-term consolidated obligations. The holding of the FHLBanks' consolidated obligations by money market funds, as a percentage of the total outstanding consolidated obligations, generally increased as a result of these reforms compared to the periods before their implementation. While demand from this investor class benefited the FHLBanks' ability to access short-term funding at attractive costs, this demand could change if money market investor risk and return preferences and money market regulatory requirements shift over time. A decrease in this demand could, due to the FHLBanks' concentration of money market investors, lead to significant investor outflows and unfavorable market conditions. Policymakers and regulators in the U.S. have been examining potential policy measures intended to improve the resilience of money market funds and broader short-term funding markets in recent years, including the SEC's adoption of money market fund reforms in July 2023, designed to improve the resilience and transparency of money market funds. As such, changes in regulatory requirements governing money market funds, including any reversal of prior money market fund reforms, could have a negative effect on FHLBank short-term funding costs and adversely affect the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis.

See [Financial Discussion and Analysis - Liquidity and Capital Resources](#) for more discussion regarding the FHLBanks' liquidity requirements.

Operational Risk

A failure of the FHLBanks' business and financial models to produce reliable results could adversely affect the FHLBanks' businesses, financial condition, results of operations, and risk management.

Each FHLBank makes significant use of business and financial models for managing, measuring, and monitoring different risks, including interest rate, prepayment, and other market risks, as well as credit risk. Each FHLBank also uses models in determining the fair value of financial instruments when independent price quotations are not available or reliable. The information provided by these models is also used in making business decisions relating to strategies, initiatives, risk management, transactions and products, and for financial reporting. Because models use assumptions to project future trends and performance, including assumptions that historical data or experience can be relied upon as a basis for forecasting future events, they are inherently imperfect predictors of actual results.

Changes in business or financial models or in their underlying assumptions, judgments, or estimates may cause the results generated by the models to be materially different. If the models are not reliable, an FHLBank could make poor business decisions, including poor asset and liability management decisions, which could result in an adverse financial effect on that FHLBank's business. Furthermore, strategies that an FHLBank employs to manage the risks associated with the use of models may not be effective. The models used by each FHLBank to determine the fair values of its assets and liabilities, including derivatives, may differ from the models used by the other FHLBanks. The use of different models or assumptions by individual FHLBanks, as well as changes in market conditions, could result in materially different valuation estimates or other estimates even when similar or identical assets and liabilities are being measured, and could have materially different effects on the net income and retained earnings of each of the FHLBanks.

Although each FHLBank adjusts its internal models when necessary to reflect changes in economic conditions, housing markets, and other key factors, the risk remains that an FHLBank's internal models could produce unreliable results or estimates that vary materially from actual results. (See [Financial Discussion and Analysis - Critical Accounting Estimates](#) and [Note 14 - Fair Value](#) to the accompanying combined financial statements for more discussion about the FHLBanks' use of financial models.)

Failures of critical vendors and other third parties could disrupt the FHLBanks' and the Office of Finance's ability to conduct and manage their businesses.

Each of the FHLBanks and the Office of Finance relies on vendors and other third parties to perform certain critical services. For instance, due to their reliance on the book-entry system of the Federal Reserve Banks for debt issuance and servicing operations, the FHLBanks and the Office of Finance have critical dependency on certain third parties, including their fiscal agent, the Federal Reserve Banks, and one or more settlement agents or other intermediaries to issue and make payments of principal and interest on consolidated obligations.

A failure or interruption of one or more of those services (including cloud service providers relied upon by the FHLBanks, the Office of Finance, or their respective vendors), whether due to breaches, cyber-attacks, system malfunctions, disruptions or failures, other technological risks, or natural disasters, could negatively affect the business operations of the FHLBanks and the Office of Finance. If one or more of these key external parties were not able to perform their functions for a period of time, at an acceptable service level, or for increased volumes, including as a result of other third-party failures or disruptions (e.g., due to the interconnectedness of the financial markets and related infrastructures), the FHLBanks' and the Office of Finance's business operations could be constrained, disrupted, or otherwise negatively affected. For instance, the Federal Reserve Banks suffered a widespread outage in February 2021, which resulted in disruptions to its payment services and other financial services across the U.S., including services used by the FHLBanks and the Office of Finance. Additionally, the use of vendors and other third parties also exposes the FHLBanks and the Office of Finance to the risk of a loss of data, intellectual property, or confidential information, or other harm. To the extent that vendors do not conduct their activities under appropriate standards, the FHLBanks and the Office of Finance could also be exposed to reputational risk.

While each of the FHLBanks and the Office of Finance has a business continuity plan in place, the FHLBanks' and the Office of Finance's ability to conduct and manage their businesses may be constrained by a critical vendor or a third-party failure.

Failures at the Office of Finance could disrupt the FHLBanks' ability to conduct and manage their businesses.

The Office of Finance is a joint office of the FHLBanks established to facilitate, among other things, the issuance and servicing of consolidated obligations, which are the principal source of funding for the FHLBanks.

The Office of Finance relies heavily on its information systems and technology for its operations. A failure or interruption of the Office of Finance's services, including as a result of breaches, cyber-attacks, system malfunctions, disruptions or failures (including those associated with implementing technology initiatives), other technological risks, or natural disasters, could negatively affect the business operations of the FHLBanks, including disruptions to the FHLBanks' access to funding through the sale of consolidated obligations. Although the Office of Finance has business continuity and security incident response plans in place, the FHLBanks' funding and business operations could be constrained, disrupted, or otherwise negatively affected if the Office of Finance were not able to perform its core functions for any period of time. Additionally, operational failures at the Office of Finance could also expose the FHLBanks to the risk of a loss of data or confidential information or other harm, including reputational damage.

Failures or circumventions of the financial reporting controls and procedures that each of the FHLBanks and the Office of Finance maintains, and that the Office of Finance relies upon to prepare the Combined Financial Report, could adversely affect the accuracy and meaningfulness of the information contained in this Combined Financial Report.

Each FHLBank is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting with respect to the information and financial data provided to the Office of Finance. The Office of Finance is not required to establish and maintain disclosure controls and procedures and

internal control over financial reporting in the same manner as those maintained by each FHLBank. Instead, the Office of Finance relies on each FHLBank management's certification and representation regarding the accuracy and completeness, in all material respects, of its data submitted to the Office of Finance. The Office of Finance has established controls and procedures concerning: (1) each FHLBank's submission of information and financial data to the Office of Finance, (2) the process of combining the financial statements and other financial information of the individual FHLBanks, and (3) the review of such information. However, an FHLBank's or the Office of Finance's failure to detect material weaknesses or circumventions of its respective key controls could have an adverse effect on the accuracy and meaningfulness of the Combined Financial Reports. (See [Controls and Procedures](#) for more information regarding each FHLBank's management assessment of its individual internal control over financial reporting and evaluation of its disclosure controls and procedures, and the Office of Finance's controls and procedures that apply to the preparation of the Combined Financial Reports.)

General

A failure, breach, or cyber-attack of the information systems of the FHLBanks or the Office of Finance could disrupt the FHLBanks' businesses or result in significant losses or reputational damage.

Each of the FHLBanks and the Office of Finance relies heavily on its information systems and technology to conduct and manage its business. A failure, breach, or cyber-attack of these systems or technologies could disrupt and prevent the FHLBanks and the Office of Finance from conducting and managing their businesses effectively. Moreover, such failure or breach could result in significant losses, including a loss of data, intellectual property, or confidential information, reputational damage, or other harm. Cyber-attacks, in particular those on financial institutions and financial market infrastructures, have also become more frequent, sophisticated, and increasingly difficult to detect or prevent, including as a result of the increased capabilities of artificial intelligence and other emerging technologies that may be used maliciously. The threat of cyber-attacks may also increase as a result of geopolitical instability or conflicts.

Each of the FHLBanks and the Office of Finance employs processes and technologies to mitigate the risk associated with cyber threats and attacks that seek to compromise the security of its information or otherwise disrupt information systems. Although each of the FHLBanks and the Office of Finance takes measures designed to protect the security of its information systems, the security measures may not be able to prevent or mitigate certain failures, breaches, or attacks, or the negative effects of certain failures, breaches, or attacks. (See [Financial Discussion and Analysis - Risk Management - Operational Risk](#) for more discussion regarding cybersecurity.)

The inability to attract and retain skilled key personnel could adversely affect the businesses and operations of the FHLBanks and the Office of Finance.

The FHLBanks and the Office of Finance rely on key personnel to manage their businesses and conduct their operations. Competition from within the financial services industry and from businesses outside the financial services industry, including the technology industry, for skilled key personnel often has been intense. Failure to attract and retain skilled key personnel, or failure to develop and implement an effective succession plan relating to key personnel, could adversely affect the businesses and operations of the FHLBanks and the Office of Finance.

Natural disasters could adversely affect the members and business of one or more FHLBanks.

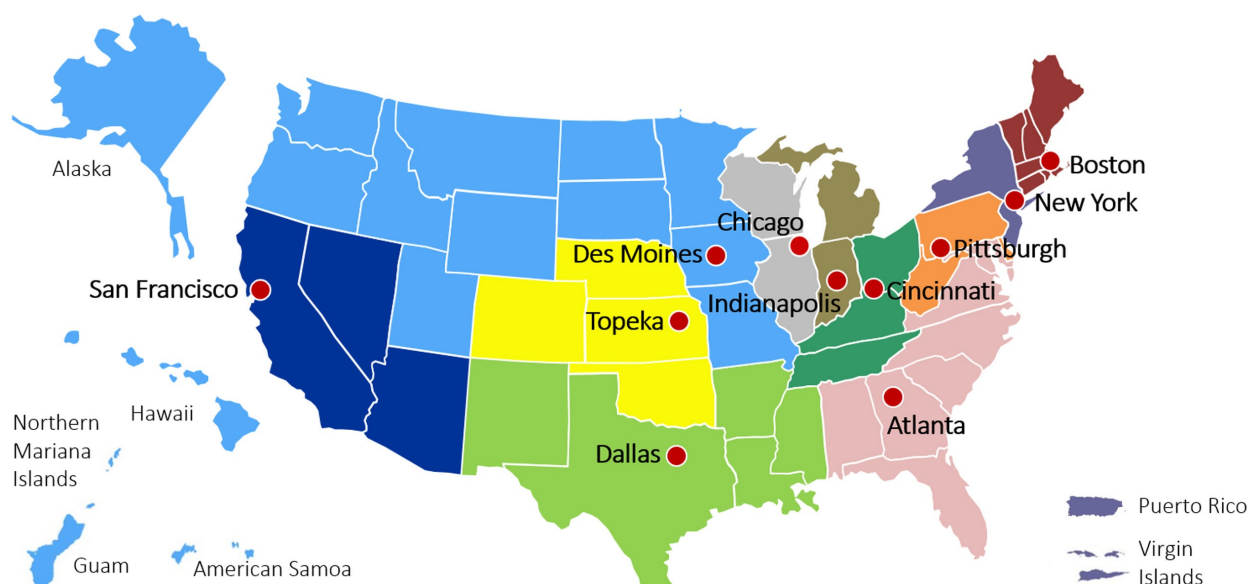
Regions in which the FHLBanks operate are subject to natural disasters, including risks from hurricanes, tornadoes, floods, wildfires, droughts, and other natural disasters. The frequency, intensity, and duration of extreme weather-related disaster events have increased. These natural disasters could destroy or damage the facilities or other properties of the FHLBanks or FHLBank members (such as collateral that members have pledged to secure advances or mortgages), disrupt the business of the FHLBanks or FHLBank members, increase the probability of power or other outages, negatively affect the livelihood of borrowers of FHLBank members, or otherwise cause significant economic dislocation in the affected regions. Any of these situations may adversely affect the financial condition and results of operations of an FHLBank and the FHLBanks on a combined basis.

PROPERTIES AND GEOGRAPHIC DISTRIBUTION

The FHLBanks operate in all 50 states, the District of Columbia, and U.S. territories, and had 6,388 members at December 31, 2025. See [Market for Capital Stock and Related Stockholder Matters](#) for more information on FHLBank members. Each FHLBank serves members whose principal place of business is located in its specifically-defined geographic district as illustrated in the map below. In addition to their principal business location, the majority of the FHLBanks and the Office of Finance also maintain off-site back-up facilities (leased or owned), and may also maintain additional office space.

Table 2 - Properties and Geographic Distribution

FHLBank	Principal Business Address	Owned/Leased	States and Territories	Number of Members
Boston	800 Boylston Street 6th Floor Boston, MA 02199	Leased	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	419
New York	101 Park Avenue New York, NY 10178-0601	Leased	New Jersey, New York, Puerto Rico, U.S. Virgin Islands	330
Pittsburgh	301 Grant Street Suite 2000 Pittsburgh, PA 15219	Leased	Delaware, Pennsylvania, West Virginia	282
Atlanta	1475 Peachtree St., N.E. Atlanta, GA 30309	Owned	Alabama, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia	781
Cincinnati	221 East Fourth St. Suite 600 Cincinnati, OH 45202	Leased	Kentucky, Ohio, Tennessee	599
Indianapolis	8250 Woodfield Crossing Blvd. Indianapolis, IN 46240	Owned	Indiana, Michigan	354
Chicago	433 West Van Buren Street Suite 501S Chicago, IL 60607	Leased	Illinois, Wisconsin	637
Des Moines	909 Locust Street Des Moines, IA 50309	Owned	Alaska, American Samoa, Guam, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, Commonwealth of the Northern Mariana Islands, Oregon, South Dakota, Utah, Washington, Wyoming	1,229
Dallas	8500 Freeport Parkway South Irving, TX 75063	Owned	Arkansas, Louisiana, Mississippi, New Mexico, Texas	779
Topeka	500 S.W. Wanamaker Road Topeka, KS 66606-2444	Owned	Colorado, Kansas, Nebraska, Oklahoma	651
San Francisco	333 Bush Street Suite 2700 San Francisco, CA 94104	Leased	Arizona, California, Nevada	327
Office of Finance	1818 Library Street Suite 420 Reston, VA 20190	Leased	N/A	N/A



LEGAL PROCEEDINGS

The FHLBanks are subject to various pending legal proceedings arising in the normal course of business. The FHLBanks and the Office of Finance do not believe they are a party to, or subject to, any pending legal proceedings where the ultimate liability of the FHLBanks, if any, arising out of these proceedings is likely to have a material effect on the results of operations, financial condition, or liquidity of the FHLBanks on a combined basis or that are otherwise material to the FHLBanks on a combined basis.

See each FHLBank's 2025 SEC Form 10-K under *Part I. Item 3 - Legal Proceedings* for additional information.

MARKET FOR CAPITAL STOCK AND RELATED STOCKHOLDER MATTERS

As a cooperative, each FHLBank conducts its advances business and mortgage loan programs almost exclusively with its members. Members and certain former members own all of the FHLBanks' capital stock. There is no established marketplace for the FHLBanks' stock and it is not publicly traded. FHLBank stock is purchased by members at the stated par value of \$100 per share and may be redeemed/repurchased at its stated par value of \$100 per share, subject to applicable redemption periods and certain conditions and limitations. (See [Business - Capital, Capital Rules, and Dividends](#) for more information on the restrictions on capital stock redemptions and repurchases.)

At December 31, 2025, the FHLBanks had 415 million shares of capital stock outstanding, including mandatorily redeemable capital stock. The FHLBanks are not required to register their securities under the Securities Act of 1933, as amended; however, each FHLBank is required to register a class of its stock under the Securities Exchange Act of 1934, as amended. (See [Note 11 - Capital](#) to the accompanying combined financial statements for additional information on regulatory capital stock and mandatorily redeemable capital stock.)

Table 3 presents regulatory capital stock of all the FHLBanks, which includes capital stock and mandatorily redeemable capital stock, held by type of member and Table 4 presents FHLBank membership by type of member.

Table 3 - Regulatory Capital Stock Held by Type of Member

(dollars in millions)

	December 31, 2025		December 31, 2024	
	Amount	Percentage of Regulatory Capital Stock	Amount	Percentage of Regulatory Capital Stock
Commercial banks	\$ 20,694	49.9 %	\$ 22,494	51.5 %
Insurance companies	9,462	22.8 %	8,658	19.8 %
Credit unions	6,616	16.0 %	6,872	15.7 %
Savings institutions	4,150	10.0 %	4,865	11.2 %
Community development financial institutions	44	0.1 %	35	0.1 %
Total GAAP capital stock	40,966	98.8 %	42,924	98.3 %
Mandatorily redeemable capital stock	508	1.2 %	743	1.7 %
Total	\$ 41,474	100.0 %	\$ 43,667	100.0 %

Table 4 - Membership by Type of Member

	December 31, 2025		December 31, 2024	
	Number	Percentage of Total Members	Number	Percentage of Total Members
Commercial banks	3,517	55.1 %	3,622	55.8 %
Credit unions	1,644	25.7 %	1,648	25.5 %
Insurance companies	622	9.7 %	596	9.2 %
Savings institutions	522	8.2 %	541	8.3 %
Community development financial institutions	83	1.3 %	79	1.2 %
Total members	6,388	100.0 %	6,486	100.0 %

The information on regulatory capital stock presented in Table 5 is accumulated at the holding-company level. The percentage of regulatory capital stock identified in Table 5 for each holding company was computed by dividing all regulatory capital stock owned by subsidiaries of that holding company by the regulatory capital stock of all the FHLBanks. These percentage concentrations do not represent ownership concentrations in an individual FHLBank.

Table 5 - Top 10 Regulatory Capital Stockholders by Holding Company at December 31, 2025

(dollars in millions)

Holding Company Name ⁽¹⁾	FHLBank Districts ⁽²⁾	Regulatory Capital Stock ⁽³⁾	Percentage of Regulatory Capital Stock	Mandatorily Redeemable Capital Stock
Truist Financial Corporation	Atlanta, Pittsburgh	\$ 1,521	3.7 %	\$ 1
Apollo Global Management, Inc.	Des Moines	1,057	2.5 %	—
JPMorgan Chase & Co.	Cincinnati, San Francisco, Des Moines	981	2.4 %	47
Wells Fargo & Company	Des Moines, San Francisco, Dallas, Topeka	762	1.8 %	4
New York Community Bancorp, Inc.	New York, Indianapolis	752	1.8 %	255
MetLife, Inc.	New York	700	1.7 %	—
U.S. Bancorp	Cincinnati, San Francisco, Des Moines	693	1.7 %	56
Bank of America Corporation	Atlanta, San Francisco, Boston, Des Moines	601	1.4 %	2
Midland Financial Co.	Topeka	581	1.4 %	—
The PNC Financial Services Group, Inc.	Pittsburgh, Cincinnati	551	1.3 %	3
		\$ 8,199	19.7 %	\$ 368

(1) Holding company information was obtained from the Federal Reserve System's website, the National Information Center (NIC), and SEC filings. The NIC is a central repository of data about banks and other institutions for which the Federal Reserve System has a supervisory, regulatory, or research interest, including both domestic and foreign banking organizations operating in the United States.

(2) At December 31, 2025, each holding company had subsidiaries with regulatory capital stock holdings in these FHLBank districts.

(3) Includes FHLBank capital stock that is considered to be mandatorily redeemable, which is classified as a liability under GAAP.

Table 6 presents information on the five largest regulatory capital stockholders by FHLBank at December 31, 2025. The information presented on capital stock in Table 6 is for individual FHLBank regulatory capital stockholders. The data is not aggregated to the holding-company level. Some of the institutions listed may be affiliates of the same holding company, and some of the institutions listed may have affiliates that are regulatory capital stockholders that are not listed in the table. Each FHLBank describes its risk management policies, including disclosures about its concentration risk, if any, in its periodic reports filed with the SEC. (See [Explanatory Statement about Federal Home Loan Banks Combined Financial Report](#).)

Table 6 - Top 5 Regulatory Capital Stockholders by FHLBank at December 31, 2025

(dollars in millions)

District	Name	Holding Company Name ⁽¹⁾	Regulatory Capital Stock	Percentage of FHLBank Regulatory Capital Stock ⁽²⁾	Mandatorily Redeemable Capital Stock
Boston	State Street Bank and Trust Company		\$ 148	7.6 %	\$ —
	Webster Bank, National Association		125	6.4 %	—
	Citizens Bank, National Association		98	5.1 %	—
	Hingham Institution for Savings		62	3.2 %	—
	Institution for Savings in Newburyport and Its Vicinity		62	3.2 %	—
			\$ 495	25.5 %	\$ —

District	Name	Holding Company Name ⁽¹⁾	Regulatory Capital Stock	Percentage of FHLBank Regulatory Capital Stock ⁽²⁾	Mandatorily Redeemable Capital Stock
New York	Metropolitan Life Insurance Company(3)	MetLife, Inc.	\$ 628	11.6 %	\$ —
	Flagstar Bank, National Association	New York Community Bancorp, Inc.	497	9.2 %	—
	Citibank, N.A.		456	8.4 %	—
	Teachers Insurance and Annuity Association of America		375	6.9 %	—
	Equitable Financial Life Insurance Company		323	6.0 %	—
			<u>\$ 2,279</u>	<u>42.1 %</u>	<u>\$ —</u>
Pittsburgh	PNC Bank, National Association(3)	The PNC Financial Services Group, Inc.	\$ 548	24.0 %	\$ —
	Ally Bank		359	15.7 %	—
	First National Bank of Pennsylvania		190	8.3 %	—
	TD Bank, N.A.		145	6.3 %	—
	Santander Bank, N.A.		111	4.9 %	—
			<u>\$ 1,353</u>	<u>59.2 %</u>	<u>\$ —</u>
Atlanta	Truist Bank	Truist Financial Corporation	\$ 1,520	27.1 %	\$ —
	Bank of America, National Association	Bank of America Corporation	582	10.4 %	—
	Navy Federal Credit Union		339	6.1 %	—
	Everbank, N.A.		219	3.9 %	—
	Brighthouse Life Insurance Company (NC)		218	3.9 %	—
			<u>\$ 2,878</u>	<u>51.4 %</u>	<u>\$ —</u>
Cincinnati	JPMorgan Chase Bank, National Association	JPMorgan Chase & Co.	\$ 934	20.5 %	\$ —
	U.S. Bank National Association	U.S. Bancorp	637	14.0 %	—
	The Huntington National Bank		282	6.2 %	—
	Third Federal Savings and Loan Association of Cleveland		234	5.1 %	—
	Fifth Third Bank(3)		167	3.7 %	—
			<u>\$ 2,254</u>	<u>49.5 %</u>	<u>\$ —</u>
Indianapolis	Old National Bank		\$ 281	9.4 %	\$ —
	Flagstar Bank, FSB	New York Community Bancorp, Inc.	255	8.6 %	255
	Merchants Bank of Indiana		196	6.6 %	—
	Delaware Life Insurance Company		153	5.1 %	—
	The Lincoln National Life Insurance Company		137	4.6 %	—
			<u>\$ 1,022</u>	<u>34.3 %</u>	<u>\$ 255</u>
Chicago	The Northern Trust Company		\$ 343	9.5 %	\$ —
	Alliant Credit Union		297	8.3 %	—
	Associated Bank, National Association		154	4.3 %	—
	The Northwestern Mutual Life Insurance Company		149	4.1 %	—
	BMO Bank National Association		143	4.0 %	—
			<u>\$ 1,086</u>	<u>30.2 %</u>	<u>\$ —</u>
Des Moines	Athene Annuity and Life Company	Apollo Global Management, Inc.	\$ 1,057	16.2 %	\$ —
	Wells Fargo Bank, National Association	Wells Fargo & Company	741	11.3 %	—
	EquiTrust Life Insurance Company		201	3.1 %	—
	UBS Bank USA		195	3.0 %	—
	Symetra Life Insurance Company		189	2.9 %	—
			<u>\$ 2,383</u>	<u>36.5 %</u>	<u>\$ —</u>

District	Name	Holding Company Name ⁽¹⁾	Regulatory Capital Stock	Percentage of FHLBank Regulatory Capital Stock ⁽²⁾	Mandatorily Redeemable Capital Stock
Dallas	USAA Federal Savings Bank(3)		\$ 296	8.9 %	\$ —
	American General Life Insurance Company		220	6.6 %	—
	Comerica Bank		130	3.9 %	—
	American Airlines Federal Credit Union		128	3.8 %	—
	Beal Bank USA		125	3.7 %	—
			<u>\$ 899</u>	<u>26.9 %</u>	<u>\$ —</u>
Topeka	MidFirst Bank	Midland Financial Co.	\$ 581	23.1 %	\$ —
	BOKF, National Association(3)		148	5.9 %	—
	United of Omaha Life Insurance Company		144	5.7 %	—
	Pacific Life Insurance Co.		105	4.2 %	—
	Capitol Federal Savings Bank		85	3.4 %	—
			<u>\$ 1,063</u>	<u>42.3 %</u>	<u>\$ —</u>
San Francisco	Western Alliance Bank		\$ 151	5.7 %	\$ —
	City National Bank		95	3.5 %	—
	East West Bank		87	3.3 %	—
	First Technology Federal Credit Union(3)		75	2.8 %	—
	MUFG Union Bank, National Association	U.S. Bancorp	55	2.1 %	55
			<u>\$ 463</u>	<u>17.4 %</u>	<u>\$ 55</u>

- (1) The holding company name is only shown for each Top 5 regulatory capital stockholder that has its holding company listed in Table 5 - Top 10 Regulatory Capital Stockholders by Holding Company at December 31, 2025.
- (2) For consistency with the individual FHLBank's presentation of its Top 5 regulatory capital stockholders at December 31, 2025, amounts used to calculate percentages of FHLBank regulatory capital stock may be based on numbers in thousands. Accordingly, recalculations using the amounts in millions as presented in Table 6 may not produce the same results.
- (3) Indicates that an officer or director of the stockholder was an FHLBank director within that district at December 31, 2025.

SELECTED FINANCIAL DATA

<i>(dollars in millions)</i>	2025	2024	2023	2022	2021
Selected Statement of Condition Data at December 31,					
Investments ⁽¹⁾	\$ 483,782	\$ 467,755	\$ 407,902	\$ 363,812	\$ 308,471
Advances	676,711	736,713	809,571	819,121	351,278
Mortgage loans held for portfolio	79,169	69,593	61,335	56,048	55,497
Total assets	1,247,603	1,282,885	1,289,413	1,247,247	723,238
Deposits	15,248	14,330	13,150	10,365	14,303
Consolidated obligations					
Discount notes	433,247	326,786	287,050	466,049	210,897
Bonds	714,050	857,812	904,636	695,381	441,024
Total consolidated obligations	1,147,297	1,184,598	1,191,686	1,161,430	651,921
Mandatorily redeemable capital stock	508	743	1,230	708	398
Capital					
Total capital stock⁽²⁾	40,966	42,924	44,686	44,006	25,065
Retained earnings	32,730	30,557	27,894	24,554	22,760
Accumulated other comprehensive income (loss)	640	(316)	(1,044)	(753)	1,297
Total capital	74,336	73,165	71,536	67,807	49,122
Selected Statement of Income Data for the year ended December 31,					
Net interest income	\$ 7,994	\$ 8,708	\$ 8,919	\$ 5,149	\$ 3,747
Provision (reversal) for credit losses	14	3	13	27	(15)
Net interest income after provision (reversal) for credit losses	7,980	8,705	8,906	5,122	3,762
Non-interest income (loss)	524	546	330	(124)	(358)
Non-interest expense	2,227	2,176	1,793	1,477	1,432
Affordable Housing Program assessments	632	718	752	355	201
Net income	\$ 5,645	\$ 6,357	\$ 6,691	\$ 3,166	\$ 1,771
Selected Other Data for the year ended December 31,					
Cash and stock dividends	\$ 3,472	\$ 3,694	\$ 3,351	\$ 1,372	\$ 1,009
Dividend payout ratio ⁽³⁾	61.51 %	58.11 %	50.08 %	43.34 %	56.97 %
Return on average equity ⁽⁴⁾⁽⁵⁾	7.58 %	8.71 %	9.17 %	5.60 %	3.54 %
Return on average assets	0.43 %	0.49 %	0.48 %	0.33 %	0.23 %
Average equity to average assets ⁽⁵⁾	5.74 %	5.61 %	5.18 %	5.86 %	6.59 %
Net interest margin ⁽⁶⁾	0.62 %	0.68 %	0.64 %	0.54 %	0.50 %

(1) Investments consist of interest-bearing deposits, securities purchased under agreements to resell, federal funds sold, trading securities, available-for-sale securities (AFS), and held-to-maturity securities (HTM).

(2) FHLBank capital stock is redeemable at the request of a member subject to the statutory redemption periods and other conditions and limitations. (See [Note 11 - Capital](#) to the accompanying combined financial statements for additional information on the statutory redemption periods and other conditions and limitations.)

(3) Dividend payout ratio is equal to dividends declared in the period expressed as a percentage of net income in the period. This ratio may not be as relevant to the combined balances because there are no shareholders at the FHLBank System-wide level.

(4) Return on average equity is equal to net income expressed as a percentage of average total capital.

(5) Mandatorily redeemable capital stock is not included in the calculations of return on average equity or average equity to average assets.

(6) Net interest margin is equal to net interest income represented as a percentage of average interest-earning assets.

FINANCIAL DISCUSSION AND ANALYSIS OF COMBINED FINANCIAL CONDITION AND COMBINED RESULTS OF OPERATIONS

Investors should read this financial discussion and analysis of combined financial condition and combined results of operations together with the combined financial statements and the accompanying notes in this Combined Financial Report of the FHLBanks. Each FHLBank discusses its financial condition and results of operations in its periodic reports filed with the SEC. Each FHLBank's Annual Report on SEC Form 10-K and Quarterly Reports on SEC Form 10-Q contain, as required by applicable SEC rules, a "Management's Discussion and Analysis of Financial Condition and Results of Operations," commonly called MD&A. The SEC notes that one of the principal objectives of MD&A is "to provide a narrative explanation of a company's financial statements that enables investors to see the company through the eyes of management." Because there is no centralized management of the FHLBanks that can provide a system-wide "eyes of management" view of the FHLBanks as a whole, this Combined Financial Report does not contain a conventional MD&A. Instead, a "Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations" is prepared by the Office of Finance using information provided by each FHLBank. This Financial Discussion and Analysis does not generally include a separate discussion of how each FHLBank's operations affect the combined financial condition and combined results of operations. That level of information about each FHLBank is addressed in each respective FHLBank's periodic reports filed with the SEC. (See [Explanatory Statement about Federal Home Loan Banks Combined Financial Report](#) and [Supplemental Information - Individual Federal Home Loan Bank Selected Financial Data and Financial Ratios](#).)

The combined financial statements include the financial results of the FHLBanks. (See [Condensed Combining Schedules](#) to the accompanying combined financial statements for information regarding each FHLBank's results.) Transactions between the FHLBanks have been eliminated in accordance with combination accounting principles similar to consolidation under GAAP. (See [Note 1 - Summary of Significant Accounting Policies](#) to the accompanying combined financial statements and [Interbank Eliminations](#) for more information.)

Unless otherwise stated, dollar amounts disclosed in this Combined Financial Report represent values rounded to the nearest million. Dollar amounts rounding to less than one million are not reflected in this Combined Financial Report.

Executive Summary

This executive summary highlights selected information and may not contain all of the information that is important to readers of this Combined Financial Report. For a more complete understanding of events, trends, and uncertainties, this executive summary should be read together with the Financial Discussion and Analysis section in its entirety and the FHLBanks' combined financial statements and related notes.

Overview

The FHLBanks are GSEs, federally-chartered, but privately capitalized and independently managed. The FHLBanks together with the Office of Finance, a joint office of the FHLBanks, comprise the FHLBank System. Each of the FHLBanks and the Office of Finance operates under the supervisory and regulatory framework of the FHFA.

The FHLBanks are cooperative institutions, whose stockholders are also the FHLBanks' primary customers. FHLBank capital stock is not publicly traded; it is purchased by members from, and redeemed or repurchased by, an FHLBank at the stated par value of \$100 per share. Each FHLBank's primary business is to serve as a financial intermediary between the capital markets and its members. This intermediation process involves raising funds by issuing debt, known as consolidated obligations, in the capital markets and lending those proceeds to member institutions in the form of secured loans, known as advances. Each FHLBank's funding is principally obtained from consolidated obligations issued through the Office of Finance on behalf of the FHLBanks.

Consolidated obligations are joint and several obligations of all FHLBanks. FHLBank debt issuance is generally driven by members' needs for advances. As housing GSEs, the FHLBanks have served the public for more than 90 years, benefiting from their flexible debt issuance programs, fully-collateralized lending practices, highly-rated investment holdings, and a scalable capital base designed to expand and contract in response to changing needs of their members.

The FHLBanks seek to maintain a balance between their public policy mission and their goal of providing adequate returns on member capital. The FHLBanks strive to achieve this balance by providing value to their members through advances, mortgage loan purchases, other services, and dividend payments. The FHLBanks' primary sources of earnings are the net interest spread between the average yield on interest-earning assets and the average rate on interest-bearing liabilities, combined with earnings on invested capital. Due to their cooperative structures, the FHLBanks generally earn a narrow net interest spread.

External Credit Ratings

The FHLBanks' ability to raise funds in the capital markets at narrow spreads to the U.S. Treasury yield curve is due largely to their status as GSEs, which is reflected in their consolidated obligations receiving the same credit ratings as the sovereign credit ratings of the United States, even though the consolidated obligations are not obligations of the United States and are not guaranteed by the United States. S&P, Moody's, or other rating organizations could downgrade or upgrade the credit ratings of the U.S. government and GSEs, including the FHLBanks and their consolidated obligations. In addition to ratings on the FHLBanks' consolidated obligations, each FHLBank is rated individually by S&P and Moody's. In May 2025, Moody's downgraded the long-term senior unsecured debt ratings of the FHLBanks to Aa1 from Aaa and changed the outlook on the ratings to stable from negative, reflecting the downgrade by Moody's in the same month of the U.S. government's long-term issuer and senior unsecured ratings to Aa1 with a stable outlook from Aaa with a negative outlook. Investors should note that a rating issued by a nationally recognized statistical rating organization is not a recommendation to buy, sell, or hold securities, and that the ratings may be revised or withdrawn by the rating organization at any time. Investors should evaluate the rating of each nationally recognized statistical rating organization independently. Investors should not take the historical or current ratings of the FHLBanks or their consolidated obligations as an indication of future ratings for the FHLBanks and their consolidated obligations. (See [External Credit Ratings](#) for more information.)

Business Environment

Among the primary external factors that affect the FHLBanks' combined financial condition and results of operations are the general state of the economy and financial markets, including conditions in the U.S. housing markets, and interest rate levels and volatility.

Economy and Financial Markets. The FHLBanks' results of operations are influenced by the economy and financial markets, and, in particular, by FHLBank members' demand for advances and the FHLBanks' ability to maintain sufficient access to diverse sources of funding at relatively favorable costs. The FHLBanks' flexibility in utilizing various funding tools, in combination with their diverse investor base and their status as GSEs, has helped ensure reliable market access and demand for consolidated obligations throughout fluctuating market environments and regulatory changes affecting dealers of and investors in consolidated obligations.

Beginning in the first quarter of 2025, developments associated with U.S. trade and fiscal policies, including tariffs imposed or proposed by the U.S. and its trading partners, created substantial uncertainty about the future economic environment and, from time to time, led to significant volatility in the financial markets affecting interest rates, credit spreads, and asset prices. These policies continue to evolve, and their ultimate economic impact remains uncertain. The military conflict involving Iran beginning in late February 2026 created additional uncertainty about the economic environment and volatility in the financial markets. Unfavorable economic and market conditions could adversely affect the FHLBanks' business activities and results of operations, including the demand for their advances and their cost of funding or access to funding.

Conditions in U.S. Housing Markets. Conditions in the U.S. housing markets primarily affect the FHLBanks through the creation of demand for, and yield on, advances and mortgage loans, as well as the yield on investments in MBS. According to the National Association of REALTORS®, there were record-high home prices and historically low home sales, and housing inventory remained tight, during 2025. However, conditions improved in the fourth quarter of 2025, with lower mortgage rates and slower home price growth.

Interest Rate Levels and Volatility. The level and volatility of interest rates affect FHLBank member demand for advances. In addition, credit spreads and the shape of the yield curve affect investor demand for consolidated obligations. These factors, driven in part by federal monetary and fiscal policies, also affect the FHLBanks' combined results of operations, primarily affecting net interest income and the valuation of certain assets and liabilities.

In 2025, the Federal Open Market Committee (FOMC) initially maintained its target range of the federal funds rate before lowering its target range by 25 basis points at each of its September, October, and December meetings. At its meetings in January and March 2026, the FOMC maintained its target range of the federal funds rate at 3.5% to 3.75%. The FOMC stated in March 2026 that available indicators suggest that economic activity has been expanding at a solid pace and that inflation remains somewhat elevated. In addition, it stated that uncertainty about the economic outlook remains elevated, and it is attentive to the risks to both sides of its dual mandate. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the FOMC will carefully assess incoming data, the evolving outlook, and the balance of risks. After slowing the pace of decline in its securities holdings beginning in April 2025, the FOMC decided to conclude the reduction of its aggregate securities holdings effective December 1, 2025.

Investor demand for the FHLBanks' consolidated obligations remained strong in 2025, with market participants generally favoring short-term consolidated bonds and consolidated discount notes. The FHLBanks continued to meet their funding needs during the year ended December 31, 2025.

Table 7 presents the yearly averages and period-end rates for certain key interest rates. Changes in average interest rates primarily affect the yields on interest-earning assets and interest-bearing liabilities. The level and volatility of interest rates will likely remain a significant factor driving the FHLBanks' results of operations and financial condition.

Table 7 - Key Interest Rates

	Twelve-Month Average		Period End	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Federal Funds Effective	4.21 %	5.15 %	3.64 %	4.33 %
SOFR	4.24 %	5.15 %	3.87 %	4.49 %
1-week Overnight Indexed Swap	4.20 %	5.13 %	3.64 %	4.33 %
3-month U.S. Treasury yield	4.15 %	5.10 %	3.63 %	4.32 %
2-year U.S. Treasury yield	3.82 %	4.38 %	3.48 %	4.24 %
10-year U.S. Treasury yield	4.29 %	4.21 %	4.17 %	4.57 %

Source: Bloomberg

Table 8 presents the average funding spreads of newly-issued consolidated obligations relative to Treasury and SOFR indices, as well as the ending spread at each year end. Generally, a decline in the average funding spreads of newly-issued consolidated obligations relative to benchmark indices indicates a reduction in the relative funding costs of consolidated obligations.

Table 8 - Funding Spreads to Treasury and SOFR Indices

(in basis points)

Borrowing Term	Twelve-Month Average		Ending Spread	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Treasury				
3-months	2.7	2.7	2.2	1.6
2-years	2.6	3.6	1.5	2.0
5-years	3.3	5.1	1.0	3.0
10-years	22.1	30.7	17.0	21.0
SOFR				
3-months	(3.1)	(0.6)	(5.7)	(1.8)
2-years	21.2	16.7	15.8	16.8
5-years	34.3	30.9	25.0	35.0
10-years	67.5	69.7	51.4	68.1

Source: Funding spreads are derived using Office of Finance indications compared to Treasury and SOFR indices.

Supporting Housing and Community Investment. In addition to providing a readily available, competitively-priced source of funds to members, one of the core missions of the FHLBanks is to support affordable housing and community investment. A number of statutory and voluntary programs administered by the FHLBanks are targeted to fulfill that mission. The FHLBanks are statutorily required to set aside a portion of their profits to support affordable housing each year. These funds assist members in serving very low- and low- or moderate-income households.

In addition to statutory Affordable Housing Program (AHP) assessments, the FHLBanks indicated in 2023 that they were either already making or would be making voluntary contributions representing 5% or more of their prior year's earnings in support of affordable housing and community investment initiatives, collectively referred to as voluntary contributions. For the year ended December 31, 2025, all of the FHLBanks met or exceeded their 5% voluntary contribution commitment.

Table 9 provides a summary of the FHLBanks' voluntary contribution results for the years ended December 31, 2025 and 2024. (See [Combined Results of Operations - Supporting Housing and Community Investment](#) for further information about the FHLBanks' AHP assessment and voluntary contribution commitment target, including calculations of the commitment and the fulfillment.)

Table 9 - Voluntary Contribution Commitment and Fulfillment

(dollars in millions)

	Year Ended December 31,	
	2025	2024
Voluntary contribution commitment	\$ 384	\$ 381
Voluntary contribution fulfillment	456	479
Excess over commitment	\$ 72	\$ 98
Fulfillment, as a % of prior year net income subject to assessment, as adjusted	5.9 %	6.2 %
Voluntary contribution fulfillment	\$ 456	\$ 479
Supplemental voluntary contributions to AHP ⁽¹⁾	51	49
Total voluntary contributions, including supplemental contributions to AHP assessment	\$ 507	\$ 528

(1) The income statement effects of an FHLBank's voluntary contributions reduce net income before assessments which, in turn, reduces the statutory AHP assessment each year. As such, each FHLBank has committed to make supplemental voluntary contributions to the AHP by an amount that restores the statutory AHP assessment amount to what it otherwise would have been in the absence of these effects.

For the years ended December 31, 2025 and 2024, the total of statutory AHP assessment expense and voluntary contribution fulfillment, including supplemental voluntary contributions to AHP, was \$1,139 million and \$1,246 million.

FHLBanks' Financial Highlights

Combined Financial Condition. The FHLBanks' assets and liabilities expand and contract as the needs of member financial institutions and their communities change over time. Total assets were \$1,247.6 billion at December 31, 2025, a decrease of 3% from \$1,282.9 billion at December 31, 2024. Total liabilities were \$1,173.3 billion at December 31, 2025, a decrease of 3% compared to \$1,209.7 billion at December 31, 2024. Total GAAP capital was \$74.3 billion at December 31, 2025, an increase of 2% from \$73.2 billion at December 31, 2024.

- Advance balances totaled \$676.7 billion at December 31, 2025, a decrease of 8% from \$736.7 billion at December 31, 2024, resulting primarily from a decrease in advances to depository members.
- Investments were \$483.8 billion at December 31, 2025, an increase of 3% from \$467.8 billion at December 31, 2024, driven by increases in MBS and investments held for liquidity. The FHLBanks maintain investment portfolios to provide funds to meet the credit needs of their members, maintain liquidity, and earn interest income.
- Mortgage loans held for portfolio were \$79.2 billion at December 31, 2025, an increase of 14% from \$69.6 billion at December 31, 2024, as mortgage loan purchase volume outpaced repayments.
- Consolidated obligations totaled \$1,147.3 billion at December 31, 2025, a decrease of 3% from \$1,184.6 billion at December 31, 2024, in line with the decrease in total assets and consisting of a 17% decrease in consolidated bonds, partially offset by a 33% increase in consolidated discount notes.
- Each FHLBank was in compliance with FHFA regulatory capital requirements at December 31, 2025. Retained earnings grew to \$32.7 billion at December 31, 2025, an increase of 7% from \$30.6 billion at December 31, 2024, resulting principally from net income of \$5,645 million, partially offset by dividends of \$3,472 million.

Combined Results of Operations. Net income was \$5,645 million for the year ended December 31, 2025, a decrease of 11% compared to the year ended December 31, 2024, resulting primarily from lower net interest income.

- Net interest income was \$7,994 million for the year ended December 31, 2025, a decrease of 8% compared to the year ended December 31, 2024. Net interest margin was 0.62% for the year ended December 31, 2025, a decrease of 6 basis points compared to the year ended December 31, 2024.
- Non-interest income was \$524 million for the year ended December 31, 2025, a decrease of 4% compared to the year ended December 31, 2024, resulting primarily from changes in the fair value of derivatives, investment securities, and financial instruments held under fair value option, driven by changes in interest rates.
- Non-interest expense was \$2,227 million for the year ended December 31, 2025, an increase of 2% compared to the year ended December 31, 2024, resulting primarily from increases in compensation and benefits.
- AHP assessments are statutory and result from individual FHLBank income subject to assessment. AHP assessments were \$632 million for the year ended December 31, 2025, a decrease of 12% compared to the year ended December 31, 2024.

Combined Financial Condition

The FHLBanks' asset composition includes cash and due from banks, investments, advances, mortgage loans held for portfolio, and other assets. The FHLBanks' liability composition includes deposits, consolidated discount notes, consolidated bonds, mandatorily redeemable capital stock, and other liabilities. The FHLBanks' capital composition includes capital stock, retained earnings, and accumulated other comprehensive income (loss) (AOCI). The FHLBanks' assets and liabilities expand and contract as the needs of member financial institutions and their communities change over time.

Figure 1 presents the FHLBanks' total asset composition for the most recent five years.

**Figure 1 - FHLBanks' Asset Composition at Year-end
(dollars in billions)**

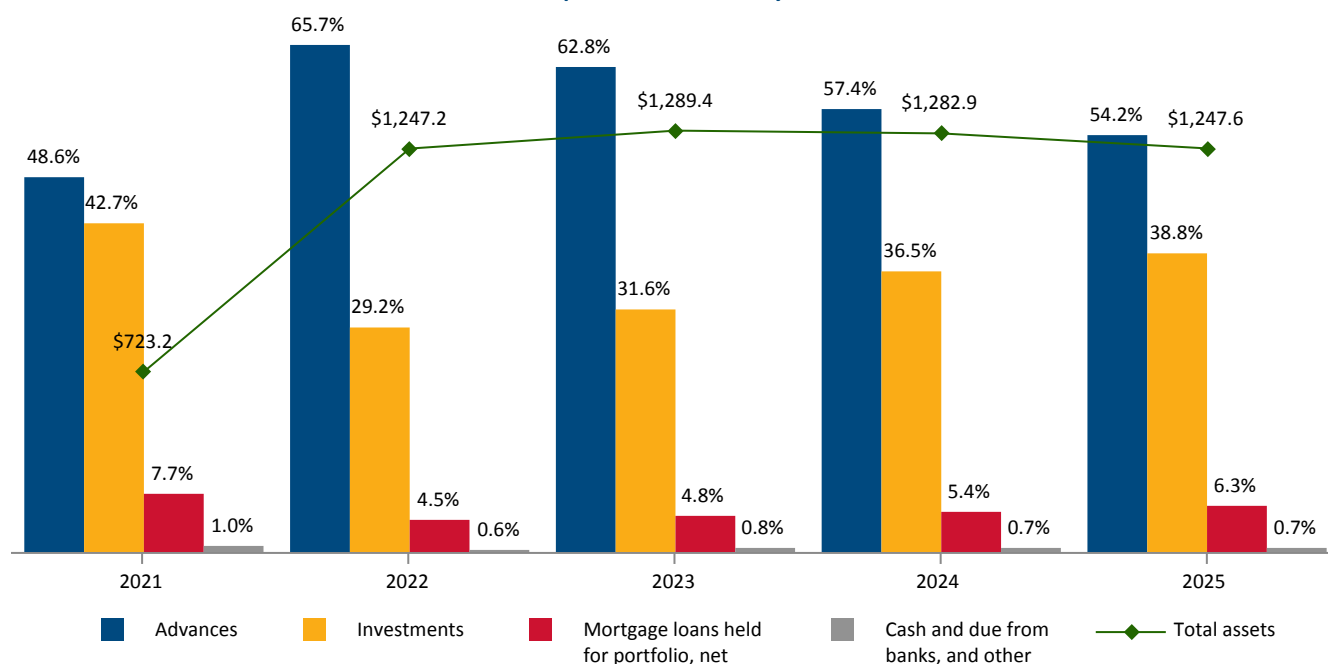
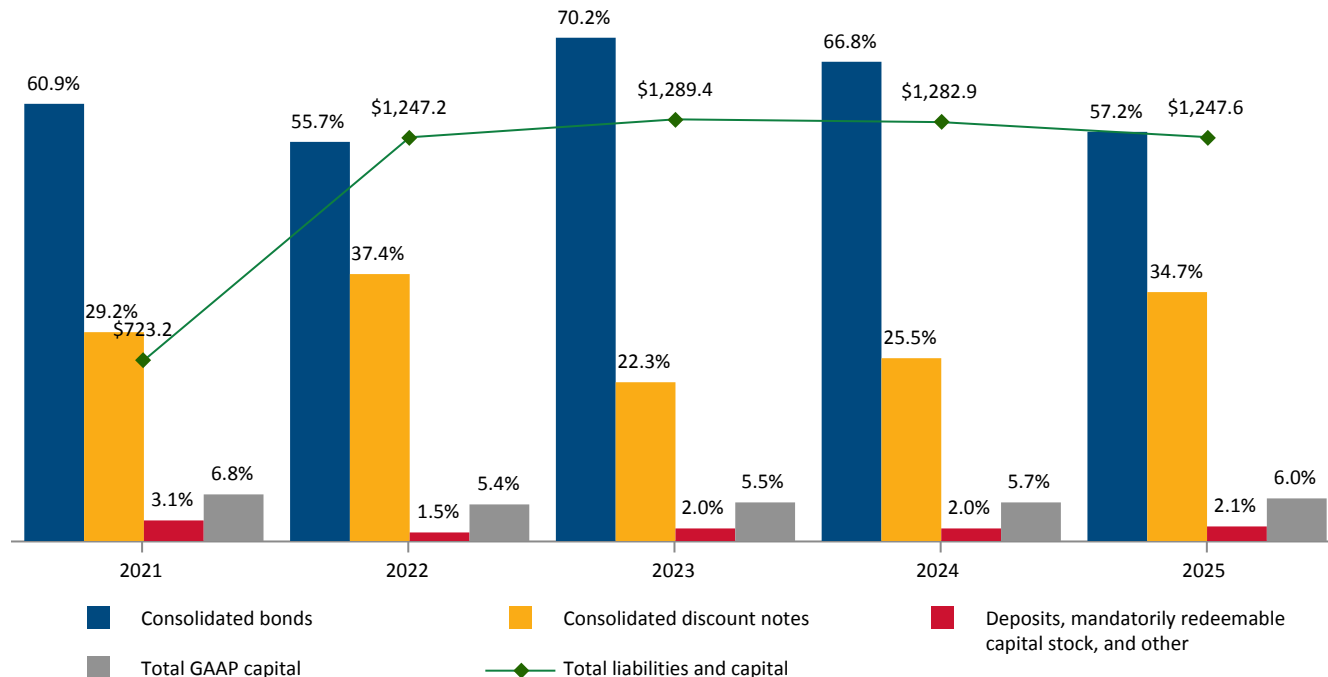


Figure 2 presents the FHLBanks' total liability and capital composition for the most recent five years.

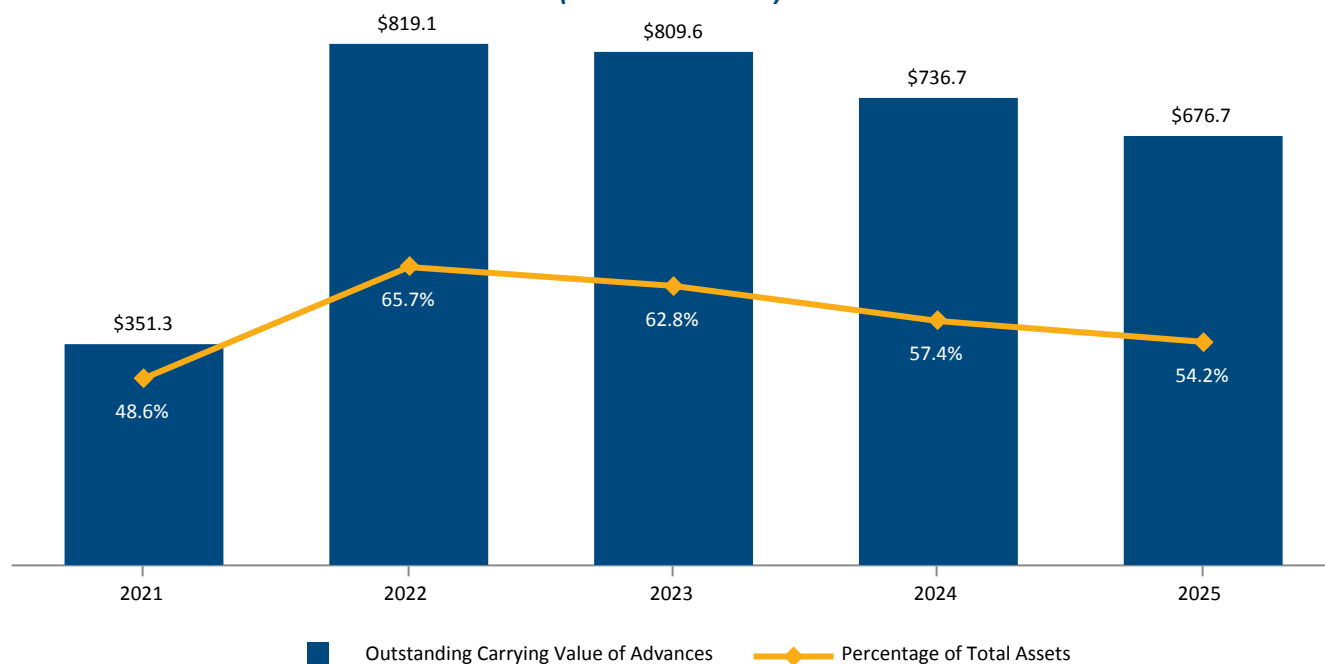
**Figure 2 - FHLBanks' Liability and Capital Composition at Year-end
(dollars in billions)**



Advances

The FHLBanks provide funding to members and housing associates through secured loans (advances), which may be used for, among other things, residential mortgages, community investments, and other services for housing and community development. Each FHLBank makes advances based on the security of mortgage loans and other types of eligible collateral pledged by, and the creditworthiness and financial condition of, the borrowing institutions. Figure 3 presents advances for the most recent five years.

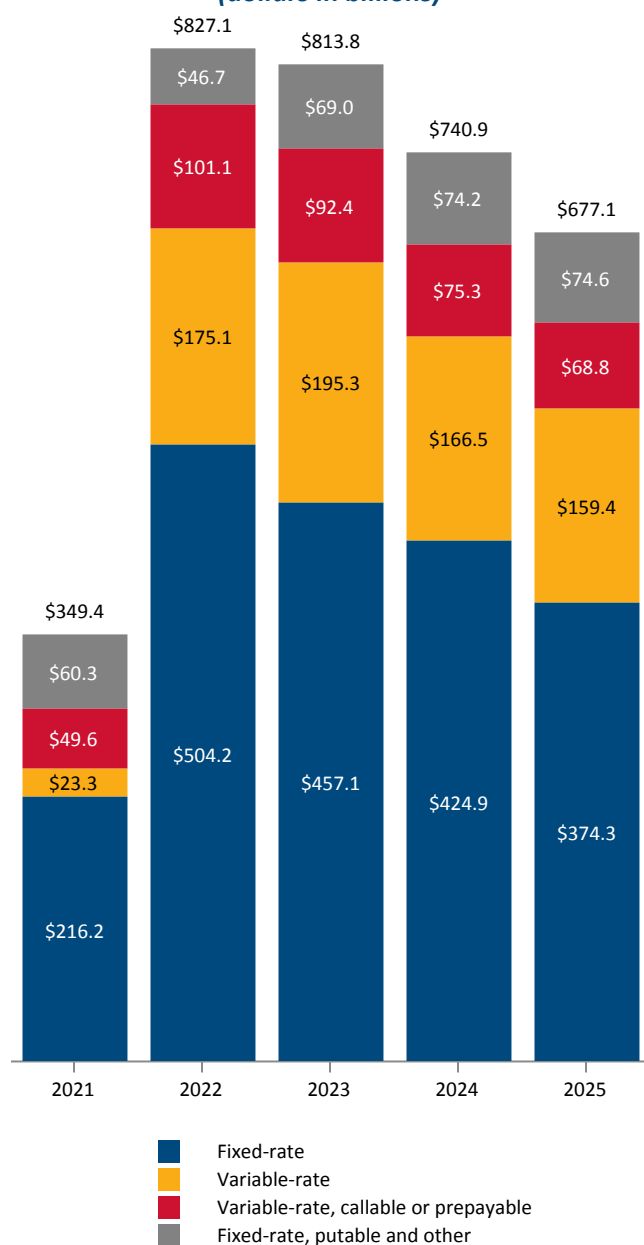
**Figure 3 - Advances Outstanding at Year-end (Carrying Value)
(dollars in billions)**



The outstanding carrying value of advances totaled \$676.7 billion at December 31, 2025, a decrease of 8%, from \$736.7 billion at December 31, 2024, resulting primarily from a decrease in advances to depository members. The FHLBanks' assets and liabilities expand and contract as the needs of member financial institutions and their communities change over time. The future demand for advances will depend on many factors, including but not limited to, changes in interest rates, government liquidity programs, changes in fiscal and monetary policies, as well as the state of the U.S. economy and financial markets.

The percentage of members with outstanding advances was 51% at December 31, 2025, compared to 54% at December 31, 2024. Figures 4 and 5 present the principal amount of advances by product type and by redemption term for the most recent five years.

**Figure 4 - Advances by Product Type
at Year-end
(dollars in billions)**



**Figure 5 - Advances by Redemption Term
at Year-end
(dollars in billions)**

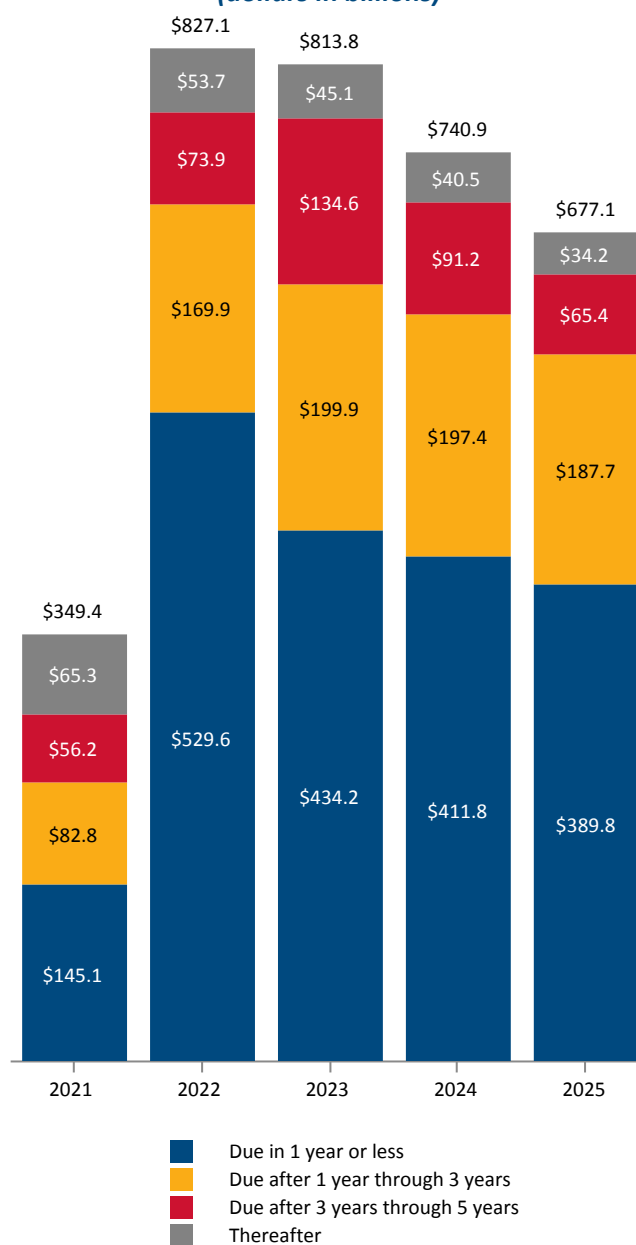


Table 10 presents advances outstanding by product type and redemption term, some of which include advances that contain embedded put or call options. A member can either sell an embedded option to an FHLBank or purchase an embedded option from an FHLBank. (See [Note 5 - Advances](#) to the accompanying combined financial statements for additional information on putable and callable advances and their potential effects on advance redemptions.) At December 31, 2025 and 2024, the majority of variable-rate advances (as represented by principal amount) were indexed to SOFR.

Table 10 - Types of Advances by Redemption Term

(dollars in millions)

	December 31, 2025		December 31, 2024		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Fixed-rate						
Due in 1 year or less	\$ 220,721	32.6 %	\$ 239,972	32.4 %	\$ (19,251)	(8.0)%
Due after 1 year through 3 years	106,687	15.8 %	120,368	16.2 %	(13,681)	(11.4)%
Due after 3 years through 5 years	37,240	5.5 %	51,071	6.9 %	(13,831)	(27.1)%
Due after 5 years through 15 years	8,884	1.3 %	12,864	1.7 %	(3,980)	(30.9)%
Thereafter	790	0.1 %	617	0.1 %	173	28.0 %
Total principal amount	374,322	55.3 %	424,892	57.3 %	(50,570)	(11.9)%
Fixed-rate, putable						
Due in 1 year or less	4,005	0.6 %	668	0.1 %	3,337	499.6 %
Due after 1 year through 3 years	9,855	1.4 %	9,793	1.3 %	62	0.6 %
Due after 3 years through 5 years	8,494	1.3 %	9,835	1.4 %	(1,341)	(13.6)%
Due after 5 years through 15 years	16,067	2.4 %	17,789	2.4 %	(1,722)	(9.7)%
Thereafter	—	—	—	—	—	—
Total principal amount	38,421	5.7 %	38,085	5.2 %	336	0.9 %
Variable-rate						
Due in 1 year or less	124,701	18.4 %	132,169	17.8 %	(7,468)	(5.7)%
Due after 1 year through 3 years	29,190	4.3 %	26,595	3.6 %	2,595	9.8 %
Due after 3 years through 5 years	3,480	0.5 %	5,896	0.8 %	(2,416)	(41.0)%
Due after 5 years through 15 years	2,014	0.3 %	1,801	0.2 %	213	11.8 %
Thereafter	—	—	—	—	—	—
Total principal amount	159,385	23.5 %	166,461	22.4 %	(7,076)	(4.3)%
Variable-rate, callable or prepayable⁽¹⁾						
Due in 1 year or less	26,265	3.9 %	26,956	3.6 %	(691)	(2.6)%
Due after 1 year through 3 years	29,246	4.3 %	29,352	4.0 %	(106)	(0.4)%
Due after 3 years through 5 years	10,675	1.5 %	16,403	2.2 %	(5,728)	(34.9)%
Due after 5 years through 15 years	2,069	0.3 %	2,140	0.3 %	(71)	(3.3)%
Thereafter	518	0.1 %	405	0.1 %	113	27.9 %
Total principal amount	68,773	10.1 %	75,256	10.2 %	(6,483)	(8.6)%
Other⁽²⁾						
Due in 1 year or less	14,149	2.1 %	12,015	1.6 %	2,134	17.8 %
Due after 1 year through 3 years	12,713	1.9 %	11,266	1.5 %	1,447	12.8 %
Due after 3 years through 5 years	5,485	0.8 %	8,007	1.1 %	(2,522)	(31.5)%
Due after 5 years through 15 years	3,735	0.6 %	4,474	0.6 %	(739)	(16.5)%
Thereafter	92	—	396	0.1 %	(304)	(76.8)%
Total principal amount	36,174	5.4 %	36,158	4.9 %	16	—
Overdrawn and overnight deposit accounts	2	—	6	—	(4)	(66.7)%
Total principal amount advances	677,077	100.0 %	740,858	100.0 %	\$ (63,781)	(8.6)%
Other adjustments, net ⁽³⁾	(366)		(4,145)			
Total advances	\$ 676,711		\$ 736,713			

(1) Prepayable advances are those advances that may be contractually prepaid by the borrower on specified dates without incurring prepayment or termination fees.

(2) Includes hybrid, fixed-rate amortizing/mortgage matched, convertible, fixed-rate callable or prepayable, and other advances.

(3) Consists of hedging and fair value option valuation adjustments and unamortized premiums, discounts, and commitment fees.

The FHLBanks make advances primarily to their members. Table 11 presents the principal amount of advances by type of borrower at December 31, 2025 and 2024. Commercial banks represented the largest segment of borrowers, with 50% and 51% of the total principal amount of advances outstanding at December 31, 2025 and 2024.

Table 11 - Principal Amount of Advances by Type of Borrower

(dollars in millions)

	December 31, 2025		December 31, 2024	
	Principal Amount	Percentage of Total Principal Amount of Advances	Principal Amount	Percentage of Total Principal Amount of Advances
Commercial banks	\$ 337,199	49.7 %	\$ 380,010	51.3 %
Insurance companies	177,845	26.3 %	161,138	21.8 %
Savings institutions	77,199	11.4 %	94,000	12.6 %
Credit unions	77,028	11.4 %	90,398	12.2 %
Community development financial institutions	437	0.1 %	381	0.1 %
Total members	669,708	98.9 %	725,927	98.0 %
Non-members ⁽¹⁾	6,610	1.0 %	14,014	1.9 %
Housing associates	759	0.1 %	917	0.1 %
Total principal amount	\$ 677,077	100.0 %	\$ 740,858	100.0 %

(1) Includes advances outstanding to former members of certain FHLBanks that were acquired by members of other FHLBanks.

Table 12 presents member borrowers by type of member at December 31, 2025 and 2024.

Table 12 - Member Borrowers by Type of Member

	December 31, 2025		December 31, 2024	
	Number of Member Borrowers	Percentage of Total Member Borrowers	Number of Member Borrowers	Percentage of Total Member Borrowers
Commercial banks	1,963	60.0 %	2,120	60.3 %
Credit unions	669	20.5 %	739	21.0 %
Savings institutions	362	11.1 %	397	11.3 %
Insurance companies	233	7.1 %	224	6.4 %
Community development financial institutions	43	1.3 %	35	1.0 %
Total member borrowers	3,270	100.0 %	3,515	100.0 %
Total members	6,388		6,486	

Table 13 presents the FHLBanks' top 10 advance holding borrowers by holding company, on a combined basis, based on the principal amount of advances outstanding at December 31, 2025. The percentage of total advances for each holding company was computed by dividing the principal amount of advances by subsidiaries of that holding company by the principal amount of total combined advances. These percentage concentrations do not represent borrowing concentrations in an individual FHLBank. The top 10 advance holding borrowers by holding company represented 25% of the total principal amount of advances outstanding at both December 31, 2025 and 2024.

Table 13 - Top 10 Advance Holding Borrowers by Holding Company at December 31, 2025

(dollars in millions)

Holding Company Name ⁽¹⁾	FHLBank Districts ⁽²⁾	Principal Amount	Percentage of Total Principal Amount of Advances
Truist Financial Corporation	Atlanta	\$ 31,501	4.7 %
Apollo Global Management, Inc.	Des Moines	23,271	3.4 %
JPMorgan Chase & Co.	Cincinnati, San Francisco	18,171	2.7 %
Wells Fargo & Company	Des Moines	16,000	2.4 %
U.S. Bancorp	Cincinnati, San Francisco	15,050	2.2 %
MetLife, Inc.	New York	14,215	2.1 %
The PNC Financial Services Group, Inc.	Pittsburgh	13,000	1.9 %
Midland Financial Co.	Topeka	12,620	1.9 %
Bank of America Corporation	Atlanta, San Francisco, Boston, Des Moines	12,053	1.8 %
New York Community Bancorp, Inc.	New York, Indianapolis	11,150	1.6 %
		\$ 167,031	24.7 %

(1) Holding company information was obtained from the Federal Reserve System's website, the National Information Center (NIC), and SEC filings. The NIC is a central repository of data about banks and other institutions for which the Federal Reserve System has a supervisory, regulatory, or research interest, including both domestic and foreign banking organizations operating in the United States.

(2) At December 31, 2025, each holding company had subsidiaries with advance borrowings in these FHLBank districts.

Table 14 presents information on the five largest borrowers from each FHLBank at December 31, 2025. The information presented on borrowings in Table 14 is for individual FHLBank advance holding borrowers. The data is not aggregated to the holding-company level. Some of the institutions listed may be affiliates of the same holding company, and some of the institutions listed may have affiliates that are advance holding borrowers that are not listed in the table. Each FHLBank describes its risk management policies, including disclosures about its concentration risk, if any, in its periodic reports filed with the SEC. (See [Explanatory Statement about Federal Home Loan Banks Combined Financial Report](#).)

Table 14 - Top 5 Advance Holding Borrowers by FHLBank at December 31, 2025

(dollars in millions)

District	Name	Holding Company Name ⁽¹⁾	Principal Amount	Percentage of FHLBank Total Principal Amount of Advances ⁽²⁾
Boston	State Street Bank and Trust Company		\$ 3,500	9.0 %
	Webster Bank, National Association		2,981	7.7 %
	Citizens Bank, National Association		2,013	5.2 %
	Institution for Savings in Newburyport and Its Vicinity		1,469	3.8 %
	Hingham Institution for Savings		1,464	3.8 %
			\$ 11,427	29.5 %
New York	Metropolitan Life Insurance Company ⁽³⁾	MetLife, Inc.	\$ 12,835	13.9 %
	Flagstar Bank, National Association	New York Community Bancorp, Inc.	9,750	10.5 %
	Citibank, N.A.		9,000	9.7 %
	Teachers Insurance and Annuity Association of America		7,229	7.8 %
	Equitable Financial Life Insurance Company		6,865	7.4 %
			\$ 45,679	49.3 %
Pittsburgh	PNC Bank, National Association ⁽³⁾	The PNC Financial Services Group, Inc.	\$ 13,000	35.3 %
	Ally Bank		8,350	22.7 %
	First National Bank of Pennsylvania		2,155	5.8 %
	Customers Bank		1,320	3.6 %
	WesBanco Bank, Inc.		1,200	3.3 %
			\$ 26,025	70.7 %

District	Name	Holding Company Name ⁽¹⁾	Principal Amount	Percentage of FHLBank Total Principal Amount of Advances ⁽²⁾
Atlanta	Truist Bank	Truist Financial Corporation	\$ 31,501	33.1 %
	Bank of America, National Association	Bank of America Corporation	11,553	12.2 %
	Navy Federal Credit Union		6,765	7.1 %
	Everbank, N.A.		4,235	4.5 %
	Brighthouse Life Insurance Company (NC)		4,200	4.4 %
			<u>\$ 58,254</u>	<u>61.3 %</u>
Cincinnati	JPMorgan Chase Bank, National Association	JPMorgan Chase & Co.	\$ 16,500	23.5 %
	U.S. Bank National Association	U.S. Bancorp	13,000	18.5 %
	The Huntington National Bank		5,506	7.9 %
	Third Federal Savings and Loan Association of Cleveland		4,774	6.8 %
	Protective Life Insurance Company		3,000	4.3 %
			<u>\$ 42,780</u>	<u>61.0 %</u>
Indianapolis	Old National Bank		\$ 5,751	14.5 %
	Merchants Bank of Indiana		3,763	9.5 %
	Delaware Life Insurance Company		3,338	8.4 %
	First National Bank of America		2,276	5.8 %
	Jackson National Life Insurance Company		1,884	4.8 %
			<u>\$ 17,012</u>	<u>43.0 %</u>
Chicago	The Northern Trust Company		\$ 8,500	13.9 %
	Reliance Standard Life Insurance Company		4,000	6.5 %
	The Northwestern Mutual Life Insurance Company		3,311	5.4 %
	Associated Bank, National Association		3,269	5.3 %
	BMO Bank National Association		3,132	5.1 %
			<u>\$ 22,212</u>	<u>36.2 %</u>
Des Moines	Athene Annuity and Life Company	Apollo Global Management, Inc.	\$ 23,271	21.1 %
	Wells Fargo Bank, National Association	Wells Fargo & Company	16,000	14.5 %
	EquiTrust Life Insurance Company		4,250	3.9 %
	UBS Bank USA		4,101	3.7 %
	Symetra Life Insurance Company		3,985	3.6 %
			<u>\$ 51,607</u>	<u>46.8 %</u>
Dallas	USAA Federal Savings Bank ⁽³⁾		\$ 6,000	11.8 %
	American General Life Insurance Company		4,423	8.7 %
	Beal Bank USA		3,400	6.7 %
	Comerica Bank		3,000	5.9 %
	Cadence Bank		2,166	4.3 %
			<u>\$ 18,989</u>	<u>37.4 %</u>
Topeka	MidFirst Bank	Midland Financial Co.	\$ 12,620	28.9 %
	United of Omaha Life Insurance Company		3,204	7.3 %
	BOKF, National Association ⁽³⁾		2,700	6.2 %
	Pacific Life Insurance Co.		2,290	5.2 %
	Security Life of Denver Insurance Company		1,840	4.2 %
			<u>\$ 22,654</u>	<u>51.8 %</u>

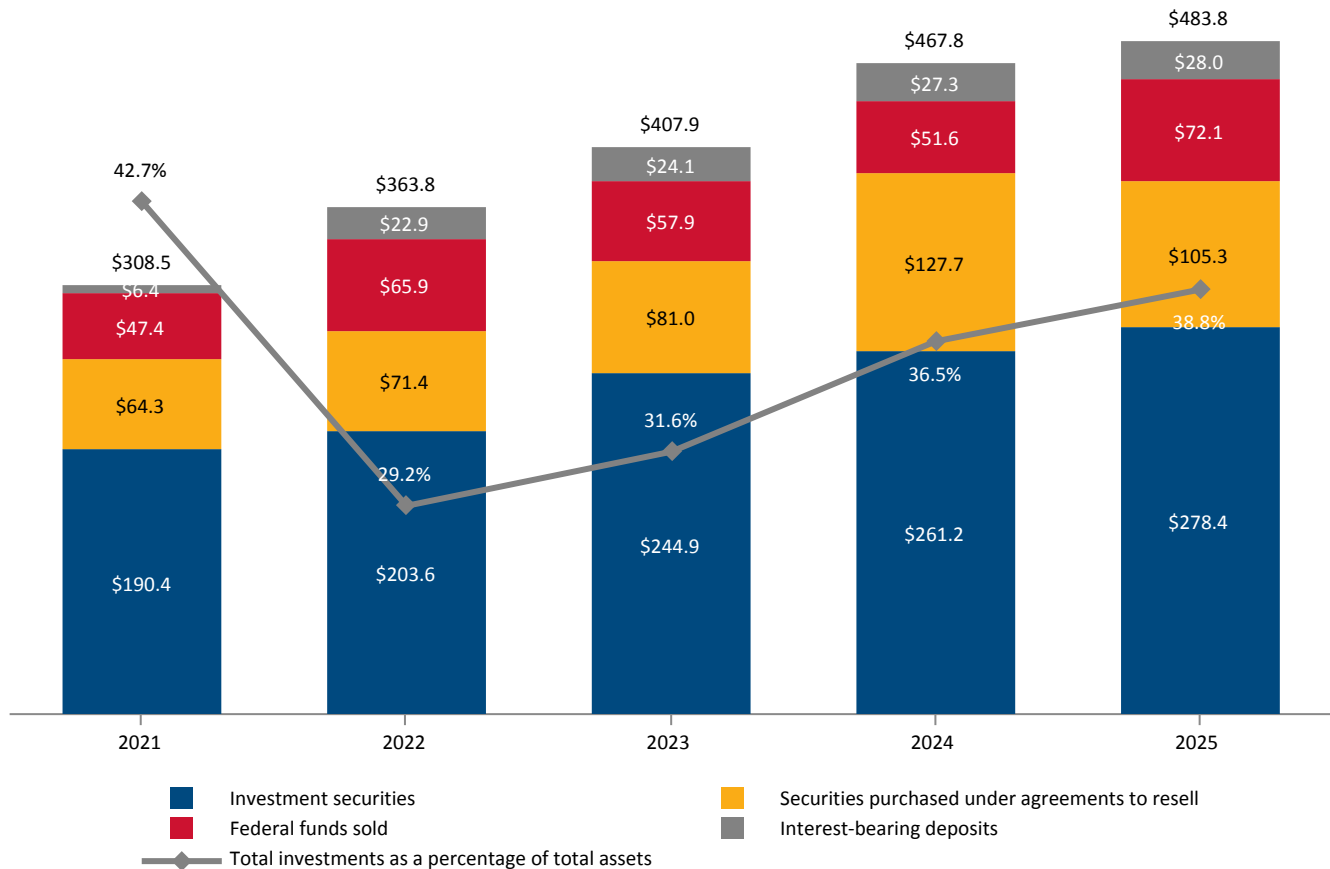
District	Name	Holding Company Name ⁽¹⁾	Principal Amount	Percentage of FHLBank Total Principal Amount of Advances ⁽²⁾
San Francisco	Western Alliance Bank		\$ 4,800	12.6 %
	City National Bank		3,500	9.2 %
	East West Bank		3,000	7.9 %
	First Technology Federal Credit Union ⁽³⁾		2,400	6.3 %
	MUFG Union Bank, National Association	U.S. Bancorp	2,050	5.4 %
			<u>\$ 15,750</u>	<u>41.4 %</u>

- (1) The holding company name is only shown for each Top 5 advance holding borrower that has its holding company listed in Table 13 - Top 10 Advance Holding Borrowers by Holding Company at December 31, 2025.
- (2) For consistency with the individual FHLBank's presentation of its Top 5 advance holders at December 31, 2025, amounts used to calculate percentages of FHLBank advances may be based on numbers in thousands. Accordingly, recalculations using the amounts in millions as presented in Table 14 may not produce the same results.
- (3) Indicates that an officer or director of the member was an FHLBank director within that district at December 31, 2025.

Investments

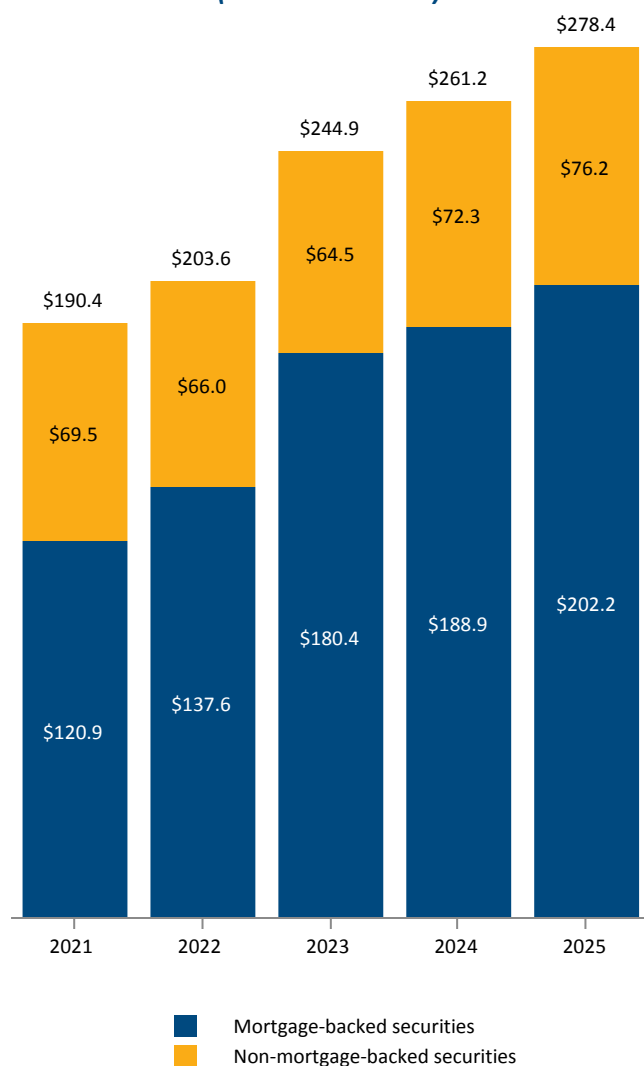
The FHLBanks maintain investment portfolios for liquidity purposes and to generate additional earnings. The income from these investment portfolios also bolsters the FHLBanks' capacity to support affordable housing and community investment. The FHLBanks invest in investment-quality securities to mitigate credit risk inherent in these portfolios. FHFA regulations prohibit the FHLBanks from investing in certain types of securities and limit the FHLBanks' investment in MBS and ABS. (See [Risk Management - Credit Risk - Investments](#) for additional information regarding the regulatory restrictions on investments.) Figure 6 presents total investments for the most recent five years.

Figure 6 - Total Investments at Year-end (Carrying Value)
(dollars in billions)

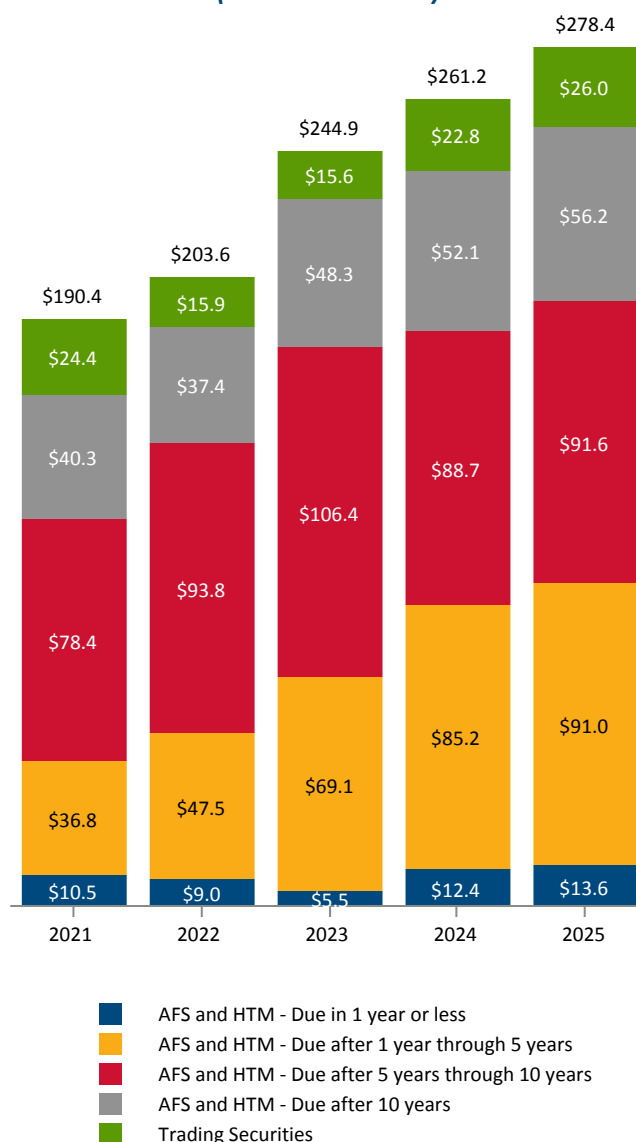


Total investments, net was \$483.8 billion at December 31, 2025, an increase of 3%, from \$467.8 billion at December 31, 2024, driven by increases in mortgage-backed securities and investments held for liquidity. The FHLBanks classify investment securities as held-to-maturity (HTM), available-for-sale (AFS), or trading securities. Figure 7 presents the composition of investment securities by product type, and Figure 8 presents AFS and HTM securities by contractual maturity and trading securities, for the most recent five years.

**Figure 7 - Investment Securities
by Product Type at
Year-end (Carrying Value)
(dollars in billions)**



**Figure 8 - AFS and HTM Securities by
Contractual Maturity and Trading Securities
at Year-end (Carrying Value)
(dollars in billions)**



The FHLBanks maintain short-term investment portfolios, the proceeds of which may provide funds to meet the credit needs of their members and to maintain liquidity. The yield earned on these short-term investments is highly correlated with short-term market interest rates. At December 31, 2025, the FHLBanks continued to maintain significant short-term investment balances as part of their ongoing investment strategy and to satisfy liquidity needs. (See [Liquidity and Capital Resources](#) for further discussion related to liquidity management.) In addition, the FHLBanks maintain long-term investment portfolios as an additional source of liquidity and to earn interest income. These investments generally provide the FHLBanks with higher returns than those available on short-term investments.

Table 15 presents the composition of AFS and HTM securities by year of contractual maturity and also presents the weighted-average yields of AFS and HTM securities at December 31, 2025 and 2024.

Table 15 - Total AFS and HTM Securities

(dollars in millions)

	December 31,					
	2025					2024
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years	Net Carrying Value ⁽¹⁾	Net Carrying Value ⁽¹⁾
Available-for-Sale Securities						
Available-for-sale non-mortgage-backed securities						
U.S. Treasury obligations	\$ 6,313	\$ 29,232	\$ 2,209	\$ —	\$ 37,754	\$ 35,977
Other U.S. obligations	11	208	391	1,251	1,861	1,674
GSE and Tennessee Valley Authority obligations	2,069	1,710	217	626	4,622	5,361
State or local housing agency obligations	—	57	403	1,917	2,377	2,002
Federal Family Education Loan Program ABS ⁽²⁾	—	—	—	1,236	1,236	1,553
Other	35	228	—	—	263	380
Total available-for-sale non-mortgage-backed securities	8,428	31,435	3,220	5,030	48,113	46,947
Available-for-sale mortgage-backed securities ⁽²⁾						
U.S. obligations single-family	—	—	—	7,960	7,960	7,250
U.S. obligations multifamily	—	—	—	453	453	465
GSE single-family	—	19	175	10,106	10,300	10,247
GSE multifamily	2,521	44,171	73,086	3,459	123,237	109,199
Private-label	—	—	260	722	982	1,070
Total available-for-sale mortgage-backed securities	2,521	44,190	73,521	22,700	142,932	128,231
Total available-for-sale securities	\$ 10,949	\$ 75,625	\$ 76,741	\$ 27,730	\$ 191,045	\$ 175,178
Held-to-Maturity Securities						
Held-to-maturity non-mortgage-backed securities						
U.S. Treasury obligations	\$ 51	\$ —	\$ —	\$ —	\$ 51	\$ 50
Other U.S. obligations	1,021	81	172	86	1,360	1,539
GSE and Tennessee Valley Authority obligations	100	225	124	35	484	1,153
State or local housing agency obligations	4	28	31	210	273	268
Total held-to-maturity non-mortgage-backed securities	1,176	334	327	331	2,168	3,010
Held-to-maturity mortgage-backed securities ⁽²⁾						
U.S. obligations single-family	—	1	2	6,420	6,423	7,283
GSE single-family	—	173	828	21,134	22,135	17,621
GSE multifamily	1,509	14,857	13,588	586	30,540	35,156
Private-label	—	3	106	6	115	171
Total held-to-maturity mortgage-backed securities	1,509	15,034	14,524	28,146	59,213	60,231
Total held-to-maturity securities	\$ 2,685	\$ 15,368	\$ 14,851	\$ 28,477	\$ 61,381	\$ 63,241
Weighted-average yields on ⁽³⁾ :						
Available-for-sale securities	2.76 %	3.24 %	4.11 %	4.57 %		
Held-to-maturity securities	4.00 %	4.00 %	4.42 %	4.72 %		

- (1) The net carrying values for AFS and HTM securities include allowance for credit losses. The net carrying value for HTM securities also includes adjustments for non-credit related losses recognized in AOCI.
- (2) MBS and Federal Family Education Loan Program ABS are presented by contractual maturity. However, their expected maturities will likely differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment fees.
- (3) The weighted average yields on AFS and HTM securities are calculated as the sum of each debt security using the period end balances (less any applicable interbank adjustments) multiplied by the coupon rate adjusted by the effect of amortization and accretion of premiums and discounts, divided by the total debt securities in the applicable AFS or HTM portfolio. The result is then multiplied by 100 to express it as a percentage.

The interest-rate and prepayment risks associated with investment securities are managed through a combination of debt issuance and derivatives. (See [Note 7 - Derivatives and Hedging Activities](#) to the accompanying combined financial statements and [Quantitative and Qualitative Disclosure About Market Risk - Use of Derivatives to Manage Interest-Rate Risk](#) for additional information.) Figure 9 summarizes the interest-rate payment terms of investment securities by product type for the most recent five years, with trading securities presented at fair value and AFS and HTM securities presented at amortized cost.

Figure 9 - Interest-Rate Payment Terms of Investment Securities by Product Type at Year-end
(dollars in billions)

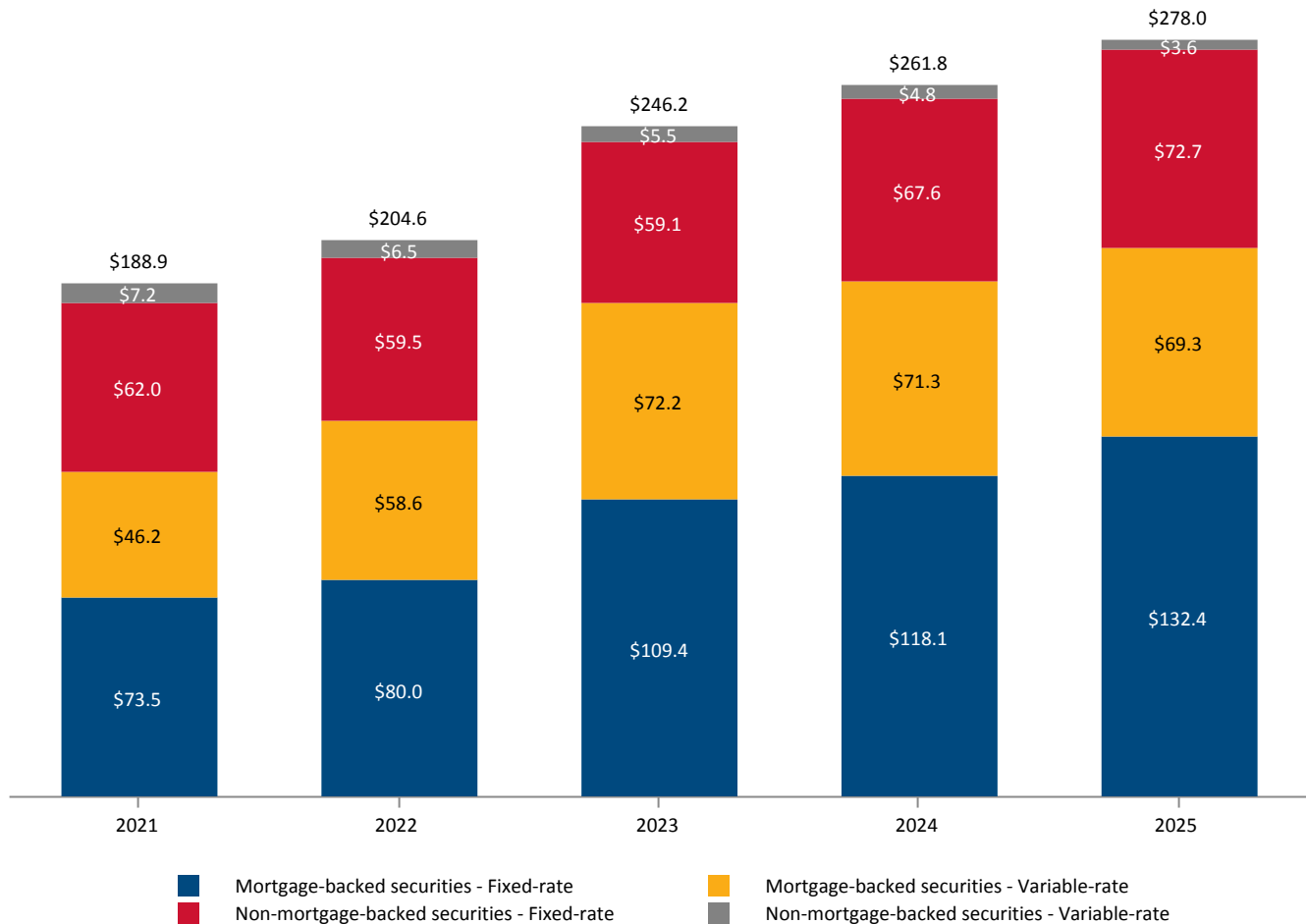


Table 16 presents the interest-rate payment terms of investment securities at December 31, 2025 and 2024. At December 31, 2025 and 2024, the majority of variable-rate investment securities (as represented by carrying value) were indexed to SOFR.

Table 16 - Interest-Rate Payment Terms of Investment Securities

(dollars in millions)

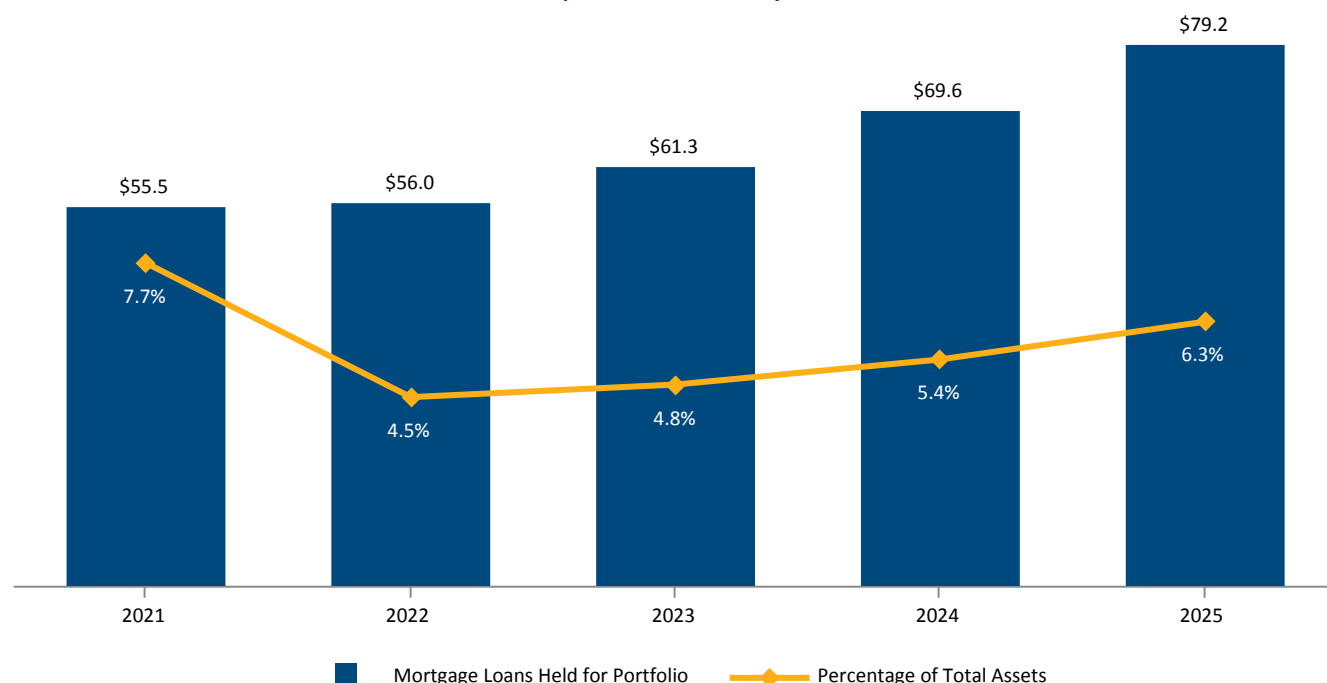
	December 31, 2025	December 31, 2024
Trading Securities at Fair Value		
Trading non-mortgage-backed securities		
Fixed-rate	\$ 25,937	\$ 21,736
Variable-rate	—	650
Total trading non-mortgage-backed securities	25,937	22,386
Trading mortgage-backed securities		
Fixed-rate	73	413
Variable-rate	9	12
Total trading mortgage-backed securities	82	425
Total trading securities	\$ 26,019	\$ 22,811
Available-for-Sale Securities at Amortized Cost		
Available-for-sale non-mortgage-backed securities		
Fixed-rate	\$ 45,112	\$ 43,844
Variable-rate	3,001	3,221
Total available-for-sale non-mortgage-backed securities	48,113	47,065
Available-for-sale mortgage-backed securities		
Fixed-rate	118,299	102,359
Variable-rate	24,157	26,350
Total available-for-sale mortgage-backed securities	142,456	128,709
Total available-for-sale securities	\$ 190,569	\$ 175,774
Held-to-Maturity Securities at Amortized Cost		
Held-to-maturity non-mortgage-backed securities		
Fixed-rate	\$ 1,628	\$ 2,016
Variable-rate	540	994
Total held-to-maturity non-mortgage-backed securities	2,168	3,010
Held-to-maturity mortgage-backed securities		
Fixed-rate	14,070	15,294
Variable-rate	45,143	44,938
Total held-to-maturity mortgage-backed securities	59,213	60,232
Total held-to-maturity securities	\$ 61,381	\$ 63,242

Limits on Certain Investments. FHFA regulations prohibit an FHLBank from purchasing MBS/ABS if its investment in these securities exceeds 300% of that FHLBank's previous month-end regulatory capital on the day it intends to purchase the securities. During the year ended December 31, 2025, each of the FHLBanks was in compliance with this regulatory requirement at the time of its respective securities purchases. However, at December 31, 2025, each of the FHLBanks of Atlanta and Cincinnati exceeded the 300% regulatory limit and was precluded from purchasing additional MBS/ABS investments until their MBS/ABS to total regulatory capital percentage declined below 300%. Neither of these FHLBanks was required by the FHFA to sell any previously purchased securities.

Mortgage Loans Held for Portfolio

An FHLBank may purchase fixed-rate mortgage loans to support the FHLBank's housing mission, provide an additional source of liquidity to FHLBank members, diversify its investments, and generate additional earnings. These programs include the MPP, the MPF Program, and the MAP. (See [Business - Mortgage Loans](#) and [Risk Management - Credit Risk - Mortgage Loans Held for Portfolio](#) for more information.) Figure 10 presents mortgage loans held for portfolio (designated as held for investment for accounting purposes) for the most recent five years.

Figure 10 - Mortgage Loans Held for Portfolio at Year-end (Carrying Value)
(dollars in billions)



Mortgage loans, excluding the allowance for credit losses, were \$79.2 billion at December 31, 2025, an increase of 14% from \$69.6 billion at December 31, 2024, as mortgage loan purchase volume outpaced repayments. The allowance for credit losses on mortgage loans was \$32 million at December 31, 2025, an increase of 7% from \$30 million at December 31, 2024. The FHLBanks utilize credit enhancements on conventional mortgage loans held for portfolio, which help to mitigate expected credit losses.

Table 17 presents mortgage loans held for portfolio outstanding by redemption term, according to their predetermined amortization schedules at December 31, 2025 and 2024.

Table 17 - Mortgage Loans Held for Portfolio by Redemption Term
(dollars in millions)

Redemption Term	December 31, 2025	December 31, 2024
Due in 1 year or less	\$ 2,356	\$ 2,191
Due after 1 year through 5 years	10,039	9,258
Due after 5 years through 15 years	27,346	24,532
Thereafter	38,425	32,737
Total unpaid principal balance	78,166	68,718
Other adjustments, net ⁽¹⁾	1,035	905
Total mortgage loans held for portfolio	79,201	69,623
Allowance for credit losses on mortgage loans	(32)	(30)
Mortgage loans held for portfolio, net	\$ 79,169	\$ 69,593

(1) Consists of premiums, discounts, and derivatives and hedging adjustments.

Table 18 presents metrics and ratios of mortgage loans held for portfolio. Periodically, each FHLBank evaluates the allowance for credit losses for its mortgage loans based on its policies and procedures to determine if an allowance for credit losses is necessary.

Table 18 - Mortgage Loans Held for Portfolio - Metrics and Ratios

(dollars in millions)

	December 31, 2025	December 31, 2024
Average loans outstanding during the period (UPB) ⁽¹⁾	\$ 73,366	\$ 64,398
Mortgage loans held for portfolio (UPB)	78,166	68,718
Non-accrual loans (UPB)	231	212
Allowance for credit losses on mortgage loans held for portfolio	32	30
(Charge-offs), net of recoveries ⁽¹⁾	(3)	(2)
Ratio of charge-offs, net of recoveries to average loans outstanding during the period ⁽¹⁾	— %	— %
Ratio of allowance for credit losses to mortgage loans held for portfolio	0.04 %	0.04 %
Ratio of non-accrual loans to mortgage loans held for portfolio	0.30 %	0.31 %
Ratio of allowance for credit losses to non-accrual loans	13.85 %	14.15 %

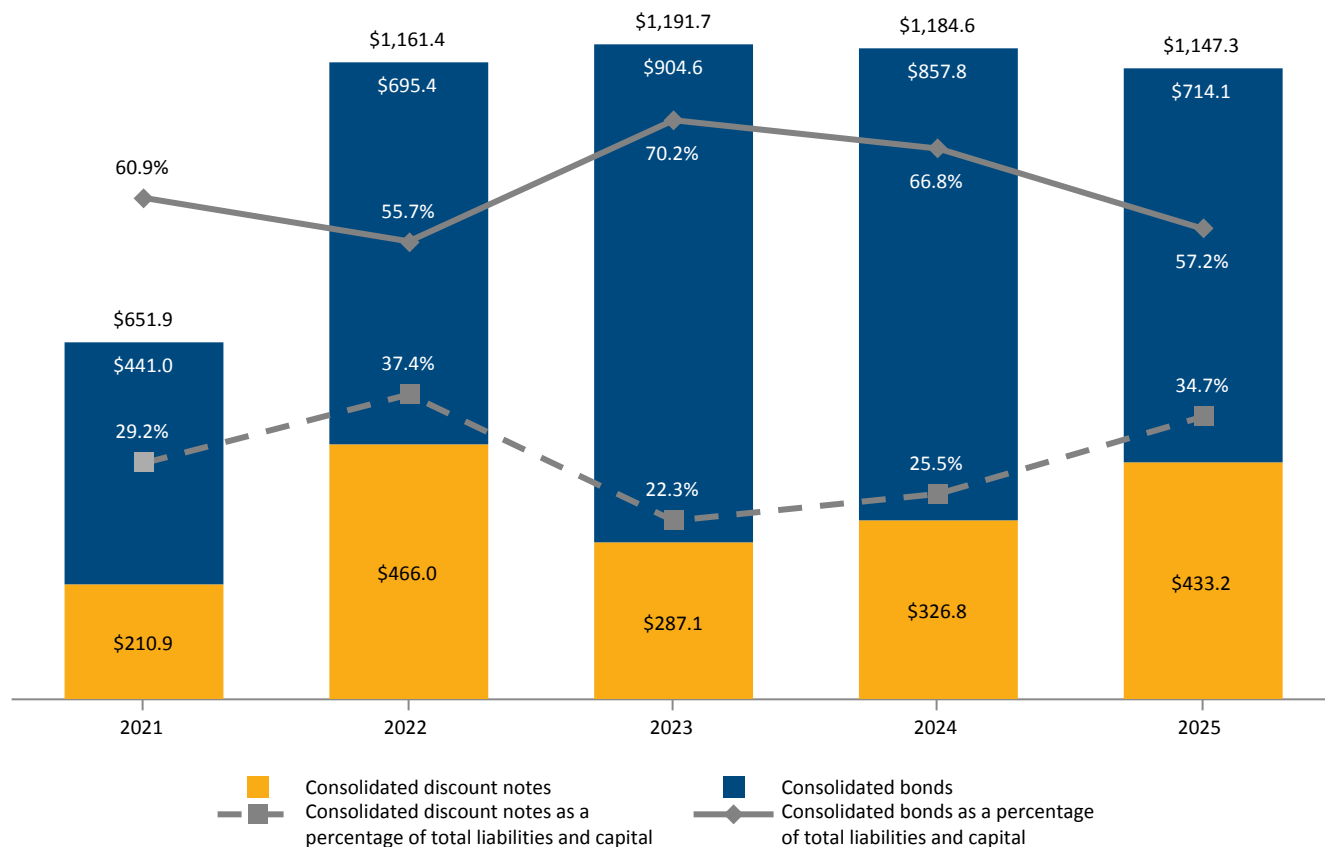
(1) Represents the years ended December 31, 2025 and 2024.

MPF Xtra Conventional Mortgage Loans. In addition to mortgage loans purchased by the FHLBanks and held for portfolio, the FHLBank of Chicago also purchases eligible conventional loans from participating financial institutions (PFIs) located in its district, and in other MPF FHLBank districts under the MPF Xtra product. PFIs are not required to provide credit enhancement and do not receive credit enhancement fees in connection with this off-balance sheet mortgage loan product. Upon purchase from the PFIs, the FHLBank of Chicago concurrently sells the mortgage loans to Fannie Mae. During the years ended December 31, 2025 and 2024, the FHLBank of Chicago purchased and concurrently delivered \$603 million and \$691 million in UPB of these loans to Fannie Mae. The FHLBank of Chicago is exposed to mortgage repurchase liability in connection with loans sold to Fannie Mae. If a loan origination representation or other warranty or covenant is breached, Fannie Mae could require the FHLBank of Chicago to repurchase the loan or provide an indemnity. If the PFI from which the FHLBank of Chicago purchased the ineligible or warrantied loan is viable, the FHLBank of Chicago can require the PFI to repurchase that MPF loan or indemnify the FHLBank of Chicago for related losses. If the PFI is not viable or does not indemnify the FHLBank of Chicago, then the FHLBank of the PFI's district indemnifies the FHLBank of Chicago. If the loan was purchased from a PFI in the FHLBank of Chicago's district, then the FHLBank of Chicago would incur losses to the extent not recovered from PFI collateral or through resolution of the failed PFI. At December 31, 2025 and 2024, there were \$18,875 million and \$20,309 million of off-balance sheet MPF Xtra loans outstanding. During the years ended December 31, 2025 and 2024, the amount of repurchase demands associated with MPF Xtra mortgage loans was not significant. (See [Business - Mortgage Loans](#) for more information about MPF Xtra mortgage loans.)

Consolidated Obligations

Consolidated obligations consist of consolidated bonds and consolidated discount notes, which are joint and several obligations of all FHLBanks. The FHLBanks issue consolidated obligations through the Office of Finance as their agent. Consolidated obligations are the principal funding source used by the FHLBanks to make advances and to purchase mortgage loans and investments. The outstanding balance and types of consolidated obligations issued will fluctuate based on the funding requirements of the FHLBanks. The future amounts and types of consolidated obligations issued will depend primarily on the demand for advances and could also be affected by changes in fiscal and monetary policies, as well as the state of the U.S. economy and financial markets. Figure 11 presents consolidated bonds and consolidated discount notes for the most recent five years.

**Figure 11 - Consolidated Obligations Outstanding at Year-end (Carrying Value)
(dollars in billions)**



The carrying value of consolidated obligations totaled \$1,147.3 billion at December 31, 2025, a decrease of 3%, from \$1,184.6 billion at December 31, 2024, consisting of a 17% decrease in consolidated bonds, partially offset by a 33% increase in consolidated discount notes.

Consolidated bonds may be issued to raise short-, intermediate-, or long-term funds. They are issued with either fixed-rate coupon payment terms or variable-rate coupon payment terms that are indexed to specified indices, such as SOFR, and typically have maturities ranging from three months to 30 years. Consolidated bonds represented 62% and 72% of total consolidated obligations outstanding at December 31, 2025 and 2024.

Consolidated discount notes are issued to provide short-term funding and have a maturity range of one day to one year. They are generally issued below face value and mature at face value. A significant portion of consolidated discount note activity typically results from the refinancing of maturing discount notes. Consolidated discount notes represented 38% and 28% of total consolidated obligations outstanding at December 31, 2025 and 2024.

Figures 12 and 13 present the principal amount of consolidated obligations by product type and by contractual maturity for the most recent five years.

Figure 12 - Consolidated Obligations by Product Type at Year-end
(dollars in billions)

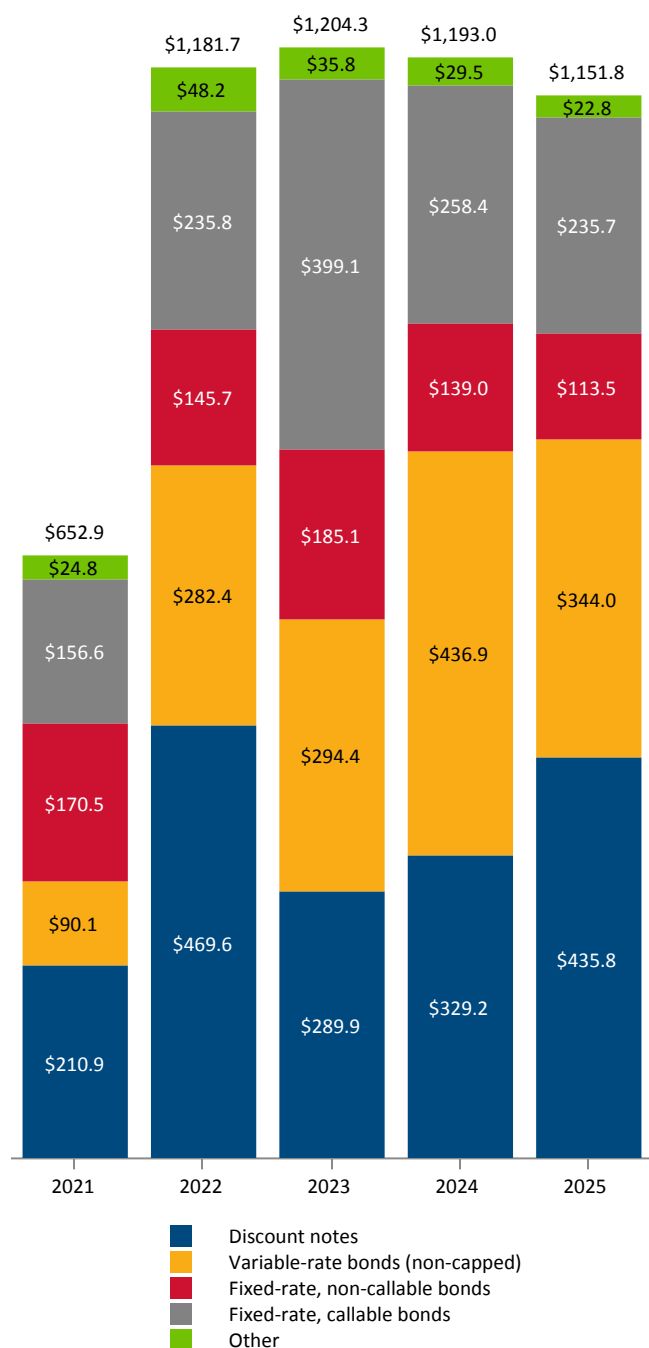


Figure 13 - Consolidated Obligations by Contractual Maturity at Year-end
(dollars in billions)

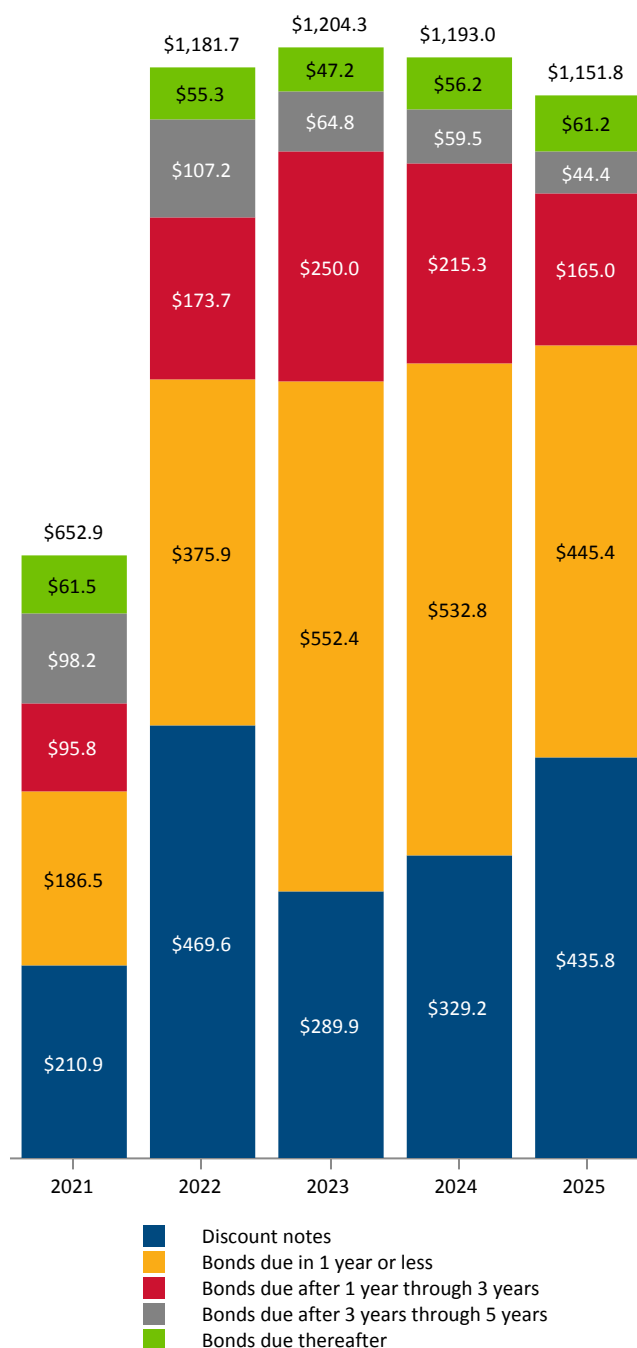


Table 19 presents the composition of consolidated obligations by product type and by contractual maturity at December 31, 2025 and 2024. At both December 31, 2025 and 2024, all outstanding variable-rate consolidated bonds were indexed to SOFR.

Table 19 - Types of Consolidated Obligations by Contractual Maturity

(dollars in millions)

	December 31, 2025		December 31, 2024		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Consolidated Discount Notes						
Overnight	\$ 12,857	1.1 %	\$ 8,450	0.7 %	\$ 4,407	52.2 %
Due after 1 day through 30 days	133,288	11.6 %	97,687	8.2 %	35,601	36.4 %
Due after 30 days through 90 days	210,490	18.3 %	142,083	11.9 %	68,407	48.1 %
Due after 90 days through 1 year	79,144	6.9 %	80,960	6.8 %	(1,816)	(2.2)%
Total principal amount	435,779	37.9 %	329,180	27.6 %	106,599	32.4 %
Consolidated Bonds						
Fixed-rate, non-callable						
Due in 1 year or less	62,711	5.4 %	73,590	6.2 %	(10,879)	(14.8)%
Due after 1 year through 3 years	33,178	2.9 %	36,379	3.0 %	(3,201)	(8.8)%
Due after 3 years through 5 years	8,650	0.8 %	18,785	1.7 %	(10,135)	(54.0)%
Due after 5 years through 15 years	8,515	0.7 %	9,834	0.8 %	(1,319)	(13.4)%
Thereafter	396	—	398	—	(2)	(0.5)%
Total principal amount	113,450	9.8 %	138,986	11.7 %	(25,536)	(18.4)%
Fixed-rate, callable						
Due in 1 year or less	100,811	8.8 %	92,230	7.7 %	8,581	9.3 %
Due after 1 year through 3 years	51,993	4.5 %	86,858	7.3 %	(34,865)	(40.1)%
Due after 3 years through 5 years	34,734	3.0 %	37,582	3.2 %	(2,848)	(7.6)%
Due after 5 years through 15 years	38,709	3.3 %	33,517	2.8 %	5,192	15.5 %
Thereafter	9,502	0.8 %	8,236	0.7 %	1,266	15.4 %
Total principal amount	235,749	20.4 %	258,423	21.7 %	(22,674)	(8.8)%
Variable-rate (non-capped)						
Due in 1 year or less	269,104	23.4 %	362,037	30.3 %	(92,933)	(25.7)%
Due after 1 year through 3 years	74,798	6.5 %	74,639	6.3 %	159	0.2 %
Due after 3 years through 5 years	50	—	253	—	(203)	(80.2)%
Due after 5 years through 15 years	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total principal amount	343,952	29.9 %	436,929	36.6 %	(92,977)	(21.3)%
Step-up/step-down, callable						
Due in 1 year or less	3,727	0.3 %	1,600	0.1 %	2,127	132.9 %
Due after 1 year through 3 years	2,045	0.2 %	8,533	0.7 %	(6,488)	(76.0)%
Due after 3 years through 5 years	730	0.1 %	1,968	0.2 %	(1,238)	(62.9)%
Due after 5 years through 15 years	3,956	0.3 %	4,146	0.3 %	(190)	(4.6)%
Thereafter	—	—	—	—	—	—
Total principal amount	10,458	0.9 %	16,247	1.3 %	(5,789)	(35.6)%
Other						
Due in 1 year or less	9,056	0.8 %	3,387	0.3 %	5,669	167.4 %
Due after 1 year through 3 years	2,975	0.3 %	8,905	0.7 %	(5,930)	(66.6)%
Due after 3 years through 5 years	270	—	832	0.1 %	(562)	(67.5)%
Due after 5 years through 15 years	95	—	80	—	15	18.8 %
Thereafter	—	—	—	—	—	—
Total principal amount	12,396	1.1 %	13,204	1.1 %	(808)	(6.1)%
Total principal amount consolidated bonds	716,005	62.1 %	863,789	72.4 %	(147,784)	(17.1)%
Total principal amount	1,151,784	100.0 %	1,192,969	100.0 %	\$ (41,185)	(3.5)%
Other adjustments, net ⁽¹⁾	(4,487)		(8,371)			
Total consolidated obligations	\$ 1,147,297		\$ 1,184,598			

(1) Consists of hedging and fair value option valuation adjustments, unamortized premiums and discounts, and combining adjustments.

Consolidated bonds often have investor-determined features. The decision to issue a consolidated bond using a particular structure is based on the desired amount of funding and the ability of the FHLBank(s) receiving the proceeds of the consolidated bond issued to hedge the risks. This strategy of issuing consolidated obligations while simultaneously entering into derivative transactions enables an FHLBank to offer a wider range of competitively-priced advances to its members and allows an FHLBank to manage its funding costs and associated interest-rate risk. The continued attractiveness of this strategy depends on yield relationships between the FHLBanks' consolidated obligations and the derivatives markets. If conditions change, an FHLBank may alter the types or terms of the consolidated obligations that it issues. The increase in funding alternatives available to the FHLBanks through negotiated debt/swap transactions is beneficial to the FHLBanks because it may diversify the investor base, reduce funding costs, and/or provide additional asset/liability management tools.

Table 20 presents the bond types the FHLBanks issued for their bond funding needs. The types of consolidated bonds issued can fluctuate based on comparative changes in their cost levels, supply and demand conditions, advance demand, and the FHLBanks' individual balance sheet management strategies. During the year ended December 31, 2025, there was a shift in issuance from short-term variable-rate consolidated bonds to fixed-rate callable consolidated bonds.

Table 20 - Percentage of Total Consolidated Bonds Issued by Bond Type

	Year Ended December 31,	
	2025	2024
Single-index, variable-rate	64.0 %	71.8 %
Fixed-rate, callable	33.0 %	22.4 %
Fixed-rate, non-callable	3.0 %	5.8 %
Total	100.0 %	100.0 %

The FHLBanks may use callable swaps to hedge against the interest-rate risk associated with callable bonds. A hedged callable bond is typically called if the call feature of the derivative is exercised. These call features could result in the need for FHLBanks to refinance a substantial portion of outstanding liabilities during times of decreasing interest rates. Call options on unhedged callable bonds typically are exercised when the bond can be replaced at a lower cost. Callable bonds enable an FHLBank to meet its funding needs at costs not otherwise directly attainable solely through the issuance of non-callable debt.

The FHLBanks have diversified sources and channels of funding from the capital markets based on the need for funding. Consolidated bonds can be negotiated individually, auctioned competitively through approved dealers, offered through the floating-rate note window, or issued directly to investors without the use of a dealer of consolidated obligations. During the year ended December 31, 2025, there was a shift in issuance from window transactions to negotiated transactions. (See [Business - Consolidated Obligations](#) for additional information on consolidated bonds transaction types.) Table 21 presents the transaction types through which the FHLBanks issue consolidated bonds.

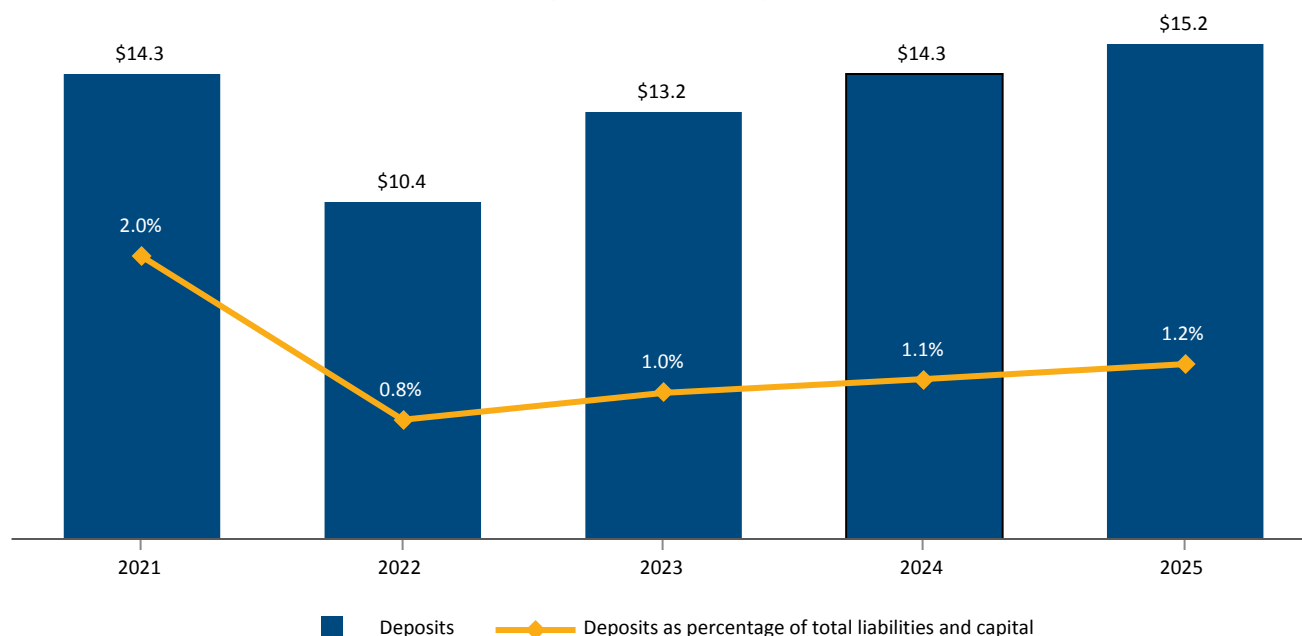
Table 21 - Percentage of Total Consolidated Bonds Issued by Transaction Type

	Year Ended December 31,	
	2025	2024
Window transactions	64.0 %	71.8 %
Negotiated transactions	33.0 %	25.5 %
Competitive bid	3.0 %	2.7 %
Total	100.0 %	100.0 %

Deposits

The FHLBanks offer demand and overnight deposit programs to members and to qualifying non-members. In addition, certain FHLBanks offer short-term interest-bearing deposit programs to members, and in certain cases, to qualifying non-members. Figure 14 presents deposits for the most recent five years.

Figure 14 - Deposits at Year-end
(dollars in billions)



Deposits represent a relatively small portion of the FHLBanks' funding. All FHLBank deposits are uninsured and deposit balances vary depending on market factors, such as the attractiveness of the FHLBanks' deposit pricing relative to the rates available on alternative money market instruments, FHLBank members' investment preferences with respect to the maturity of their investments, and FHLBank members' liquidity. Interest-bearing demand and overnight deposits represented 94% and 95% of deposits at December 31, 2025 and 2024, with the remaining deposits primarily being term deposits and non-interest-bearing deposits.

Interest-bearing demand and overnight deposits pay interest based on a daily interest rate. The average balances of demand and overnight deposits were \$13.4 billion and \$12.4 billion, and the weighted-average interest rates paid on demand and overnight deposits were 3.96% and 4.89% during the years ended December 31, 2025 and 2024. Term deposits pay interest based on a fixed rate determined at the issuance of the deposit. The average balances of term deposits were \$405 million and \$195 million, and the weighted-average interest rates paid on term deposits were 4.00% and 5.03% during the years ended December 31, 2025 and 2024.

Table 22 presents uninsured term deposits at December 31, 2025 and 2024.

Table 22 - Uninsured Term Deposits

(dollars in millions)

	December 31, 2025	December 31, 2024
3 months or less	\$ 117	\$ 96
Over 3 months through 6 months	24	33
Over 6 months through 12 months	56	45
Over 12 months	2	4
Total	\$ 199	\$ 178

Capital

GAAP capital consists of capital stock, retained earnings, and accumulated other comprehensive income (loss).

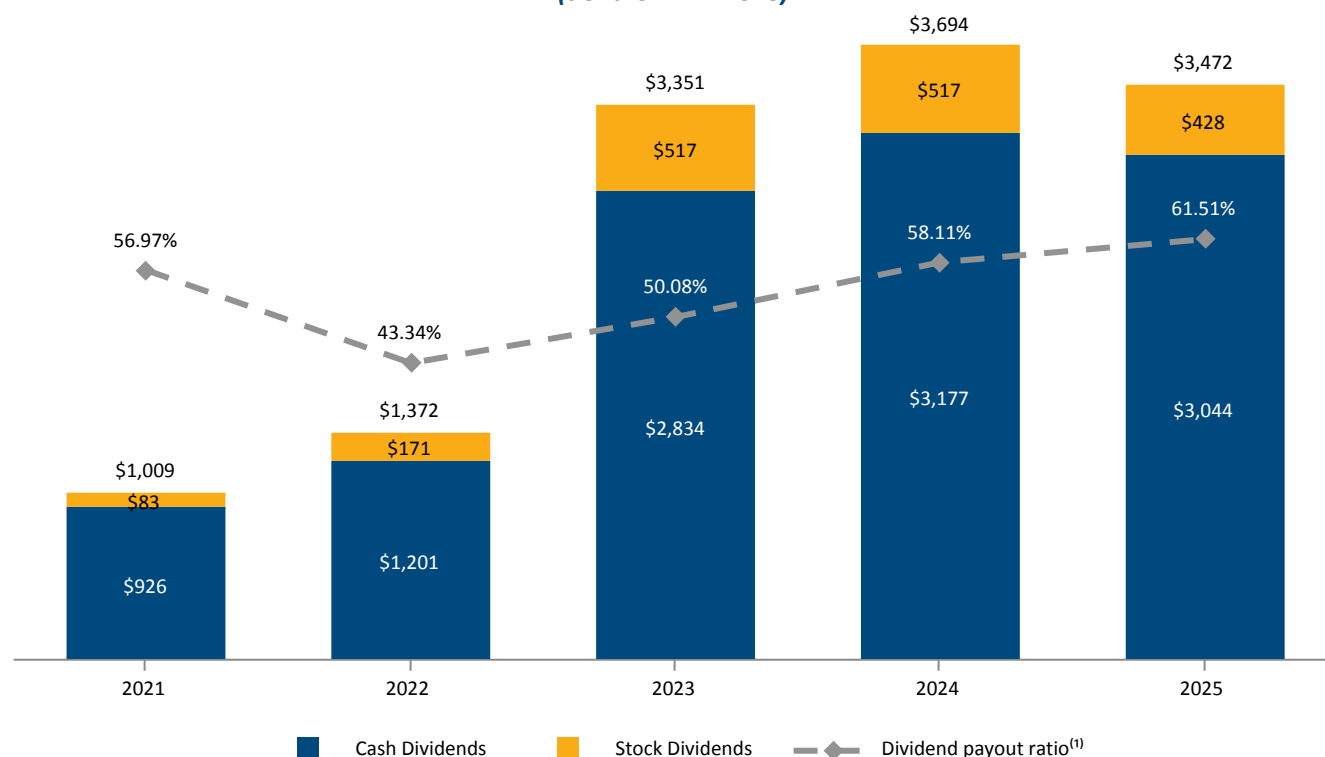
GAAP Capital. Total GAAP capital was \$74.3 billion at December 31, 2025, an increase of 2%, from \$73.2 billion at December 31, 2024, due primarily to growth in retained earnings and gains in AOCI, partially offset by a decrease in capital stock.

Capital Stock. Capital stock was \$41.0 billion at December 31, 2025, a decrease of 5%, from \$42.9 billion at December 31, 2024, due principally to the net redemption of activity-based capital stock.

Retained Earnings. Retained earnings grew to \$32.7 billion at December 31, 2025, an increase of 7%, from \$30.6 billion at December 31, 2024, resulting principally from net income of \$5.6 billion, partially offset by dividends of \$3.5 billion. Unrestricted retained earnings were \$23.0 billion at December 31, 2025, an increase of 5%, from \$21.8 billion at December 31, 2024. Restricted retained earnings were \$9.8 billion at December 31, 2025, an increase of 12%, from \$8.7 billion at December 31, 2024.

Figure 15 presents cash and stock dividends and the dividend payout ratio for the most recent five years.

Figure 15 - Cash and Stock Dividends
(dollars in millions)



(1) Dividend payout ratio is equal to dividends declared in the period expressed as a percentage of net income in the period. This ratio may not be as relevant to the combined balances because there are no shareholders at the FHLBank System-wide level.

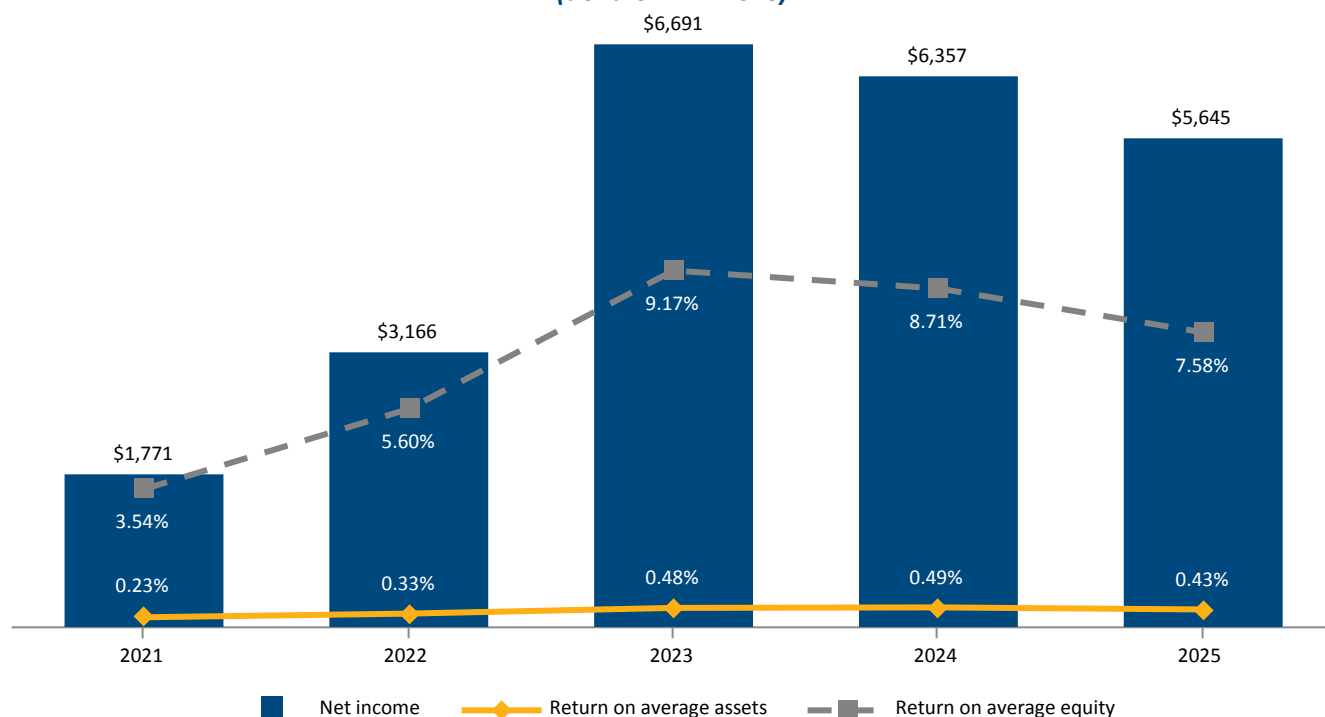
Accumulated Other Comprehensive Income (Loss). AOCI was a gain of \$0.6 billion at December 31, 2025, compared to a loss of \$0.3 billion at December 31, 2024, primarily consisting of net unrealized gains on MBS classified as AFS securities.

Combined Results of Operations

Net Income

The primary source of each FHLBank's earnings is net interest income, which is the interest income on advances, mortgage loans, and investments, less the interest expense on consolidated obligations, deposits, and mandatorily redeemable capital stock. The expenses of the FHLBanks, other than interest expense, primarily consist of employee compensation and benefits, other operating expenses, voluntary housing and community investment expenses, and AHP assessments. The FHLBanks may also recognize non-interest gains and losses, such as gains and losses on derivatives and hedging activities and gains and losses on investment securities. Due to the FHLBanks' cooperative structure, the FHLBanks generally earn a narrow net interest spread between the yields on assets and the rates on liabilities. Figure 16 presents net income, return on average assets, and return on average equity for the most recent five years.

Figure 16 - Net Income
(dollars in millions)



The following discussion is of the combined results of operations for the year ended December 31, 2025, compared to the year ended December 31, 2024. For a discussion of the combined results of operations for the year ended December 31, 2024, compared to the year ended December 31, 2023, see the Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2024.

Net income was \$5,645 million for the year ended December 31, 2025, a decrease of 11% compared to the year ended December 31, 2024, resulting primarily from lower net interest income.

Table 23 - Changes in Net Income

(dollars in millions)

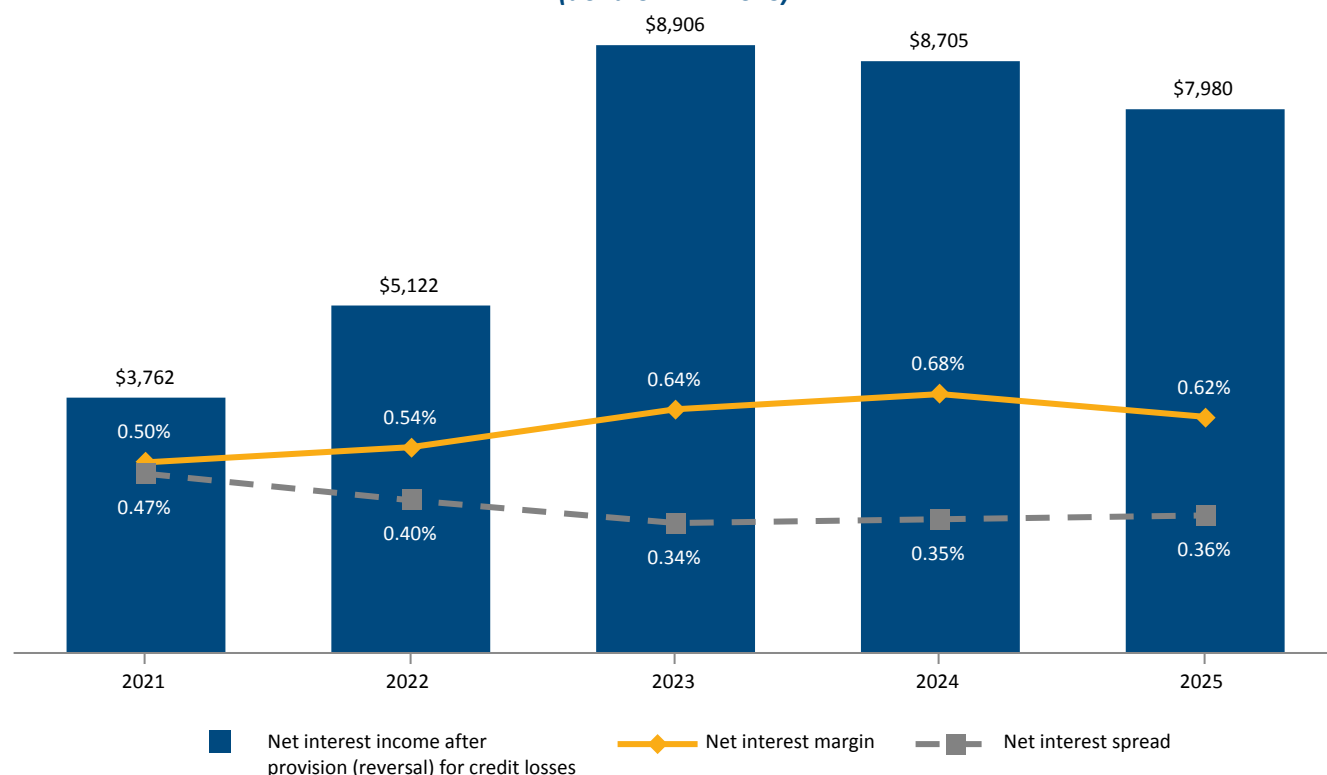
	Year Ended December 31,		Change
	2025	2024	2025 vs. 2024
Net interest income after provision (reversal) for credit losses	\$ 7,980	\$ 8,705	\$ (725)
Non-interest income (loss)	524	546	(22)
Non-interest expense	2,227	2,176	51
Affordable Housing Program assessments	632	718	(86)
Net income	\$ 5,645	\$ 6,357	\$ (712)

Net Interest Income after Provision (Reversal) for Credit Losses

The primary source of each FHLBank's earnings is net interest income, which is the interest income on advances, mortgage loans, and investments, less the interest expense on consolidated obligations, deposits, and mandatorily redeemable capital stock. The net interest income of the FHLBanks is affected by several external factors, including changes in interest rates, liquidity levels and demand for advances from member institutions, the general state of the economy, and fiscal and monetary policies. The future level of net interest income of the FHLBanks will depend, in part, upon the level and volatility of interest rates, demand for advances, cost of consolidated obligations, changes in fiscal and monetary policies, as well as the state of the U.S. economy and financial markets.

Figure 17 presents net interest income after provision (reversal) for credit losses, net interest margin, and net interest spread for the most recent five years.

Figure 17 - Net Interest Income after Provision (Reversal) for Credit Losses
(dollars in millions)



Net interest income after provision (reversal) for credit losses was \$7,980 million for the year ended December 31, 2025, a decrease of 8% compared to the year ended December 31, 2024.

Table 24 - Net Interest Income after Provision (Reversal) for Credit Losses

(dollars in millions)

	Year Ended December 31,		Change
	2025	2024	2025 vs. 2024
Interest income			
Advances	\$ 34,400	\$ 43,484	\$ (9,084)
Investments and other	21,605	23,959	(2,354)
Mortgage loans held for portfolio	3,127	2,487	640
Total interest income	59,132	69,930	(10,798)
Interest expense			
Consolidated obligations - Discount notes	14,236	15,816	(1,580)
Consolidated obligations - Bonds	36,253	44,611	(8,358)
Total consolidated obligations	50,489	60,427	(9,938)
Deposits and mandatorily redeemable capital stock	649	795	(146)
Total interest expense	51,138	61,222	(10,084)
Net interest income	7,994	8,708	(714)
Provision (reversal) for credit losses	14	3	11
Net interest income after provision (reversal) for credit losses	\$ 7,980	\$ 8,705	\$ (725)

When an advance is prepaid, an FHLBank could suffer lower future income if the principal portion of the prepaid advance is reinvested in lower-yielding assets. To protect against this risk, the FHLBanks charge a borrower a prepayment fee when the borrower prepays certain advances before their original maturity, which makes the FHLBanks financially indifferent to a borrower's decision to prepay an advance. Certain advances may contain symmetrical prepayment fee provisions for which an FHLBank may charge the borrower a prepayment fee or pay the borrower a prepayment credit, depending on certain circumstances, such as movements in interest rates, when the advance is prepaid. Advances with symmetrical prepayment fee provisions are generally hedged with derivatives containing offsetting terms. The FHLBanks record prepayment fees net of basis adjustments, which are primarily related to hedging activities included in the carrying value of the advance, as interest income on advances on the Combined Statements of Income.

Table 25 presents the components of advances prepayment fees, net for the years ended December 31, 2025 and 2024.

Table 25 - Advances Prepayment Fees, Net

(dollars in millions)

	Year Ended December 31,	
	2025	2024
Gross amount of prepayment fees received from advance borrowers	\$ 105	\$ 44
Gross amount of prepayment credits paid to advance borrowers	(42)	(189)
Hedging fair value adjustments	30	201
Other	(16)	(7)
Total advances prepayment fees, net	\$ 77	\$ 49

Factors Affecting Net Interest Income

Table 26 presents average balances of and average yields/rates on the major categories of interest-earning assets and interest-bearing liabilities, net interest spread, and net interest margin. Due to the FHLBanks' cooperative structure, the FHLBanks generally earn a narrow net interest spread.

Table 26 - Analysis of Interest Income/Expense and Average Yield/Rate

(dollars in millions)

	Year Ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Income/Expense	Average Yield/Rate	Average Balance	Interest Income/Expense	Average Yield/Rate	Average Balance	Interest Income/Expense	Average Yield/Rate
Assets									
Interest-bearing deposits and other	\$ 33,044	\$ 1,461	4.42 %	\$ 35,936	\$ 1,961	5.46 %	\$ 39,657	\$ 2,115	5.33 %
Securities purchased under agreements to resell	58,467	2,490	4.26 %	51,945	2,716	5.23 %	57,839	2,939	5.08 %
Federal funds sold	103,041	4,418	4.29 %	95,470	4,973	5.21 %	109,241	5,559	5.09 %
Investment securities ⁽¹⁾⁽²⁾	273,524	13,236	4.84 %	254,123	14,309	5.63 %	221,905	11,927	5.37 %
Advances ⁽³⁾	743,863	34,400	4.62 %	784,839	43,484	5.54 %	906,368	48,481	5.35 %
Mortgage loans ⁽⁴⁾	74,332	3,127	4.21 %	65,277	2,487	3.81 %	58,105	1,923	3.31 %
Total interest-earning assets	1,286,271	59,132	4.60 %	1,287,590	69,930	5.43 %	1,393,115	72,944	5.24 %
Other non-interest-earning assets	11,507			14,287			15,883		
Fair-value adjustment on investment securities ⁽²⁾	(49)			(230)			(1,038)		
Total assets	\$1,297,729			\$1,301,647			\$1,407,960		
Liabilities and Capital									
Consolidated obligations - Discount notes	\$ 339,379	14,236	4.19 %	\$ 309,115	15,816	5.12 %	\$ 390,687	19,100	4.89 %
Consolidated obligations - Bonds	851,868	36,253	4.26 %	882,231	44,611	5.06 %	901,419	44,190	4.90 %
Deposits and mandatorily redeemable capital stock	15,595	649	4.16 %	14,921	795	5.33 %	15,136	735	4.86 %
Total interest-bearing liabilities	1,206,842	51,138	4.24 %	1,206,267	61,222	5.08 %	1,307,242	64,025	4.90 %
Non-interest-bearing liabilities	16,375			22,374			27,748		
Total liabilities	1,223,217			1,228,641			1,334,990		
Capital	74,512			73,006			72,970		
Total liabilities and capital	\$1,297,729			\$1,301,647			\$1,407,960		
Net interest income		\$ 7,994			\$ 8,708			\$ 8,919	
Net interest spread			0.36 %			0.35 %			0.34 %
Net interest margin			0.62 %			0.68 %			0.64 %
Total interest-earning assets to total interest-bearing liabilities	106.58 %			106.74 %			106.57 %		

(1) Investment securities consist of Trading, AFS, and HTM securities.

(2) The average balances of AFS securities and HTM securities are reflected at amortized cost. (See [Note 4 - Investments](#) to the accompanying combined financial statements for additional information.)

(3) Interest income includes prepayment fees, net on advances.

(4) Non-accrual loans are included in the average balances used to determine average yield/rate.

Changes in both average interest rates and average balances of interest-earning assets and interest-bearing liabilities have a direct influence on changes in net interest income, net interest margin, and net interest spread. Table 27 presents changes in interest income and interest expense due to rate-related and volume-related factors. Changes in interest income and interest expense not identifiable as either rate-related or volume-related, but rather attributable to both rate and volume changes, have been allocated to the rate and volume categories based on the proportion of the absolute value of the rate and volume changes.

Table 27 - Rate and Volume Analysis*(dollars in millions)*

	2025 vs. 2024			2024 vs. 2023		
	Volume	Rate	Total	Volume	Rate	Total
Interest Income						
Interest-bearing deposits and other	\$ (148)	\$ (352)	\$ (500)	\$ (204)	\$ 50	\$ (154)
Securities purchased under agreements to resell	316	(542)	(226)	(308)	85	(223)
Federal funds sold	372	(927)	(555)	(714)	128	(586)
Investment securities ⁽¹⁾	1,037	(2,110)	(1,073)	1,786	596	2,382
Advances	(2,173)	(6,911)	(9,084)	(6,674)	1,677	(4,997)
Mortgage loans	364	276	640	253	311	564
Total interest income	(232)	(10,566)	(10,798)	(5,861)	2,847	(3,014)
Interest Expense						
Consolidated obligations - Discount notes	1,461	(3,041)	(1,580)	(4,147)	863	(3,284)
Consolidated obligations - Bonds	(1,494)	(6,864)	(8,358)	(972)	1,393	421
Deposits and mandatorily redeemable capital stock	35	(181)	(146)	(10)	70	60
Total interest expense	2	(10,086)	(10,084)	(5,129)	2,326	(2,803)
Changes in net interest income	\$ (234)	\$ (480)	\$ (714)	\$ (732)	\$ 521	\$ (211)

(1) Investment securities consist of Trading, AFS, and HTM securities.

Net interest income was \$7,994 million for the year ended December 31, 2025, a decrease of 8% compared to the year ended December 31, 2024. Net interest margin was 0.62% for the year ended December 31, 2025, a decrease of 6 basis points compared to the year ended December 31, 2024. Net interest spread was 0.36% for the year ended December 31, 2025, an increase of 1 basis point compared to the year ended December 31, 2024.

Interest income was \$59,132 million for the year ended December 31, 2025, a decrease of 15% compared to the year ended December 31, 2024, due primarily to decreases in the average yields on interest-earning assets, principally advances, driven by the lower interest rate environment and the effect of derivatives and hedging activities on interest income from advances and investments. (See Table 28 for additional information regarding the effect of derivatives and hedging activities on net interest income.)

- *Total interest-earning assets* - The average yield on total interest-earning assets was 4.60% for the year ended December 31, 2025, a decrease of 83 basis points from 5.43% for the year ended December 31, 2024.
- *Advances* - The average yield on advances was 4.62% for the year ended December 31, 2025, a decrease of 92 basis points compared to the year ended December 31, 2024.
- *Investments* - The average yield on total investments was 4.62% for the year ended December 31, 2025, a decrease of 86 basis points from 5.48% for the year ended December 31, 2024.

Interest expense was \$51,138 million for the year ended December 31, 2025, a decrease of 16% compared to the year ended December 31, 2024, due primarily to the lower average rates on consolidated obligations, driven by the lower interest-rate environment and the effect of derivatives and hedging activities on interest expense on consolidated bonds. (See *Table 28* for additional information regarding the effect of derivatives and hedging activities on net interest income.)

- *Consolidated obligations* - The average rate on consolidated obligations was 4.24% for the year ended December 31, 2025, a decrease of 83 basis points from 5.07% for the year ended December 31, 2024.

Effect of Derivatives and Hedging Activities on Net Interest Income

Net interest income includes components related to the effect of derivatives and hedging activities resulting from the FHLBanks' hedging strategies. If a hedging relationship is designated and qualifies for hedge accounting treatment, the net interest settlements of interest receivables or payables and the price alignment amount related to derivatives designated in fair value or cash flow hedging relationships are recognized as adjustments to interest income or expense of the designated hedged item. The price alignment amount approximates the amount of interest that would be received or paid if the variation margin payments were characterized as pledged collateral, instead of daily settlement, for cleared derivatives. When fair value hedge accounting is discontinued, the cumulative basis adjustment on the hedged item is amortized or accreted into net interest income over the remaining life of the hedged item using a level-yield methodology. In addition, changes in fair value of the derivative and the hedged item for designated fair value hedges are recorded in net interest income in the same line as the hedged item. (See [Note 7 - Derivatives and Hedging Activities](#) to the accompanying combined financial statements for additional information on the effect of derivatives and hedging activities.) Table 28 presents the effect of derivatives and hedging activities on net interest income.

Table 28 - Effect of Derivatives and Hedging Activities on Net Interest Income

(dollars in millions)

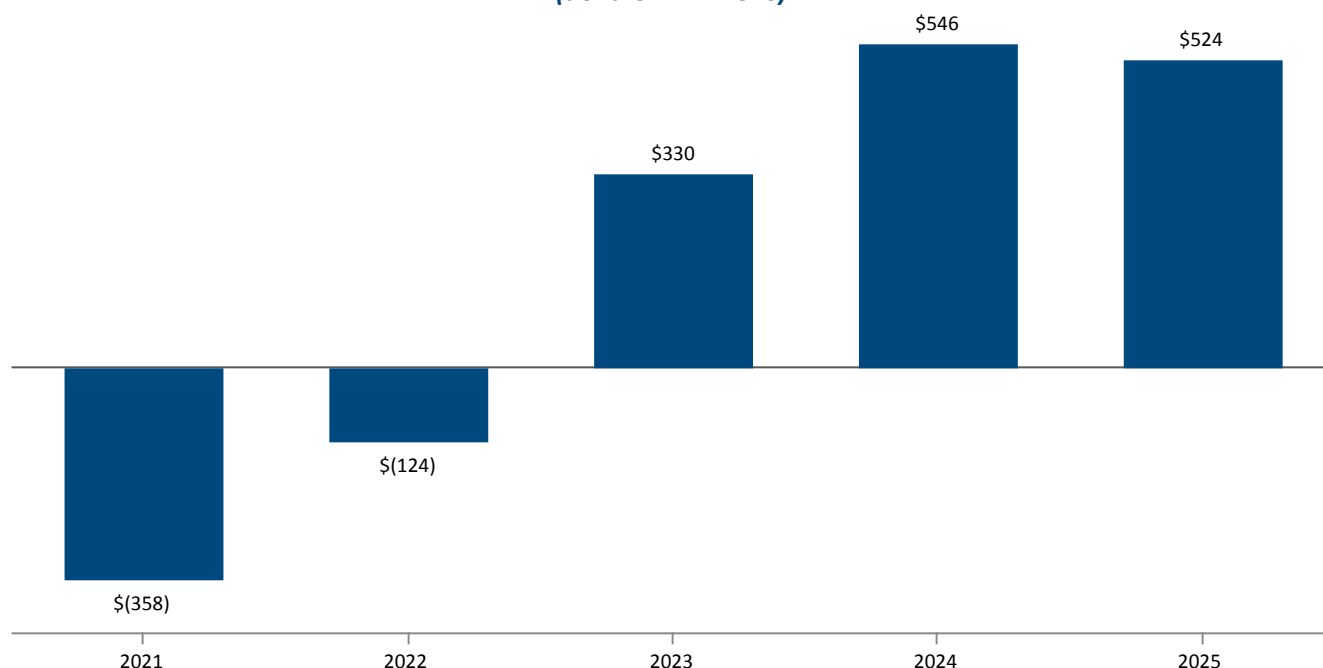
	Year Ended December 31, 2025					
	Advances	Investment Securities	Mortgage Loans ⁽¹⁾	Consolidated Bonds	Consolidated Discount Notes	Total
Net interest income						
Amortization and accretion of hedging activities in net interest income	\$ 7	\$ (113)	\$ 2	\$ (196)	\$ (4)	\$ (304)
Net gains (losses) on derivatives and hedged items	(6)	33	—	204	8	239
Price alignment amount	(84)	(152)	—	(6)	(8)	(250)
Net interest settlements on derivatives	2,591	2,455	—	(3,281)	44	1,809
Total effect on net interest income	\$ 2,508	\$ 2,223	\$ 2	\$ (3,279)	\$ 40	\$ 1,494
	Year Ended December 31, 2024					
	Advances	Investment Securities	Mortgage Loans ⁽¹⁾	Consolidated Bonds	Consolidated Discount Notes	Total
Net interest income						
Amortization and accretion of hedging activities in net interest income	\$ 185	\$ (162)	\$ 2	\$ (474)	\$ (2)	\$ (451)
Net gains (losses) on derivatives and hedged items	33	83	—	495	(1)	610
Price alignment amount	(282)	(320)	—	3	(15)	(614)
Net interest settlements on derivatives	5,897	3,930	—	(7,360)	33	2,500
Total effect on net interest income	\$ 5,833	\$ 3,531	\$ 2	\$ (7,336)	\$ 15	\$ 2,045

(1) Includes standalone mortgage delivery commitments.

Non-Interest Income

Non-interest income consists of realized and unrealized gains (losses) on investment securities, derivatives activities, financial instruments held under fair value option, and other non-interest-earning activities. Figure 18 presents non-interest income for the most recent five years.

Figure 18 - Non-Interest Income
(dollars in millions)



Non-interest income was a net gain of \$524 million for the year ended December 31, 2025, a decrease of 4% compared to the year ended December 31, 2024, resulting primarily from changes in the fair value of derivatives, investment securities, and financial instruments held under fair value option, driven by changes in interest rates.

Table 29 - Changes in Non-Interest Income

(dollars in millions)

	Year Ended December 31,		Change
	2025	2024	2025 vs. 2024
Net gains (losses) on investment securities	\$ 424	\$ 80	\$ 344
Net gains (losses) on financial instruments held under fair value option	(8)	(144)	136
Net gains (losses) on derivatives	(177)	310	(487)
Other, net	285	300	(15)
Total non-interest income (loss)	\$ 524	\$ 546	\$ (22)

Gains (Losses) on Investment Securities. The FHLBanks classify investment securities as AFS, HTM, or trading securities. The realized gains (losses) from the sale of AFS and HTM securities are recognized in current period earnings. Trading securities are recorded at fair value, with changes in fair value reflected in non-interest income. A number of factors affect the fair value of investment securities, such as the current and projected levels of interest rates, credit spreads, and volatility, as well as the passage of time. The net gain on investment securities was \$424 million for the year ended December 31, 2025, compared to a net gain of \$80 million for the year ended December 31, 2024, due primarily to changes in the fair value of investment securities classified as trading securities, driven by changes in interest rates.

Gains (Losses) on Financial Instruments Held under Fair Value Option. Certain FHLBanks elect the fair value option for certain financial assets and certain financial liabilities, and these FHLBanks recognize the changes in fair value on these assets and liabilities as unrealized gains and losses in current period earnings. The use of the fair value option allows these FHLBanks to mitigate potential income statement volatility that can arise when an economic derivative is adjusted for changes in fair value, but the related hedged item is not. The net loss on financial instruments held under fair value option was \$8 million for the year ended December 31, 2025, compared to a net loss of \$144 million for the year ended December 31, 2024. The net loss for the year ended December 31, 2025, resulted primarily from changes in the fair value of consolidated bonds held under the fair value option, partially offset by changes in the fair value of advances held under the fair value option. (See *Table 30* and *Note 14 - Fair Value* to the accompanying combined financial statements for additional information regarding the gains (losses) on financial instruments held under fair value option.)

Gains (Losses) on Derivatives. Gains (losses) on derivatives are primarily comprised of the change in fair value of economic hedges, which are derivatives hedging specific or non-specific underlying assets, liabilities, or firm commitments that do not qualify, or were not designated, for fair value or cash flow hedge accounting. Gains (losses) on derivatives fluctuate with changes in market conditions and are based on a wide range of factors, including current and projected levels of interest rates, credit spreads, and volatility, as well as the passage of time.

The net loss on derivatives was \$177 million for the year ended December 31, 2025, compared to a net gain of \$310 million for the year ended December 31, 2024. The net loss for the year ended December 31, 2025, was due primarily to fair value losses on economic hedges, which hedge investment securities, consolidated obligations, and mortgage loans. Table 30 presents the effect of derivatives on non-interest income.

Table 30 - Effect of Derivatives on Non-Interest Income

(dollars in millions)

	Year Ended December 31, 2025							
	Advances	Investment Securities	Mortgage Loans	Consolidated Bonds	Consolidated Discount Notes	Balance Sheet	Intermediary Positions and Other	Total
Net gains (losses) on derivatives								
Gains (losses) related to derivatives not designated as hedging instruments	\$ 4	\$ (121)	\$ (20)	\$ (5)	\$ (34)	\$ (3)	\$ 1	\$ (178)
Price alignment amount	—	—	—	—	—	—	1	1
Total net gains (losses) on derivatives	4	(121)	(20)	(5)	(34)	(3)	2	(177)
Net gains (losses) on trading securities ⁽¹⁾	—	405	—	—	—	—	—	405
Net gains (losses) on financial instruments under fair value option	58	—	—	(68)	2	—	—	(8)
Total effect on non-interest income	\$ 62	\$ 284	\$ (20)	\$ (73)	\$ (32)	\$ (3)	\$ 2	\$ 220

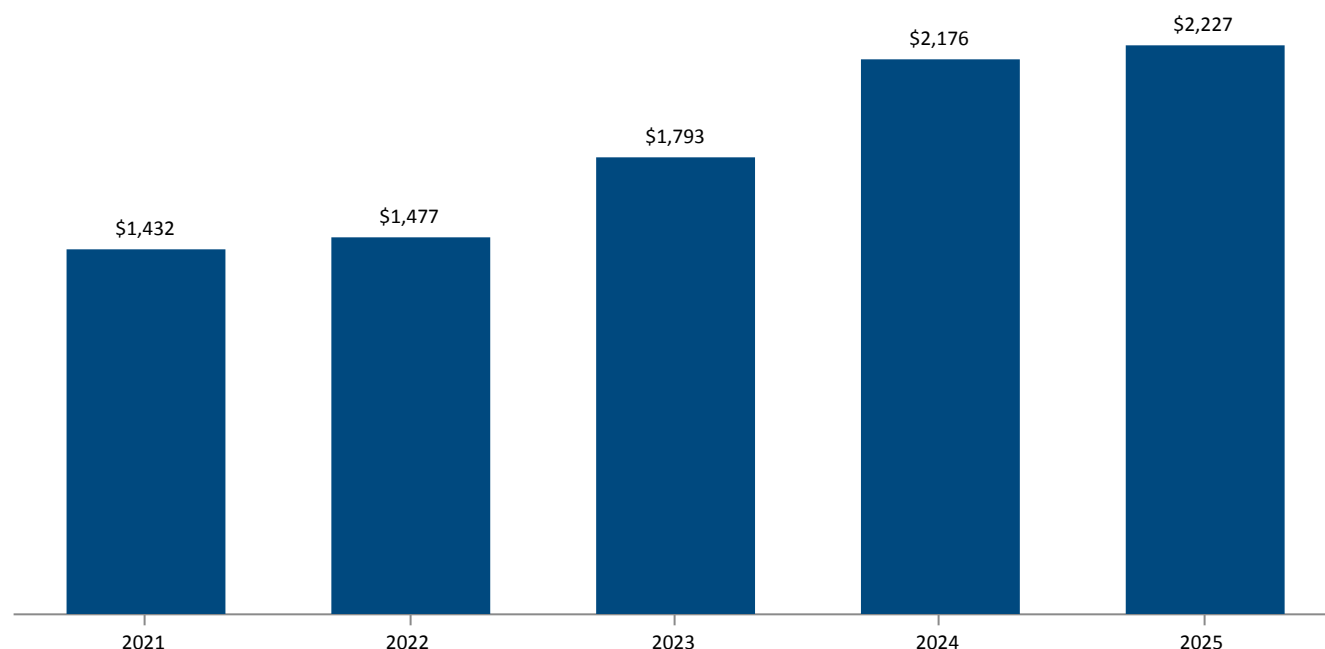
	Year Ended December 31, 2024							
	Advances	Investment Securities	Mortgage Loans	Consolidated Bonds	Consolidated Discount Notes	Balance Sheet	Intermediary Positions and Other	Total
Net gains (losses) on derivatives								
Gains (losses) related to derivatives not designated as hedging instruments	\$ 98	\$ 339	\$ 27	\$ (86)	\$ (66)	\$ (3)	\$ (8)	\$ 301
Price alignment amount	—	—	—	—	—	—	9	9
Total net gains (losses) on derivatives	98	339	27	(86)	(66)	(3)	1	310
Net gains (losses) on trading securities ⁽¹⁾	—	75	—	—	—	—	—	75
Net gains (losses) on financial instruments under fair value option	1	—	(1)	(111)	(33)	—	—	(144)
Total effect on non-interest income	\$ 99	\$ 414	\$ 26	\$ (197)	\$ (99)	\$ (3)	\$ 1	\$ 241

(1) Includes only those gains (losses) on trading securities that have been economically hedged.

Non-Interest Expense

Non-interest expense consists of compensation and benefits, other operating expenses, voluntary housing and community investment expenses, FHFA expenses, Office of Finance expenses, and other expenses. Figure 19 presents non-interest expense for the most recent five years.

Figure 19 - Non-Interest Expense
(dollars in millions)



Non-interest expense was \$2,227 million for the year ended December 31, 2025, an increase of 2% compared to the year ended December 31, 2024, resulting primarily from increases in compensation and benefits, driven by higher headcount and increases in post-retirement benefit plan costs at certain FHLBanks.

Table 31 - Changes in Non-Interest Expense

(dollars in millions)

	Year Ended December 31,		Change
	2025	2024	2025 vs. 2024
Compensation and benefits	\$ 887	\$ 859	\$ 28
Other operating expenses	623	614	9
Voluntary housing and community investment	488	481	7
Federal Housing Finance Agency	109	109	—
Office of Finance	81	81	—
Other expenses	39	32	7
Total non-interest expense	\$ 2,227	\$ 2,176	\$ 51

Compensation and Benefits. These expenses consist primarily of costs for FHLBank employees, including salaries, incentives, and health and retirement benefits.

Other Operating Expenses. These expenses consist primarily of professional and other contractual services, occupancy costs, depreciation and amortization, and information technology related costs.

Voluntary Housing and Community Investment. For the years ended December 31, 2025 and 2024, the FHLBanks' voluntary housing and community investment expenses were \$488 million and \$481 million, which consisted of grants, donations and loan subsidies of \$384 million and \$343 million and voluntary and supplemental AHP

contribution expenses of \$104 million and \$138 million. (See [Supporting Housing and Community Investment](#) for further information about the FHLBanks' voluntary contributions to support affordable housing and community investment initiatives, including calculations of the FHLBanks' voluntary contribution commitment targets and their fulfillment.)

FHFA Expenses. The FHLBanks fund the portion of the FHFA's operating costs and working capital fund that relate to the FHLBanks, as determined by the FHFA. These costs are based on the FHFA's annual budget and are under the sole control of the FHFA. Each FHLBank pays its pro-rata share of FHFA expenses based on the ratio of each FHLBank's minimum required regulatory capital to the aggregate minimum required regulatory capital of all FHLBanks.

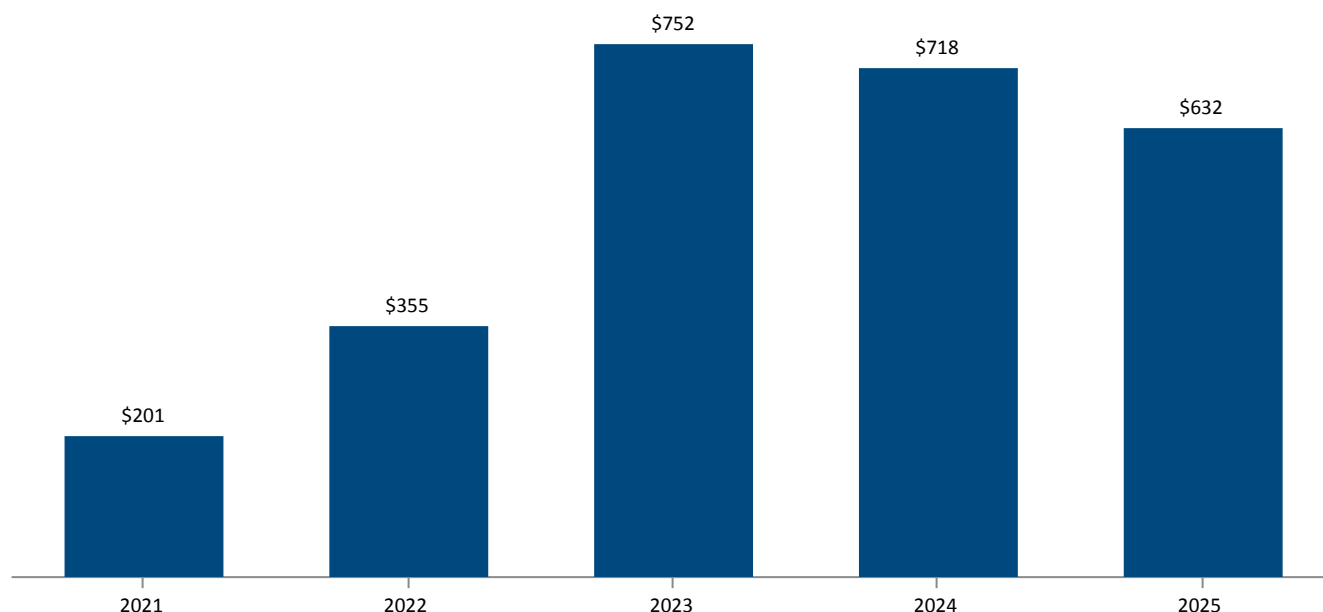
Office of Finance Expenses. The FHLBanks also fund the operating and capital expenditures of the Office of Finance, a joint office of the FHLBanks that issues and services consolidated obligations, prepares the FHLBanks' quarterly and annual combined financial reports, and performs certain other functions.

Affordable Housing Program Assessments

Each FHLBank recognizes AHP assessment expense equal to the greater of 10% of its annual income subject to assessment, or the prorated sum required to ensure the aggregate contribution by the FHLBanks is no less than \$100 million for each year. For purposes of the statutory AHP calculation, each FHLBank's income subject to assessment is defined as the individual FHLBank's net income before assessments, plus interest expense related to mandatorily redeemable capital stock.

Figure 20 presents AHP assessments for the most recent five years.

Figure 20 - Affordable Housing Program Assessments
(dollars in millions)



In addition to the statutory AHP assessment, an FHLBank may make voluntary contributions to the AHP or to other housing and community investment initiatives. For the years ended December 31, 2025 and 2024, the FHLBanks made voluntary contributions to the AHP of \$104 million and \$138 million, which included supplemental AHP contributions of \$51 million and \$49 million. (See [Note 10 - Affordable Housing Program and Voluntary Contributions](#) to the accompanying combined financial statements, and [Supporting Housing and Community Investment](#), for additional information related to statutory and voluntary affordable housing and community investment initiatives.)

The AHP helps FHLBank members provide subsidized loans and grants to create affordable rental and homeownership opportunities. All operating and administrative costs for the AHP are included in the FHLBanks' operating expenses, so all AHP contributions go directly to support affordable housing projects and eligible households. For the years ended December 31, 2025 and 2024, the FHLBanks' AHP contributions were used to competitively award \$638 million and \$607 million in grants that funded 533 and 520 projects that provided approximately 25,000 and 26,000 units of affordable housing. The FHLBanks' AHP competitive awards typically include performance-based criteria, which can result in the funds being disbursed over a period of several years or recaptured if performance under the award is not achieved. In addition, during the years ended December 31, 2025 and 2024, the FHLBanks' AHP contributions were used for set-aside programs to provide \$257 million and \$242 million to approximately 18,000 and 17,000 eligible low- or moderate-income household homebuyers to assist them in buying or repairing their homes.

Supporting Housing and Community Investment

In addition to providing a readily available, competitively-priced source of funds to members, one of the core missions of the FHLBanks is to support affordable housing and community investment. The FHLBanks' initiatives to support affordable housing and community investment include offering grants and advances through the statutory AHP, voluntary grants, donations, and advance and loan programs that offer below-market interest rates and, in some cases, interest rates as low as zero percent. (See [Business - Other Mission-Related Activities](#) for additional information about the FHLBanks' statutory AHP activities.)

In addition to statutory AHP assessments, the FHLBanks indicated in 2023 that they were either already making or would be making voluntary contributions representing 5% or more of their earnings in support of affordable housing and community investment initiatives, collectively referred to as voluntary contributions. In 2025, all of the FHLBanks committed to make at least 5% in voluntary contributions. For 2024, ten of the FHLBanks committed to make at least 5% in voluntary contributions, and one FHLBank committed to make at least 2.5% in voluntary contributions, as well as supplemental voluntary contributions to the AHP. On a combined basis, the FHLBanks exceeded their 5% voluntary contribution commitment target in both 2025 and 2024. For information on individual FHLBank voluntary contribution results for 2025 and 2024, see each FHLBank's 2025 SEC Form 10-K.

Table 32 provides the calculation of the voluntary contribution commitment target of the FHLBanks, on a combined basis, for the years ended December 31, 2025 and 2024.

Table 32 - Voluntary Contribution Commitment

(dollars in millions)

	Year Ended December 31,	
	2025	2024
Prior year's net income before assessment	\$ 7,075	\$ 7,443
Adjustments:		
Prior year's interest expense on mandatory redeemable capital stock	99	74
Prior year's net income subject to assessment	\$ 7,174	\$ 7,517
Unadjusted voluntary contribution commitment (5%)	\$ 359	\$ 376
Adjustments		
Adjustment ⁽¹⁾ for prior year voluntary contributions	25	13
Other, net	—	(8)
Voluntary contribution commitment target	\$ 384	\$ 381

(1) The income statement effects of an FHLBank's voluntary contributions reduce net income before assessments and, as a result, reduce the voluntary contributions in the subsequent year. In order to restore the FHLBank's voluntary contributions to the dollar amount it would make in the absence of these effects, each FHLBank voluntarily contributes an additional amount to its voluntary housing and community investment initiatives.

Excluding statutory and voluntary AHP contributions, the FHLBanks provided approximately 60 voluntary initiatives in 2025 that support affordable housing and community investments. Because of the varying nature of these initiatives, expenses may be presented in different financial statement lines depending on the facts and circumstances of each initiative. For example, the FHLBank of Dallas manages two volume-limited, unsecured lending programs. Although other FHLBanks have unsecured loan programs, the FHLBank of Dallas' loan initiatives differ in that the full amount of funding made available through the FHLBank of Dallas programs are considered fulfillment rather than just a portion of the funding, or an interest subsidy, considered toward fulfillment of their voluntary contribution commitment. Unused funds of these FHLBank of Dallas initiatives at the end of a year, if any, as well as repayments of principal and interest during the year, will be carried forward to the subsequent year to support the program for which the funds were initially designated or, alternatively, reallocated to other voluntary programs.

Table 33 provides the components of how the FHLBanks fulfilled their voluntary contribution commitment for the years ended December 31, 2025 and 2024.

Table 33 - Voluntary Contribution Fulfillment

(dollars in millions)

	Year Ended December 31,	
	2025	2024
Voluntary contributions		
Interest income ⁽¹⁾	\$ 11	\$ 10
Non-interest income - Other, net	1	1
Non-interest expense - Voluntary affordable housing and community investment ⁽²⁾	437	432
Subtotal - income statement recognition	449	443
Loan programs, new funding made available ⁽³⁾ and other	7	36
Voluntary contribution fulfillment	\$ 456	\$ 479
Fulfillment, as a % of prior year net income subject to assessment, as adjusted	5.9 %	6.2 %

(1) Consists of amounts related to certain advance subsidies made as part of voluntary initiatives to support community investment.

(2) For the years ended December 31, 2025 and 2024, includes \$53 million and \$89 million of voluntary contributions to AHP, and excludes \$51 million and \$49 million of supplemental voluntary contributions to AHP. The income statement effects of an FHLBank's voluntary programs reduce net income before assessments and, as a result, reduce the statutory AHP assessment each year. Each FHLBank has committed to make supplemental voluntary contributions to the AHP by an amount that restores the statutory AHP assessment amount to what it otherwise would have been in the absence of these effects.

(3) This amount relates to the FHLBank of Dallas' two volume-limited, unsecured lending programs where the full amount of funding that is made available is considered as fulfillment.

Figures 21 and 22 present the composition of the FHLBanks fulfillment of voluntary contributions, by attribute, for the years ended December 31, 2025 and 2024.

Figure 21 - Voluntary Contributions, by Attribute for 2025

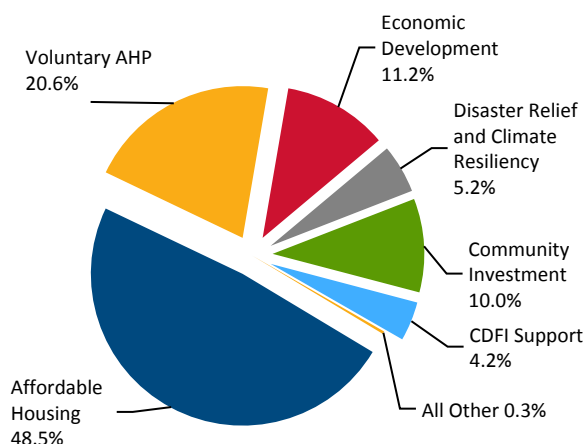
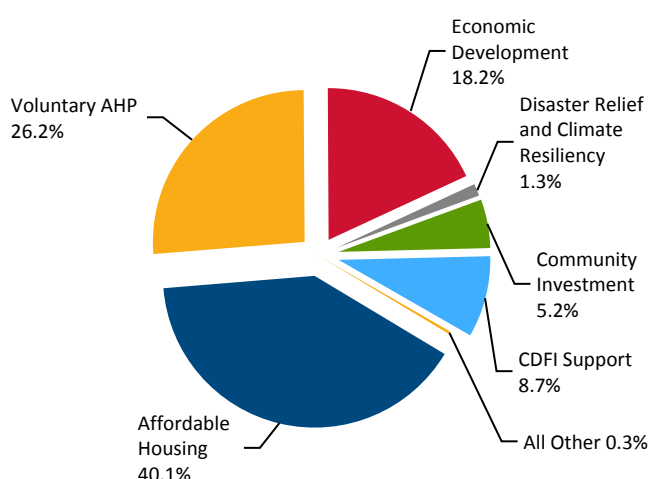


Figure 22 - Voluntary Contributions, by Attribute for 2024



Certain FHLBanks offer voluntary loan programs that support affordable housing, community investment, or provide other social benefits. These loans are typically uncollateralized or underwritten with less than full collateralization and are included in Other Assets, net on the FHLBanks' Combined Statements of Financial Condition. As of December 31, 2025 and 2024, there were \$128 million and \$99 million of these loans outstanding, net of allowance for credit losses.

The income statement effects of an FHLBank's voluntary contributions reduce net income before assessments and, as a result, reduce the statutory AHP assessment each year. As such, each FHLBank has committed to making supplemental voluntary contributions to the AHP by an amount that restores the statutory AHP assessment amount to what it otherwise would have been in the absence of these effects.

Table 34 provides a calculation of the net income subject to assessment, adjusted for voluntary contribution fulfillment. It shows how the FHLBanks' supplemental voluntary AHP contribution restores the AHP amounts to 10% (or more) of the FHLBanks' earnings, absent the FHLBanks' voluntary contributions, for the years ended December 31, 2025 and 2024. For 2025, the statutory AHP assessments of \$632 million and voluntary AHP contributions of \$104 million, which include supplemental AHP contributions of \$51 million, are expected to be awarded in 2026 and may be disbursed over several years.

Table 34 - Statutory AHP Assessment and Supplemental Voluntary AHP Contributions

(dollars in millions)

	Year Ended December 31,	
	2025	2024
Net income subject to statutory assessment	\$ 6,317	\$ 7,174
Adjustment:		
Voluntary commitment fulfillment, recognized in net income ⁽¹⁾	449	443
Supplemental AHP contributions for the current year ⁽²⁾	51	49
Net income subject to assessment, as adjusted⁽³⁾	\$ 6,817	\$ 7,666
 10% of net income subject to assessment, as adjusted	 \$ 682	 \$ 767
 Statutory AHP assessments	 \$ 632	 \$ 718
Supplemental voluntary AHP contributions for the current year ⁽²⁾	51	49
Total statutory AHP assessment and supplemental voluntary AHP contributions for the current year	\$ 683	\$ 767

(1) See Table 33 for the composition of these amounts, by income statement line item.

(2) Included in Voluntary Housing and Community Investment expense on the Combined Statement of Income.

(3) Represents the amount of earnings that would be available for the statutory AHP assessment if the FHLBanks had not made voluntary contributions to other initiatives, which reduce net income before assessments and, as a result, reduce the statutory AHP assessment.

Interbank Eliminations

Interbank eliminations on the Combined Statements of Income include:

- transfers of interbank consolidated obligations liabilities; and
- fees related to the MPF Program that are eliminated in non-interest income and non-interest expense.

See [Note 1 - Summary of Significant Accounting Policies - Basis of presentation](#) to the accompanying combined financial statements for additional information on the accounting for interbank eliminations.

The amount of total interbank consolidated obligations transferred during a period depends on a variety of factors, including (1) whether an assuming FHLBank can obtain equal or lower funding costs through interbank transfers as compared to issuing new debt, (2) an FHLBank's overall asset/liability management strategy, and (3) current market conditions. There was no interbank transfer of consolidated bonds during the year ended December 31, 2025. Total consolidated bonds with an aggregate principal amount of \$5,805 million were

transferred from an FHLBank to another FHLBank during the year ended December 31, 2024. Total consolidated discount notes with an aggregate principal amount of \$7 million and \$1,236 million were transferred from an FHLBank to another FHLBank during the years ended December 31, 2025 and 2024.

The impact of the combining adjustments, which include interbank eliminations and rounding adjustments, on the Combined Statements of Income, was not material.

Comprehensive Income

Comprehensive income is comprised of net income and other comprehensive income. Other comprehensive income is reported on the Combined Statements of Comprehensive Income and presents the net change in the accumulated other comprehensive income (loss) balances.

Other comprehensive income was a net gain of \$956 million for the year ended December 31, 2025, compared to a net gain of \$728 million for the year ended December 31, 2024. The net gain in other comprehensive income for the year ended December 31, 2025, primarily consisted of net unrealized gains on MBS classified as AFS securities.

Liquidity and Capital Resources

Liquidity

Each FHLBank is required to maintain liquidity in accordance with the FHLBank Act, FHFA regulations and guidance, and policies established by its management and board of directors. Each FHLBank seeks to be in a position to meet the credit and liquidity needs of its members and to meet all current and future financial commitments of the FHLBank. Each FHLBank seeks to achieve this objective by managing liquidity positions to maintain stable, reliable, and cost-effective sources of funds while taking into account market conditions, member demand, and the maturity profile of the assets and liabilities of the FHLBank.

The FHLBanks may not be able to predict future trends in member credit needs because member credit needs are driven by complex interactions among a number of factors, including members' mortgage loan originations, other loan portfolio activity, deposit levels, and the attractiveness of advances compared to other wholesale borrowing alternatives. Each FHLBank monitors current trends and anticipates future debt issuance needs to fund its members' credit needs and investment opportunities of the FHLBank. An FHLBank's ability to expand its balance sheet and corresponding liquidity requirements in response to its members' increased credit needs is correlated to its members' requirements for advances and mortgage loans. Alternatively, in response to reduced member credit needs, an FHLBank may allow its consolidated obligations to mature without replacement, or repurchase and retire outstanding consolidated obligations, allowing its balance sheet to shrink. Over time, the FHLBanks historically have had comparatively stable access to funding through a diverse investor base.

Sources of Liquidity. The FHLBanks' primary sources of liquidity are proceeds from the issuance of consolidated obligations, as well as cash and investment holdings that are primarily high-quality, short-, and intermediate-term financial instruments. The FHLBanks' consolidated obligations are not obligations of the United States and are not guaranteed by the United States, but have historically received the same credit ratings as the sovereign credit ratings of the United States. S&P, Moody's, or other rating organizations could downgrade or upgrade the credit ratings of the U.S. government and GSEs, including the FHLBanks and their consolidated obligations. Investors should note that a rating issued by a nationally recognized statistical rating organization is not a recommendation to buy, sell, or hold securities, and that the ratings may be revised or withdrawn at any time. Investors should evaluate the rating of each nationally recognized statistical rating organization independently. Investors should not take the historical or current ratings of the FHLBanks or their consolidated obligations as an indication of future ratings for the FHLBanks and their consolidated obligations. (See [External Credit Ratings](#) for additional information about the credit ratings associated with the FHLBanks' consolidated obligations as well as the credit rating of each individual FHLBank.)

Other sources of liquidity include advance repayments, payments collected on mortgage loans, proceeds from the issuance of capital stock, and deposits from members. In addition, by law, the Secretary of the Treasury is authorized to purchase up to \$4 billion aggregate principal amount of consolidated obligations of the FHLBanks. This authority may be exercised only if alternative means cannot be effectively employed to permit the FHLBanks to continue to supply reasonable amounts of funds to the mortgage market, and the ability to supply such funds is substantially impaired because of monetary stringency and a high level of interest rates. Any funds borrowed from the U.S. Treasury shall be repaid by the FHLBanks at the earliest practicable date.

Uses of Liquidity. The FHLBanks' primary uses of liquidity are advance originations and consolidated obligation payments. Other uses of liquidity are mortgage loan and investment purchases, dividend payments, and other contractual payments. An FHLBank also maintains liquidity to redeem or repurchase excess capital stock, at its discretion, upon the request of a member or under an FHLBank's capital plan. The FHLBanks do not have any significant commitments for capital expenditures at December 31, 2025.

FHLBank Funding and Debt Issuance. Changes or disruptions in the capital markets could limit the FHLBanks' ability to issue consolidated obligations. During the year ended December 31, 2025, the FHLBanks maintained continual access to funding. The FHLBanks' funding was generally driven by member demand for advances and other liquidity needs.

Refinancing Risk and Investor Concentration Risk. There are inherent risks in utilizing short-term funding to support longer-dated assets and the FHLBanks may be exposed to refinancing risk and investor concentration risk. Refinancing risk includes the risk that the FHLBanks could have difficulty rolling over short-term obligations when market conditions change or investor confidence in short-term consolidated obligations declines. In managing and monitoring the amounts of financial assets that require refinancing, the FHLBanks consider their contractual maturities, as well as certain assumptions regarding expected cash flows (i.e., estimated prepayments, embedded call optionality, and scheduled amortizations). Investor concentration risk includes the risk that a market-driven or regulatory disruption to certain investor classes could lead to significant investor outflows causing unfavorable market conditions for consolidated obligations. As the FHLBanks' balance sheets expand due to member demands and market conditions, the inherent refinancing and investor concentration risks may also increase. For example, as of December 31, 2025 and 2024, the holding of the FHLBanks' consolidated obligations by taxable money market funds, as a percentage of the total outstanding consolidated obligations, was 59% and 55%, based on data from SEC filings by registered money market funds. The holdings of the FHLBanks' consolidated obligations by taxable money market funds represented 10% and 11% of these funds' assets under management at December 31, 2025 and 2024, based on data from SEC filings by registered money market funds. While demand from this investor class has benefited the FHLBanks' ability to access short-term funding at attractive costs, this demand could change over time. (See the notes to the accompanying combined financial statements for additional information regarding contractual maturities of certain financial assets and financial liabilities and [Risk Factors - Liquidity Risk](#) for more information on refinancing risk and investor concentration risk.)

Interest-Rate Risk. The FHLBanks may use a portion of the short-term consolidated obligations issued to fund both short- and long-term variable-rate assets. However, funding longer-term variable-rate assets with shorter-term liabilities generally does not expose the FHLBanks to interest-rate risk because the rates on the variable-rate assets reset similarly to the liabilities (either through rate resets or re-issuance of the obligations). The FHLBanks measure and monitor interest-rate risk with commonly used methods and metrics, which include the calculations of market value of equity, duration of equity, and duration gap. (See [Quantitative and Qualitative Disclosures about Market Risk](#) for additional discussion and analysis regarding the FHLBanks' sensitivity to interest rate changes and the use of derivatives to manage their exposure to interest-rate risk.)

Asset/Liability Maturity Profile. Each FHLBank is focused on maintaining an adequate amount of liquidity, and the FHLBanks work collectively to manage FHLBank System-wide liquidity and funding needs. The FHLBanks are committed to prudent risk management practices and jointly monitor certain FHLBank System risks, including by tracking the funding gap, which is a measure of the difference in the projected cash flows from their financial assets and financial liabilities. External factors, including FHLBank member borrowing needs, supply and demand in the debt markets, and other factors may affect the amount of liquidity and the balance between the cash flows for financial assets and financial liabilities. However, due to the FHLBanks' status as GSEs, they have traditionally had ready access to funding at relatively favorable rates.

Regulatory Liquidity Requirements. To protect the FHLBanks against temporary disruptions in access to the debt markets in response to a rise in capital markets volatility, the FHFA requires each FHLBank to:

- have available at all times an amount greater than or equal to its members' current deposits invested in advances with maturities not to exceed five years, deposits in banks or trust companies, and obligations of the U.S. Treasury;
- maintain, in the aggregate, unpledged qualifying assets in an amount at least equal to the amount of its participation in total consolidated obligations outstanding; and
- maintain a base case amount of liquidity measured using a two-component formula:
 - The cash flow component requires each FHLBank to maintain a liquidity reserve equal to a specified number of days (between 10 and 30 calendar days) of the FHLBank's projected funding needs assuming an inability to access capital markets for consolidated obligations and renewal of all maturing advances.
 - The standby letters of credit component requires each FHLBank to hold additional liquid assets equal to a specified percentage (between 1% and 20%) of the FHLBank's outstanding standby letter of credit commitments.

Each FHLBank also maintains a contingency funding plan designed to address liquidity shortfalls in times of need, such as operational disruptions at an FHLBank and/or the Office of Finance, or short-term capital market disruptions. In addition, each of the FHLBanks performs an annual liquidity stress test. During the year ended December 31, 2025, each of the FHLBanks was in compliance with the FHFA's liquidity requirements, including the FHFA's Advisory Bulletins on liquidity and the FHFA's funding gap guidance for three-month and one-year maturity horizons.

Office of Finance Funding Contingency Plan Policy. The Office of Finance has an allocation methodology for the proceeds from the issuance of consolidated obligations when consolidated obligations cannot be issued in sufficient amounts to satisfy all FHLBank demand for funding during periods of financial distress and when its existing allocation processes are deemed insufficient. The purpose and objective of this allocation methodology is to ensure that guidance is in place to facilitate the ability of the Office of Finance to meet the funding needs of the FHLBanks when market conditions threaten to limit or prevent access to funding in periods of financial distress. In general, under this methodology, if the FHLBanks lose access to the funding markets at any price, or are unable to issue sufficient volumes of consolidated obligations to satisfy their needs, or the Office of Finance believes that the FHLBank System franchise is at risk, the proceeds in these circumstances will be allocated pro-rata among the FHLBanks in the order of a debt usage hierarchy and, after funding needs in all categories of the hierarchy are satisfied, additional funding allocation will be based on relative FHLBank regulatory capital. The FHLBanks collectively, or the Office of Finance, may determine to use other funding allocation methodologies in these circumstances, if appropriate. As is the case during any instance of a disruption in an FHLBank's ability to access the capital markets, market conditions or this allocation could adversely affect an FHLBank's ability to finance its operations, which could thereby adversely affect that FHLBank's financial condition and results of operations.

Capital Resources

The FHLBanks' ability to expand their balance sheets as member credit needs increase is based, in part, on the capital stock requirements for advances. In addition, FHFA regulations stipulate that each FHLBank must comply with three limits on capital. Although each FHLBank's minimum regulatory capital-to-assets ratio requirement is 4.0%, each FHLBank strives to maintain a level of retained earnings to support its regulatory capital compliance, stable dividend payments to members, and business growth. At December 31, 2025, each FHLBank was in compliance with its statutory minimum capital requirements. In addition, an FHFA Advisory Bulletin expects each FHLBank to maintain a ratio of at least two percent of capital stock to total assets. At December 31, 2025, each FHLBank was in compliance with this guidance. (See [Note 11 - Capital](#) to the accompanying combined financial statements for additional information regarding minimum regulatory capital requirements.)

Regulatory guidance provides that each FHLBank assess, at least once a year, the adequacy of its retained earnings under various future financial and economic scenarios, including:

- parallel and non-parallel interest-rate shifts;
- changes in the interest-rate relationship between different yield curves; and
- changes in the credit quality of the FHLBank's assets.

Management and the board of directors of each FHLBank review the capital structure of that FHLBank on a periodic basis to ensure the capital structure supports the risk associated with its assets and addresses applicable regulatory and supervisory matters. In addition, an individual FHLBank may, at its discretion, institute a higher capital requirement to meet internally-established thresholds or to address supervisory matters, limit dividend payments, or restrict excess capital stock repurchases as part of its retained earnings policies.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires each FHLBank's management to make a number of judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities (if applicable), and the reported amounts of income and expense during the reported periods. Although each FHLBank's management believes that its judgments, estimates, and assumptions are reasonable based on historical experience and other relevant factors, actual results may differ from these estimates.

Each individual FHLBank manages its operations independently and is responsible for establishing its own accounting and financial reporting policies in accordance with GAAP. An individual FHLBank's accounting and financial reporting policies and practices, including accounting estimates, are not always identical to those used by other FHLBanks because alternative policies and presentations are permitted under GAAP in certain circumstances. For example, the FHLBanks might not use the same models and assumptions in determining the fair values of their respective assets and liabilities. The use of different models or assumptions by individual FHLBanks could result in materially different valuations or other estimates, even when similar or identical assets and liabilities are being measured, and could have materially different effects on the net income and retained earnings of the respective FHLBanks, although each of these methodologies is in compliance with GAAP. (See [Explanatory Statement about Federal Home Loan Banks Combined Financial Report](#) for more information and each FHLBank's 2025 SEC Form 10-K under *Part II. Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations* for a discussion regarding its critical accounting estimates.)

The critical accounting estimate relating to derivatives and hedging activities is generally considered by each FHLBank's management to be the most critical to an understanding of its financial statements and the financial data it provides to the Office of Finance for this Combined Financial Report. This estimate requires an FHLBank's management to make subjective or complex judgments about matters, including forward interest rate assumptions, that are inherently uncertain. Investors are cautioned that future events rarely develop exactly as

forecasted, and the best estimates routinely require adjustments, which could be material. A change in an estimate or assumption could have a material effect on an FHLBank's reported results of operations or its financial condition. Differences between the assumptions and estimates used by individual FHLBanks could result in material differences in the reported results of operations and financial condition of those FHLBanks.

Derivatives and Hedging Activities

The FHLBanks enter into derivatives primarily to manage their exposure to changes in interest rates. Through the use of derivatives, the FHLBanks may adjust the effective maturity, repricing frequency, or option characteristics of financial instruments to achieve their risk management objectives.

All derivatives are required to be recorded on the statement of condition at their fair values. Changes in the fair value of all derivatives, excluding those designated as cash flow hedges, are recorded in current period earnings, while changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in other comprehensive income (OCI) until earnings are affected by the variability of the cash flows of the hedged transaction. The FHLBanks are required to recognize unrealized gains and losses on derivative positions whether or not the transaction qualifies for hedge accounting, in which case offsetting gains or losses on the hedged assets or liabilities may also be recognized. Therefore, to the extent certain derivative instruments do not qualify for hedge accounting, also known as economic hedges, or changes in the fair values of derivatives are not exactly offset by changes in their hedged items, the accounting guidance introduces the potential for a considerable mismatch between income and expense recognition for assets or liabilities being hedged and their associated hedging instruments. As a result, during periods of significant changes in market prices and interest rates, the FHLBanks' earnings may exhibit considerable volatility.

The accounting guidance related to derivatives and hedging activities is complex and the judgments and assumptions that are most critical to accounting for derivatives relate to whether a hedging relationship qualifies for hedge accounting and the assessment of the effectiveness of the hedging relationship. In addition, the fair value measurement of derivatives and hedged items has a significant effect on the actual results being reported. These fair value estimates include subjective assumptions and calculations based on information available as of the date of the financial statements, which could be materially different under different assumptions and calculations. The FHLBanks expect that their derivative instruments qualifying for hedge accounting will continue to meet the conditions for hedge accounting.

Each FHLBank bases the fair values of derivatives with similar terms on market prices, when available. However, active markets do not exist for many of the FHLBanks' derivatives. Consequently, fair values for these instruments are generally estimated using standard valuation techniques such as discounted cash flow analysis. In limited instances, fair value estimates for derivatives are obtained from dealers and are corroborated by an FHLBank using a pricing model and observable market data. Each FHLBank's discounted cash flow analysis uses market-observable inputs such as assumptions related to the discount rate, forward interest rate, and volatility.

In applying hedge accounting, the FHLBanks calculate the changes in fair value of hedged items in fair-value hedging relationships (e.g., certain advances, available-for-sale securities, and consolidated obligations) that are attributable to changes in the designated benchmark interest rate and the changes in the fair values of hypothetical derivatives associated with cash flow hedges. Such values are estimated using a pricing model that employs discounted cash flows or other similar pricing techniques; significant inputs to these pricing models (e.g., yield curves and volatilities) are based on current observable market data.

These assumptions and inputs may have a significant effect on the fair values of derivatives and related hedged items, and the use of different assumptions and inputs, as well as changes in market conditions, could result in materially different financial results, other comprehensive income, and retained earnings of the FHLBanks. The FHLBanks regularly validate and review their pricing models. (See [Note 14 - Fair Value](#) to the accompanying

combined financial statements for additional discussion regarding valuation methodologies and primary inputs used to develop the associated fair value measurement.)

See [Note 1 - Summary of Significant Accounting Policies](#) and [Note 7 - Derivatives and Hedging Activities](#) to the accompanying combined financial statements and [Quantitative and Qualitative Disclosures about Market Risk - Use of Derivatives to Manage Interest-Rate Risk](#) for additional discussion regarding the FHLBanks' accounting for derivatives and types of hedging transactions.

Recent Accounting Developments

See [Note 2 - Recently Issued and Adopted Accounting Guidance](#) to the accompanying combined financial statements for a discussion regarding the effect of recently issued accounting guidance on the FHLBanks' combined financial condition, combined results of operations, or combined cash flows.

Legislative and Regulatory Developments

Significant legislative and regulatory actions and developments since the beginning of 2025 are summarized below.

The FHLBanks are subject to various legal and regulatory requirements and priorities. Certain actions, regulatory priorities, and areas of focus, such as deregulation, by the current administration have changed and continue to change the regulatory environment. For example, following its earlier rescission of guidance and other requirements relating to fair lending and fair housing reporting and unfair or deceptive acts or practices compliance in 2025, the FHFA repealed the Fair Lending, Fair Housing, and Equitable Housing Finance Plans regulation applicable to the FHLBanks, effective March 9, 2026, citing the administration's deregulatory priorities. Furthermore, withdrawals and rescissions of certain rules, proposed rules, and advisory, regulatory, or technical guidance since 2025 have affected, and likely will continue to affect, certain aspects of the FHLBanks' business operations, and could affect the financial condition, results of operations, and reputation of the individual FHLBanks and the FHLBank System.

March 2026 Executive Orders. On March 13, 2026, the administration issued two executive orders addressing mortgage credit availability and housing affordability. One of these executive orders seeks to promote access to mortgage credit and, among other things, directs the FHFA and other relevant federal financial regulators to consider:

- (i) revising capital regulations to tailor risk weights for all banks, including community banks and other smaller banks, for portfolio mortgages, servicing rights, and warehouse lines of credit to the material credit risk of the exposure;
- (ii) modernizing collateral valuation and transfer systems between the Federal Reserve Banks and the FHLBanks;
- (iii) expanding access to longer-dated FHLBank advances tied to residential mortgage assets;
- (iv) creating targeted FHLBank liquidity programs for entry-level housing, owner-occupied purchase loans, and small residential builders;
- (v) accelerating collateral boarding and valuation processes through standardized data and digital documentation; and
- (vi) refocusing the FHLBanks' Affordable Housing Programs on faster-cycle execution and greater financial leverage for small-scale and owner-occupied housing projects.

The executive order also directs the FHFA and the Vice Chair for Supervision of the Federal Reserve Board to consider authorizing the FHLBanks' intermediate access to the Federal Reserve's discount window for the FHLBanks' depository institution members under standardized collateral, operational, and risk-management protocols. In addition, the executive order directs the FHFA and other relevant federal agencies to consider

standardizing the acceptance of e-notes and promoting digital mortgage standards. Under the executive order, the FHFA, in consultation with other relevant federal agencies, is required to submit a report on the efficiency of national housing finance markets, which shall identify recommendations for regulatory or legislative changes necessary to address any regulatory or oversight gaps.

The other executive order seeks to reduce regulatory barriers to affordable home construction and, among other things, directs the FHFA and other relevant federal agencies to consider eliminating unduly burdensome rules and reforming programs that constrain residential development and impede housing affordability, especially the construction of affordable single-family homes as well as suburban and exurban neighborhoods.

While these executive orders could potentially affect the FHLBanks' liquidity products, collateral and operational requirements, capital deployment, and housing-related initiatives, they do not, by themselves, change existing regulations or program requirements applicable to the FHLBanks. The nature, timing, and scope of any regulatory or programmatic changes resulting from these executive orders remain uncertain and would be subject to relevant agency action, such as rulemaking or guidance, as applicable. The FHLBanks continue to monitor developments related to these executive orders and assess their potential effect on the FHLBanks and their members.

January 2026 Executive Order. On January 20, 2026, the administration issued an executive order that seeks to restrict acquisitions by large institutional investors of single-family homes. Among other things, the executive order directs certain agencies, including the FHFA, to issue guidance to: (1) prevent agencies and GSEs from providing for, approving, insuring, guaranteeing, securitizing, or facilitating the acquisition by a large institutional investor of a single-family home that could otherwise be purchased by an individual owner-occupant, or disposing of federal assets in a manner that transfers a single-family home to a large institutional investor; and (2) promote sales to individual owner-occupants, including through anti-circumvention provisions, first-look policies, and disclosure requirements. The executive order also calls for legislative recommendations to codify related policies and directs certain agencies to conduct reviews and consider additional measures to combat speculation by large institutional investors in single-family housing markets. The FHLBanks are unable to predict the nature of the guidance, measures or recommendations, or how each may affect the individual FHLBanks' businesses.

Considering the changes in the regulatory environment, there is uncertainty with respect to the ultimate nature and result of future regulatory actions and their ultimate effects on individual FHLBanks and the FHLBank System. The FHLBanks also cannot predict the administration's actions on U.S. housing finance and GSEs, including relating to the revision or end of conservatorships of Fannie Mae and Freddie Mac or potential reforms or enhancements to their capital structure; the imposition of new requirements or limitations on their existing authorities or changes in the nature of their government-backed guarantees; or any corresponding effects on the FHLBank System, the secondary mortgage and mortgage-backed securities market, or the mortgage industry. The FHLBanks continue to monitor these actions as they evolve and to evaluate their potential effect on the individual FHLBanks and the FHLBank System. (For further discussion of the related risks, see [Risk Factors](#).)

External Credit Ratings

Since December 31, 2025, no changes to external credit ratings have occurred with regard to the FHLBanks or their consolidated obligations. At March 16, 2026, consolidated obligations were rated AA+/A-1+ by S&P and Aa1/P-1 by Moody's, with outlook stable. S&P, Moody's, or other rating organizations could downgrade or upgrade the credit ratings of the U.S. government and GSEs, including the FHLBanks and their consolidated obligations. In May 2025, Moody's downgraded the long-term senior unsecured debt ratings of the FHLBanks to Aa1 from Aaa and changed the outlook on the ratings to stable from negative, reflecting the downgrade by Moody's in the same month of the U.S. government's long-term issuer and senior unsecured ratings to Aa1 with a stable outlook from Aaa with a negative outlook. Investors should note that a rating issued by a nationally recognized statistical rating organization is not a recommendation to buy, sell, or hold securities, and that the ratings may be revised or withdrawn at any time. Investors should evaluate the rating of each nationally recognized statistical rating

organization independently. Investors should not take the historical or current ratings of the FHLBanks and their consolidated obligations as an indication of future ratings for the FHLBanks or their consolidated obligations. Table 35 presents each FHLBank's long-term credit rating, short-term credit rating, and outlook at March 16, 2026.

Table 35 - FHLBanks' Long-Term Credit Ratings, Short-Term Credit Ratings, and Outlook at March 16, 2026

FHLBank	S&P		Moody's	
	Long-Term/ Short-Term Rating	Outlook	Long-Term/ Short-Term Rating	Outlook
Boston	AA+/A-1+	Stable	Aa1/P-1	Stable
New York	AA+/A-1+	Stable	Aa1/P-1	Stable
Pittsburgh	AA+/A-1+	Stable	Aa1/P-1	Stable
Atlanta	AA+/A-1+	Stable	Aa1/P-1	Stable
Cincinnati	AA+/A-1+	Stable	Aa1/P-1	Stable
Indianapolis	AA+/A-1+	Stable	Aa1/P-1	Stable
Chicago	AA+/A-1+	Stable	Aa1/P-1	Stable
Des Moines	AA+/A-1+	Stable	Aa1/P-1	Stable
Dallas	AA+/A-1+	Stable	Aa1/P-1	Stable
Topeka	AA+/A-1+	Stable	Aa1/P-1	Stable
San Francisco	AA+/A-1+	Stable	Aa1/P-1	Stable

Risk Management

The fundamental business of each FHLBank is to provide a readily available, competitively-priced source of funds, in a wide range of maturities, to meet the borrowing demands of its members and housing associates. The principal sources of funds for these activities are the proceeds from the issuance of consolidated obligations and, to a lesser extent, capital and deposits from members. Lending and investing funds, and engaging in derivative transactions, can potentially expose the FHLBanks to a number of risks, including market risk and credit risk. (See [Quantitative and Qualitative Disclosures about Market Risk](#) for a discussion of market risk.) The FHLBanks are also subject to liquidity, operational, and business risks. Each of the FHLBanks and the Office of Finance has established policies and procedures, including board oversight and escalation practices, to evaluate, manage, and control their risks. Each FHLBank must also file periodic compliance reports with the FHFA. The FHFA has established regulations governing the risk management practices of the FHLBanks and conducts examinations and interim reviews of each of the FHLBanks and the Office of Finance.

Credit Risk

Advances. Each FHLBank manages its credit exposure to advances through an integrated approach that provides for the ongoing review of the financial condition of its borrowers coupled with collateral and lending policies and procedures designed to limit its risk of loss while balancing its borrowers' needs for a reliable source of funding. Each FHLBank uses a methodology to evaluate its borrowers, based on financial, regulatory, and other qualitative information, including examination reports. Each FHLBank reviews its borrowers' financial condition on an ongoing basis using current information and makes changes to its collateral guidelines to mitigate the credit risk on advances. In response to an Advisory Bulletin issued by the FHFA in late 2024, certain of the FHLBanks completed their implementation and the remaining FHLBanks plan to complete their implementation to their relevant policies and procedures, as necessary, to ensure the prominence of a member's financial condition in underwriting and credit decisions. During the year ended December 31, 2025, the management of each FHLBank believed it had adequate policies and procedures in place to manage its credit risk on advances effectively.

The FHLBanks protect against credit risk on advances by collateralizing all advances. Advances and other credit product obligations to an FHLBank are fully secured with eligible collateral, the value of which is discounted to account for liquidation and other risks, if applicable, and to protect the FHLBanks from credit loss. Collateral that is determined to contain a low level of risk, such as U.S government obligations, is discounted at a lower rate than

collateral that carries a higher level of risk, such as commercial real estate mortgage loans. Eligible collateral values are determined by the market value for securities collateral, and the market value or unpaid principal balance for all loan collateral. For collateral which market prices are not readily available, the FHLBanks may use internal or external valuation models or methodologies to determine the fair value of the collateral. These valuation models incorporate assumptions related to factors that may affect collateral values, such as market liquidity, discount rates, potential prepayments, and liquidation and servicing costs in the event of default, among others, which may be adjusted in response to changes in economic and market conditions in order to produce reliable results. The FHLBanks also have policies and procedures for validating the reasonableness of their collateral valuations. In addition, collateral verifications and on-site reviews are performed by the FHLBanks based on the risk profile of the borrower. At December 31, 2025, each FHLBank had rights to collateral with an estimated value greater than the related outstanding advances.

The FHLBank Act requires that the FHLBanks obtain and maintain collateral from their borrowers to secure advances at the time the advances are originated or renewed. Furthermore, under the FHLBank Act, an FHLBank has a statutory lien on that FHLBank's capital stock held by its members, which serves as further collateral for the indebtedness of these members to the FHLBank. The FHLBank Act also allows the FHLBanks to further protect their security position with respect to advances by allowing them to require the posting of additional collateral, whether or not such additional collateral is eligible to originate or renew an advance. The FHLBanks perfect their security interests by filing applicable financing statements or taking delivery of collateral. In addition, the FHLBank Act states that, notwithstanding any other provision of law, any security interest granted to an FHLBank by any member of any FHLBank, or any affiliate of any member, is entitled to a priority over the claims and rights of any party (including any receiver, conservator, trustee, or similar lien creditor), other than claims and rights that (1) would be entitled to priority under otherwise applicable law, and (2) are held by actual bona fide purchasers for value or by actual secured parties that are secured by actual perfected security interests. Collateral arrangements will vary depending on:

- borrower credit quality, financial condition, and performance;
- borrowing capacity;
- type of member (e.g., commercial bank, insurance company, or CDFI);
- collateral availability; and
- overall credit exposure to the borrower.

Each FHLBank establishes each borrower's borrowing capacity by determining the amount it will lend against each collateral type. Borrowers are also required to collateralize the face amount of any letters of credit issued for their benefit by an FHLBank. With respect to federally-insured depository institutions borrowers, pursuant to its regulations, the FDIC has recognized the priority of an FHLBank's security interest under the FHLBank Act and the right of an FHLBank to require delivery of collateral held by the FDIC, as receiver, for a failed depository institution. In addition, each FHLBank takes steps necessary to help ensure that its security interest in all collateral pledged by non-depository institutions, such as insurance companies and housing associates, is perfected and protected to the same extent as its security interest in the collateral pledged by depository institutions.

Residential mortgage loans are the principal form of collateral for advances. Collateral eligible to secure new or renewed advances includes:

- one-to-four family and multifamily mortgage loans (delinquent for no more than 90 days) and securities representing such mortgages;
- loans and securities issued, insured, or guaranteed by the U.S. government or any U.S. government agency (for example, mortgage-backed securities issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae);

- cash or deposits in the FHLBank;
- certain other collateral that is real estate-related, such as commercial real estate loans, provided it meets certain eligibility requirements; and
- certain qualifying securities representing undivided equity interests in eligible advance collateral.

Each FHLBank generally establishes an overall FHLBank credit limit for each borrower, which caps the amount of FHLBank credit availability to the borrower. This limit is designed to reduce an FHLBank's credit exposure to an individual borrower, while encouraging borrowers to diversify their funding sources. A borrower's total credit limit with an FHLBank includes the principal amount of outstanding advances, the face amount of outstanding letters of credit, the total exposure of the FHLBank to the borrower under any derivative contract, and the credit enhancement obligation of the borrower on mortgage loans sold to the FHLBank. Each FHLBank determines the credit limit of its borrower by evaluating a wide variety of factors, including, but not limited to, the borrower's overall creditworthiness and collateral management practices. The FHLBanks impose borrowing limits on most borrowers with a maximum ranging from 20% to 60% of a borrower's total assets. However, certain borrowers may be approved for a higher borrowing limit when it is supported by that borrower's creditworthiness and collateral.

Collateral discounts, or haircuts, used in determining lending values of the collateral, are calculated to project that the lending value of collateral securing each borrower's obligations exceeds the amount the borrower may borrow from the FHLBanks. Table 36 presents the range of collateral lending values for the blanket lien, listing, and delivery methods of pledging collateral across the FHLBanks.

Collateral lending values are determined by subtracting the collateral haircut from 100%. Certain collateral haircuts may also reflect haircuts applied to advances outstanding based on borrowers' actual financial performance. Effective lending value percentages are equal to the collateral lending value divided by the unpaid principal balance of eligible loan collateral or market value of eligible securities collateral. Average effective lending values are calculated based on the total lending value against eligible collateral for all borrowers without regard to the amount of credit extended to any particular borrower; however, individual borrower credit obligations to the FHLBanks are not cross-collateralized between borrowers.

Table 36 - Effective Lending Values by Type of Collateral at December 31, 2025

Collateral Type	Blanket Lien		Listing		Delivery	
	Range	Average	Range	Average	Range	Average
Single-family mortgage loans ⁽¹⁾	7%-85%	71%	6%-96%	73%	5%-88%	76%
Multifamily mortgage loans	14%-76%	68%	24%-85%	71%	40%-83%	71%
Other U.S. government-guaranteed loans ⁽²⁾	64%-85%	77%	75%-82%	79%	47%-90%	71%
Home equity loans and lines of credit	7%-74%	58%	2%-82%	64%	41%-59%	50%
Community Financial Institutions (CFI) loans	5%-72%	57%	16%-72%	58%	13%-72%	58%
Commercial real estate loans	19%-72%	66%	18%-81%	64%	42%-81%	69%
Other real estate loans	5%-72%	44%	5%-76%	59%	20%-79%	65%
Cash and U.S. Obligations	n/a	n/a	n/a	n/a	65%-100%	93%
State and local government securities	n/a	n/a	n/a	n/a	27%-92%	87%
Municipal debt	n/a	n/a	n/a	n/a	61%-99%	86%
U.S. agency securities (excluding MBS)	n/a	n/a	n/a	n/a	67%-98%	94%
U.S. agency MBS and collateralized mortgage obligations (CMOs)	n/a	n/a	n/a	n/a	11%-98%	93%
Private-label MBS and CMOs	n/a	n/a	n/a	n/a	45%-92%	83%
CFI securities	n/a	n/a	n/a	n/a	94%	94%
Commercial MBS	n/a	n/a	n/a	n/a	40%-95%	83%
Other securities	n/a	n/a	n/a	n/a	50%-85%	74%
Student loan securities	n/a	n/a	n/a	n/a	94%-97%	94%

(1) Includes Federal Housing Administration and Department of Veterans Affairs loans.

(2) Includes U.S. Government guaranteed mortgage loans and student loans.

n/a Collateral is not pledged using this pledging method.

As of December 31, 2025, there were 124 individual FHLBank borrowers (121 FHLBank members and 3 non-members) that each held advances of at least \$1.0 billion. When a non-member financial institution acquires some or all of the assets and liabilities of an FHLBank member, including outstanding advances and FHLBank capital stock, an FHLBank may allow those advances to remain outstanding to that non-member financial institution. In addition, members that voluntarily withdraw from membership or members whose membership has been terminated involuntarily, such as captive insurers, can be non-members with advances outstanding. Non-members would be required to meet all of that FHLBank's credit and collateral requirements, including requirements regarding creditworthiness and collateral borrowing capacity.

A borrower's total credit obligation to an FHLBank could include outstanding advances, notional amount of letters of credit, collateralized derivative contracts, and credit enhanced obligations on mortgage loans sold to the FHLBank. Eligible collateral values include market values for securities and the unpaid principal balance for all other collateral pledged by the blanket lien, listing, or delivery method. The collateralization ratio for borrowers with at least \$1.0 billion in advances outstanding was 3.5 at December 31, 2025, which represented the total of these 124 individual FHLBank borrowers' eligible collateral divided by these borrowers' advances and other credit products outstanding. The collateralization ratio for all borrowers was 4.2 at December 31, 2025. However, individual borrower credit obligations to the FHLBanks are not cross-collateralized between borrowers.

Table 37 presents advances, other credit products (which primarily includes notional amount of letters of credit), and collateral outstanding for borrowers with at least \$1.0 billion of advances outstanding as compared to all borrowers.

Table 37 - Advances, Other Credit Products, and Collateral Outstanding at December 31, 2025

(dollars in millions)

	Borrowers with at Least \$1.0 Billion of Advances Outstanding	All Borrowers	Percentage
Advances outstanding, principal amount	\$ 460,995	\$ 677,077	68.1 %
Other credit products	\$ 132,850	\$ 206,482	64.3 %
Collateral outstanding	\$ 2,091,313	\$ 3,679,424	56.8 %

Based on the financial condition of the borrower, each FHLBank classifies each borrower by the method of pledging collateral into one of three collateral categories: (1) blanket lien status; (2) listing (specific identification) status; or (3) delivery (possession) status.

The blanket lien status is the least restrictive collateral status, and is generally assigned to lower risk institutions pledging collateral. Under the blanket lien status, an individual FHLBank allows a borrower to retain possession of eligible collateral pledged to that FHLBank, provided the borrower executes a written security agreement and agrees to hold the collateral for the benefit of that FHLBank. Origination of new advances or renewal of advances must only be supported by certain eligible collateral categories. A blanket lien is typically accepted by the FHLBanks only for loan collateral; most securities collateral must be delivered to an FHLBank, or an FHLBank-approved third-party custodian, and pledged for the benefit of that FHLBank.

An FHLBank may require borrowers to provide a detailed listing of eligible advance collateral being pledged to the FHLBank due to their high usage of FHLBank credit products, the type of assets being pledged, or the credit condition of the borrower. Under the listing status, the borrower retains physical possession of specific collateral pledged to an FHLBank, but the borrower provides listings of loans pledged to its FHLBank with detailed loan information, such as loan amount, payment status, maturity date, interest rate, loan-to-value, collateral type, and FICO® scores. From a borrower's perspective, the benefit of listing collateral relative to a blanket lien security agreement is that, in some cases, the discount or haircut applicable to that collateral may be lower than that for blanket lien collateral. From an FHLBank's perspective, the benefit of listing collateral is that it provides more detailed loan information to arrive at a more precise valuation.

Under the delivery status, an FHLBank requires the borrower to place physical possession of eligible collateral with the FHLBank or a third-party custodian to sufficiently secure all outstanding obligations. Typically, an FHLBank would take physical possession or control of collateral if the financial condition of the borrower was deteriorating or if the borrower exceeded certain credit product usage triggers. However, an FHLBank may require insurance company borrowers, and certain other borrowers, to place physical possession of all pledged eligible collateral with the FHLBank or deposit it with a custodian or control agent in order to establish control over the pledged collateral. Delivery of collateral may also be required if there is a regulatory action against the borrower by its regulator that would indicate inadequate controls or other conditions that would be of concern to that FHLBank.

Table 38 presents information on a combined basis regarding the type of collateral securing advances and other credit products outstanding.

Table 38 - Type of Collateral Securing Advances and Other Credit Products Outstanding at December 31, 2025

(dollars in millions)

Collateral Type	Blanket Lien		Listing		Delivery		Total	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Single-family mortgage loans ⁽¹⁾	\$ 729,234	19.8%	\$ 1,067,323	29.0%	\$ 47,088	1.3%	\$ 1,843,645	50.1%
Commercial real estate loans	439,634	11.9%	211,462	5.7%	66,770	1.8%	717,866	19.4%
Multifamily mortgage loans	127,594	3.5%	212,828	5.8%	43,463	1.2%	383,885	10.5%
U.S. agency MBS and CMOs	n/a	n/a	n/a	n/a	306,013	8.3%	306,013	8.3%
Home equity loans and lines of credit	79,264	2.2%	88,694	2.4%	25	—	167,983	4.6%
Other real estate loans	65,428	1.8%	8,745	0.2%	7,205	0.2%	81,378	2.2%
Commercial MBS	n/a	n/a	n/a	n/a	39,709	1.1%	39,709	1.1%
CFI loans	41,626	1.1%	2,465	0.1%	12	—	44,103	1.2%
U.S. obligations	n/a	n/a	n/a	n/a	28,259	0.8%	28,259	0.8%
U.S. agency securities (excluding MBS)	n/a	n/a	n/a	n/a	18,087	0.5%	18,087	0.5%
Private-label MBS and CMOs	n/a	n/a	n/a	n/a	21,858	0.6%	21,858	0.6%
Other	343	—	17	—	26,278	0.7%	26,638	0.7%
Total collateral	\$ 1,483,123	40.3%	\$ 1,591,534	43.2%	\$ 604,767	16.5%	\$ 3,679,424	100.0%

(1) Includes Federal Housing Administration and Department of Veterans Affairs loans.

n/a Collateral is not pledged using this pledging method.

The FHLBank Act also permits borrowers that qualify as a Community Financial Institution (CFI) to pledge certain CFI-specific collateral to the extent that its FHLBank accepts those loans as collateral for advances. The FHLBank Act defines CFIs as depository institutions insured by the FDIC with average total assets over the preceding three-year period of less than \$1.0 billion (the average total asset cap), with the average total asset cap adjusted annually for inflation. The average total asset cap for 2025 was \$1.50 billion and the average total asset cap for 2026 is \$1.54 billion.

The FHLBanks that accept CFI-specific collateral mitigate the potential increased credit risk through higher haircuts (lower lending values) on that collateral as presented in Table 36. CFI-specific collateral consists of small business, small farm, and small agri-business loans. Furthermore, the FHFA provides the FHLBanks with regulatory authority to receive community development loans as collateral for advances from CFI members.

Borrower Failures. The financial condition of all members and housing associates is closely monitored for compliance with financial criteria as set forth in each FHLBank's credit policies. During the year ended December 31, 2025, no FHLBank incurred any credit loss on any of its advances, including advances to failed borrowers. All extensions of credit by the FHLBanks to borrowers are secured by eligible collateral. However, if a borrower were to default, and the value of the collateral pledged by the borrower declined to a point such that an FHLBank was unable to realize sufficient value from the pledged collateral to cover the borrower's obligations, and an FHLBank was unable to obtain additional collateral to make up for the reduction in value of that collateral, that FHLBank could incur losses. Defaults by borrowers with significant obligations to the FHLBanks could result in significant financial losses, which would adversely affect the FHLBanks' results of operations and financial condition.

Investments. The FHLBanks are subject to credit risk on investments consisting of investment securities, interest-bearing deposits, securities purchased under agreements to resell, and federal funds sold. These investments are generally transacted with government agencies and large financial institutions that are considered by an individual FHLBank to be of investment quality. FHFA regulation defines investment quality as a determination by an

FHLBank, with respect to a security, that there is adequate financial backing so that full and timely payment of principal and interest on such a security is expected, and the FHLBank determines that there is minimal risk that the timely payment of principal and interest would not occur because of adverse changes in economic and financial conditions during the projected life of the security.

The FHLBanks maintain short-term investment portfolios, the proceeds of which may provide funds to meet the credit needs of their members and to maintain liquidity. Within this portfolio of short-term investments, the FHLBanks may have unsecured credit exposure on certain investments.

The FHLBanks maintain long-term investment portfolios as an additional source of liquidity and to earn interest income. These investments generally provide the FHLBanks with higher returns than those available on short-term investments. Within this portfolio of long-term investments, the FHLBanks are subject to credit risk related to private-label mortgage-backed securities that are either directly or indirectly supported by underlying mortgage loans. Each private-label mortgage-backed security may contain one or more forms of credit protection/enhancements, including, but not limited to, (1) guarantee of principal and interest, (2) subordination, (3) over-collateralization and excess interest, and (4) third-party insurance. Credit enhancement achieved through subordination features results in the subordination of payments to junior classes to support cash flows received by senior classes held by investors such as the FHLBanks.

Regulatory Restrictions on Investments. To minimize credit risk on investments, the FHLBanks are prohibited by FHFA regulations from investing in any of the following:

- instruments, such as common stock, that represent an ownership interest in an entity, other than stock in small business investment companies or certain investments targeted at low-income persons or communities;
- instruments issued by non-U.S. entities, other than those issued by U.S. branches and agency offices of foreign commercial banks;
- debt instruments that are not investment quality, other than certain investments targeted at low-income persons or communities and instruments that became less than investment quality after their purchase by the FHLBank;
- whole mortgages or other whole loans, or interests in mortgages or loans, other than:
 - whole mortgages or loans acquired under an FHLBank's Acquired Member Asset program;
 - certain investments targeted at low-income persons or communities;
 - certain marketable direct obligations of state, local, or tribal government units or agencies that are investment quality;
 - mortgage-backed securities (which include agency and private-label pools of commercial and residential mortgage loans), or asset-backed securities collateralized by manufactured housing loans or home equity loans that meet the definition of the term "securities" under the Securities Act of 1933, as amended, and are not otherwise prohibited under FHFA regulations; and
 - certain foreign housing loans authorized under section 12(b) of the FHLBank Act;
- residual interest and interest accrual classes of securities;
- interest-only and principal-only securities;

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- mortgage-backed securities or eligible asset-backed securities that on the trade date are at rates equal to their contractual cap, with average lives that vary more than six years under an assumed instantaneous rate change of 300 basis points, unless the instrument qualifies as an Acquired Member Asset; and
- foreign currency or commodity positions.

Investment Quality and Ratings. The FHLBanks seek to reduce the credit risk by investing in investment-quality securities. The FHLBanks consider a variety of credit quality factors when analyzing potential investments, including collateral performance, marketability, asset class or sector considerations, local and regional economic conditions, credit ratings based on the nationally recognized statistical rating organization(s), or the financial health of the underlying issuer. Although the FHLBanks invested in private-label mortgage-backed securities that at the date of purchase were substantially all rated triple-A, many of these securities are now unrated or rated below triple-B, and have incurred credit losses since the FHLBanks originally purchased them.

Table 39 presents the external credit ratings of investments held by the FHLBanks as of December 31, 2025, using the lowest long-term credit rating for each security owned by an individual FHLBank based on the nationally recognized statistical rating organization(s) used by that FHLBank. The internal ratings of an individual FHLBank may differ from those obtained from the nationally recognized statistical rating organization(s) and other FHLBank internal ratings. Investors should not take the historical or current external ratings displayed in this table as an indication of future ratings.

Table 39 - Investment Ratings

(dollars in millions)

Carrying Value, Net	December 31, 2025 ⁽¹⁾⁽²⁾						
	Triple-A	Double-A	Single-A	Triple-B	Below Triple-B	Unrated	Total
Interest-bearing deposits	\$ —	\$ 7,068	\$ 20,858	\$ —	\$ —	\$ —	\$ 27,926
Securities purchased under agreements to resell ⁽³⁾	—	38,390	42,135	5,485	—	19,335	105,345
Federal funds sold	—	28,544	43,237	285	—	—	72,066
Investment securities by major security type							
Non-mortgage backed securities							
U.S. Treasury obligations	—	61,948	—	—	—	—	61,948
Other U.S. obligations	—	3,278	—	—	—	—	3,278
GSE and Tennessee Valley Authority obligations	—	6,748	—	—	—	—	6,748
State or local housing agency obligations	514	2,136	—	—	—	—	2,650
Federal Family Education Loan Program ABS	—	—	997	239	—	—	1,236
Other	338	19	—	—	—	1	358
Total non-mortgage-backed securities	852	74,129	997	239	—	1	76,218
Mortgage-backed securities							
U.S. obligations single-family	—	14,383	—	—	—	—	14,383
U.S. obligations multifamily	—	453	—	—	—	—	453
GSE single-family	—	32,440	—	3	1	—	32,444
GSE multifamily	605	153,245	—	—	—	—	153,850
Private-label	4	13	24	27	487	542	1,097
Total mortgage-backed securities	609	200,534	24	30	488	542	202,227
Total investment securities	1,461	274,663	1,021	269	488	543	278,445
Total investments	\$ 1,461	\$ 348,665	\$ 107,251	\$ 6,039	\$ 488	\$ 19,878	\$ 483,782
Percentage of total investments	0.3 %	72.1 %	22.2 %	1.2 %	0.1 %	4.1 %	100.0 %

(1) Does not reflect any changes in external ratings, outlook, or watch status occurring after December 31, 2025.

(2) Net carrying values do not include related accrued interest and are presented after any allowance for credit losses.

(3) Based on the rating of the counterparty to the agreements, which in some cases were not rated; however, all the collateral of unrated counterparties was rated single-A or above at December 31, 2025.

Short-term Investments. The FHLBanks maintain short-term investment portfolios, the proceeds of which may provide funds to meet the credit needs of their members and to maintain liquidity. The FHLBank Act and FHFA regulations set liquidity requirements for the FHLBanks, and an individual FHLBank's board of directors may also adopt additional liquidity policies. In addition, each FHLBank maintains a contingency funding plan in the event of operational disruptions at either the FHLBanks or the Office of Finance. (See [Liquidity and Capital Resources](#) for a discussion of the FHLBanks' liquidity management.)

Within their portfolios of short-term investments, the FHLBanks are subject to credit risk from unsecured credit exposures with private counterparties that may be members, former members, or their affiliates. Short-term investment transactions are executed at then-current market prices without preference to the status of the counterparty as a member, former member, or affiliate. Each FHLBank manages its own credit risk independently. The FHLBanks' unsecured credit investments may have maturities ranging between overnight and nine months, and may include the following types:

- Interest-bearing deposits. Primarily consists of unsecured deposits that earn interest.
- Federal funds sold. Unsecured loans of reserve balances at the Federal Reserve Banks between financial institutions that are made on an overnight and term basis.
- Certificates of deposit. Unsecured negotiable promissory notes issued by banks and payable to the bearer on demand.

Table 40 presents the FHLBanks' unsecured credit exposure with private counterparties by investment type. At December 31, 2025, the FHLBanks had aggregate unsecured credit exposure from investments of \$1 billion or more to each of 22 private counterparties. The aggregate unsecured credit exposure to these counterparties represented 96% of the FHLBanks' total unsecured investment credit exposure to private counterparties. The unsecured investment credit exposure presented in Table 40 does not reflect the average or maximum exposure during the period, as the balances presented reflect the balances at period end.

Table 40 - Unsecured Credit Exposure by Investment Type

(dollars in millions)

Carrying Value ⁽¹⁾⁽²⁾	December 31, 2025	December 31, 2024
Interest-bearing deposits	\$ 27,926	\$ 27,246
Federal funds sold	72,066	51,590
Total	\$ 99,992	\$ 78,836

(1) Excludes unsecured investment credit exposure to U.S. government, U.S. government agencies, government instrumentalities, government-sponsored enterprises, and supranational entities, and does not include related accrued interest.

(2) May include unsecured investment credit exposure to members. (See [Security Ownership of Certain Beneficial Owners and Certain Relationships and Related Transactions](#) for further discussion of related-party transactions.)

Each FHLBank actively monitors its credit exposures and the credit quality of its counterparties, including an assessment of each counterparty's financial performance, capital adequacy, sovereign support, and the current market perceptions of the counterparties. General macroeconomic, political, and market conditions may also be considered when deciding on unsecured exposure. As a result, the FHLBanks may limit or suspend existing exposures.

FHFA regulations include limits on the amount of unsecured credit an individual FHLBank may extend to a counterparty or to a group of affiliated counterparties. The limit on the amount of unsecured credit extended to a counterparty is calculated by multiplying the eligible capital by the maximum capital exposure limit applicable to the counterparty. Under these regulations, the level of eligible capital is determined as the lesser of an individual FHLBank's regulatory capital or the eligible amount of Tier 1 capital or regulatory capital of the counterparty. The maximum capital exposure limit is based on the counterparty's overall FHFA credit rating and ranges from 1% to 15%. Extensions of unsecured credit by an individual FHLBank to a counterparty arise from on-balance sheet transactions, off-balance sheet commitments, and derivative transactions. (See [Credit Risk - Derivative Counterparties](#) for additional information related to derivatives exposure.)

FHFA regulations also permit the FHLBanks to extend additional unsecured credit for sales of federal funds with a maturity of one day or less and sales of federal funds subject to a continuing contract that renews automatically. An FHLBank's total unsecured exposure to a counterparty may not exceed twice the regulatory limit for term exposures, or a total of 2% to 30% of the eligible amount of capital, based on the counterparty's credit rating. As of December 31, 2025, each of the FHLBanks was in compliance with the regulatory limits established for unsecured credit.

The FHLBanks are prohibited by FHFA regulations from investing in financial instruments issued by non-U.S. entities, other than those issued by U.S. branches and agency offices of foreign commercial banks. The FHLBanks' unsecured credit exposures to U.S. branches and agency offices of foreign commercial banks include the risk that, as a result of political or economic conditions in a country, the counterparty may be unable to meet its contractual repayment obligations. The FHLBanks' unsecured credit exposures to domestic counterparties, U.S. subsidiaries of foreign commercial banks, and U.S. branches and agency offices of foreign commercial banks include the risk that these counterparties have extended credit to foreign counterparties. As of December 31, 2025, each FHLBank was in compliance with this FHFA regulation and did not own any financial instruments issued by non-U.S. entities, other than those issued by U.S. branches and agency offices of foreign commercial banks.

As of December 31, 2025, the FHLBanks' unsecured investment credit exposure to U.S. branches and agency offices of foreign commercial banks was comprised of federal funds sold. As of December 31, 2025, 95% of the FHLBanks' unsecured investments in federal funds sold were to U.S. branches and agency offices of foreign commercial banks.

Table 41 presents the lowest long-term external credit ratings of the unsecured investment credit exposures presented by the domicile of the counterparty or the domicile of the counterparty's immediate parent for U.S. branches and agency offices of foreign commercial banks based on the nationally recognized statistical rating organization(s) used by the individual FHLBank holding the investment. This table does not reflect the foreign sovereign government's credit rating. The internal ratings of an individual FHLBank may differ from those obtained from the nationally recognized statistical rating organization(s) and other FHLBank internal ratings. Investors should not take the historical or current ratings displayed in this table as an indication of future ratings.

Table 41 - External Ratings of Unsecured Investment Credit Exposure by Domicile of Counterparty at December 31, 2025⁽¹⁾

(dollars in millions)

Carrying Value ⁽²⁾	Investment Grade			Total
	Double-A	Single-A	Triple-B	
Domestic	\$ 8,220	\$ 22,483	\$ 285	\$ 30,988
U.S. subsidiaries of foreign commercial banks	350	—	—	350
Total domestic and U.S. subsidiaries of foreign commercial banks	8,570	22,483	285	31,338
U.S. branches and agency offices of foreign commercial banks				
Canada	3,905	21,095	—	25,000
Australia	15,099	—	—	15,099
Germany	2,260	7,812	—	10,072
Finland	5,291	—	—	5,291
France	—	4,240	—	4,240
Netherlands	—	3,500	—	3,500
United Kingdom	—	3,465	—	3,465
Belgium	—	1,000	—	1,000
Austria	—	500	—	500
Sweden	412	—	—	412
Singapore	75	—	—	75
Total U.S. branches and agency offices of foreign commercial banks	27,042	41,612	—	68,654
Total unsecured investment credit exposure	\$ 35,612	\$ 64,095	\$ 285	\$ 99,992
Percentage of total unsecured investment credit exposure	35.6 %	64.1 %	0.3 %	100.0 %

(1) Does not reflect any changes in external ratings, outlook, or watch status occurring after December 31, 2025.

(2) Excludes unsecured investment credit exposure to U.S. government, U.S. government agencies, government instrumentalities, government-sponsored enterprises, and supranational entities, and does not include related accrued interest.

The FHLBanks also reduce the credit risk on investments by generally investing in investments that have short-term maturities. At December 31, 2025, all unsecured investments held by the FHLBanks had overnight maturities.

Mortgage Loans Held for Portfolio. The FHFA's Acquired Member Asset (AMA) regulation permits the FHLBanks to purchase and hold specified mortgage loans from their members. The FHLBanks may elect to participate in the Acquired Member Asset programs such as the MPF Program, the MPP, and the MAP as services to their members. Members and eligible housing associates may apply to become a participating financial institution (PFI) of their respective FHLBank. The mortgage loans purchased under these programs may carry more credit risk than advances, even though the respective member or housing associate provides fully secured credit enhancement and also bears a portion of the credit risk.

The FHFA's AMA regulation on credit risk sharing allows an FHLBank to utilize its choice of model and methodology to determine the credit enhancement for AMA loan assets and pool loans. The assets delivered must be credit enhanced by the members up to an FHLBank determined "AMA investment-grade" instead of a specific nationally recognized statistical rating organization's ratings.

An FHLBank must hold risk-based capital against acquired mortgage loans based on the applicable percentage required by the FHFA. This percentage is determined by the credit rating of those assets after taking into account any credit enhancements on those assets.

Management at each FHLBank believes that it has adequate policies and procedures in place to manage credit risk on mortgage loans appropriately. Each FHLBank that is currently participating in, or previously participated in, the Acquired Member Asset programs evaluates the mortgage loans held for investment to estimate an allowance for credit losses. (See [Note 6 - Mortgage Loans](#) to the accompanying combined financial statements for additional information about mortgage loan payment status, allowance for credit losses, and other delinquency statistics.)

Table 42 presents the comparison of MPF, MPP, and MAP products.

Table 42 - MPF, MPP, and MAP Product Comparison at December 31, 2025

Product Name	Mortgage	Loan Balance	Held for Investment (Portfolio) or Sale
MPF Loans Held for Portfolio	Conventional or Government ⁽¹⁾	Conforming or determined by the applicable government agency eligibility guidelines	Held for Investment
MPF Xtra	Conventional	Conforming	Held for Sale, and are concurrently sold to the Federal National Mortgage Association (Fannie Mae).
MPF Government MBS	Government ⁽¹⁾	Determined by the applicable government agency eligibility guidelines	Government loans are held in portfolio for a short period of time until such loans are pooled into Ginnie Mae MBS.
MPP/MAP	Conventional	Conforming	Held for Investment
MPP/MAP FHA	Government ⁽¹⁾	Conforming	Held for Investment

(1) Government Loans are insured or guaranteed by the following government agencies: Federal Housing Administration (FHA); the Department of Veterans Affairs (VA); Rural Housing Service of the Department of Agriculture (RHS); or Department of Housing and Urban Development (HUD).

Conventional MPF Loans - Loss Allocation. Credit losses on conventional MPF loans held for portfolio not absorbed by the borrower's equity in the mortgaged property, property insurance, or primary mortgage insurance (PMI) are allocated for each master commitment between an FHLBank participating in the MPF program (MPF FHLBank) and the PFI (credit enhancement). Generally, the PFI incurs a portion of losses by the withholding of recoverable credit enhancement payments for the products that have such a feature and incurs an additional amount of credit loss up to the credit enhancement amount. The MPF FHLBank absorbs credit losses not covered by the PFI's credit enhancement. The outstanding balance of conventional MPF loans exposed to credit losses that are not recoverable from these sources was approximately \$51.8 billion and \$46.2 billion at December 31, 2025 and 2024. The MPF FHLBanks' actual credit exposure is less than these amounts because the borrower's equity, which represents the fair value of underlying property in excess of the outstanding MPF loan balance, has not been considered. The MPF FHLBanks require PMI for those loans with a loan-to-value ratio over 80% at origination.

Conventional MPF Loans - Setting Credit Enhancement Levels. The PFI's credit enhancement amount is determined by an FHLBank, based on documented analysis, that the MPF FHLBank has a high degree of confidence that it will not bear material credit losses under reasonably likely adverse changes to expected economic conditions. Loans are assessed using third party credit models at acquisition and the amount of the PFI's credit enhancement is calculated based on credit attributes of the loans in each master commitment. An MPF FHLBank may periodically reset and lower the credit enhancement amounts for a master commitment as the balances of outstanding loans are repaid over time.

Conventional MPP Loans - Loss Allocation. Each FHLBank participating in the MPP (MPP FHLBank) is exposed to credit risk on loans purchased from members through its MPP. Like the MPF Program, MPP is governed by the Acquired Member Asset regulation. Mortgage loans purchased from PFIs under this program also must carry sufficient credit enhancements to provide a credit risk exposure within an FHLBank's risk tolerance.

The MPP FHLBanks' primary management of credit risk for conventional loans involves the mortgage assets themselves as well as additional layers of credit enhancements. The order of priority for credit enhancements is as follows:

- PMI (when applicable);
- Lender Risk Account; and
- SMI (when applicable).

At the time the underlying conventional loan is purchased, a Lender Risk Account is established by the MPP FHLBank for each PFI selling an MPP loan to that MPP FHLBank. Generally, after five years, if the balance of the funds in the Lender Risk Account exceeds the required balance, the excess amounts are distributed to the PFI based on a step-down schedule set forth in the master commitment contract that establishes the Lender Risk Account. For MPP products that incorporate SMI coverage, the PFI provides insurance to protect the MPP FHLBanks from a portion of the credit losses. This coverage may be exceeded based on the severity of a loss on a loan and in certain cases subject to an aggregate stop-loss provision in the SMI policy.

Conventional MAP Loans - Loss Allocation. Similar to the MPP's Lender Risk Account, the MAP uses a risk sharing structure called a Member Performance Account, which is equal to 1.5% of the original loan balance, to mitigate credit losses for the FHLBank. The order of priority for absorbing losses on conventional MAP loans is as follows:

- Borrower's equity (when applicable);
- PMI (when applicable); and
- Member Performance Account.

Any credit losses that exceed the remaining member risk account are absorbed by the FHLBank of New York.

Credit Exposure to Insurance Providers. In addition to credit risk associated with mortgage loans purchased or funded through the Acquired Member Asset programs, the FHLBanks are exposed to the risk of non-performance of mortgage insurers that provide PMI and SMI coverage on conventional mortgage loans.

Primary Mortgage Insurance. Qualified mortgage insurance companies issue PMI for conventional mortgage loans with loan-to-value ratios at origination greater than 80% to cover principally those losses incurred related to borrower default. An FHLBank may be exposed to credit risk if a PMI provider fails to fulfill its claims payment obligations to that FHLBank. Each FHLBank has an established limit for its credit exposure to each mortgage insurance company, or may limit its credit exposure to a certain percentage of the mortgage insurance company's regulatory capital. The FHLBanks receive PMI coverage information at acquisition of the mortgage loans and generally do not receive notification of any subsequent changes in PMI coverage. As a result, they can only estimate the amount of PMI in force at any time subsequent to acquisition.

In certain circumstances, an FHLBank may request that the servicer obtain replacement PMI coverage with a different provider. However, it is possible that replacement coverage may be unavailable or may result in additional cost to the FHLBank. PMI for conventional mortgage loans must be issued by a mortgage insurance company on that FHLBank's approved mortgage insurance company list whenever PMI coverage is applicable.

Supplemental Mortgage Insurance. Certain FHLBanks use SMI as a credit enhancement to limit the loss exposure for their Acquired Member Asset programs. For conventional MPF/MPP loans credit enhanced with SMI, the FHFA's AMA regulation requires the FHLBank members that sell loans to their respective FHLBanks to maintain SMI with an insurer that meets the FHLBank's definition of qualified insurer. If a mortgage insurer fails to fulfill its obligations, the affected FHLBank(s) may bear any remaining loss of the borrower's default on the related mortgage loans not covered by the member. Each MPF and MPP FHLBank evaluates the claims-paying ability of its SMI providers.

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FICO® Score and Loan-to-Value Ratios. High loan-to-value ratios, in which homeowners have little or no equity at stake, and low FICO® scores are key drivers of potential mortgage delinquencies and defaults. The FHLBanks generally consider a FICO® score of over 660, and a loan-to-value ratio of 80% or lower, as benchmarks indicating reduced credit risk of default. As of December 31, 2025, outstanding conventional loans with FICO® scores under 660, or no FICO® score available, at origination totaled 4.3% of the MPF Program total mortgage loan portfolio and 0.2% of the MPP and the MAP total mortgage loan portfolios. Considering both qualitative and quantitative factors, these loans were not considered high risk loans at origination or at the time of purchase based on the AMA programs' design and the original terms and structure of the loans.

Table 43 presents MPF, MPP, and MAP conventional loans by FICO® score at origination and payment status at December 31, 2025.

Table 43 - MPF, MPP, and MAP Conventional Loans by FICO® Score and Payment Status at December 31, 2025

FICO® Score at Origination ⁽¹⁾	Percentage of Loans	Current	Delinquent		
			30 Days	60 Days	90 Days or More
MPF Conventional Loans					
619 or less	0.1 %	85.9 %	7.6 %	2.0 %	4.5 %
620-659	3.8 %	93.9 %	3.7 %	1.0 %	1.4 %
660 or higher	95.7 %	98.9 %	0.7 %	0.2 %	0.2 %
No FICO® score	0.4 %	98.9 %	0.7 %	0.1 %	0.3 %
Total	100.0 %	98.7 %	0.8 %	0.2 %	0.3 %
Weighted average FICO® score - MPF	747				
MPP and MAP Conventional Loans					
619 or less	— ^(a)	81.6 %	6.4 %	12.0 %	— %
620-659	0.2 %	89.3 %	6.9 %	1.1 %	2.7 %
660 or higher	99.8 %	99.3 %	0.5 %	0.1 %	0.1 %
Total	100.0 %	99.3 %	0.5 %	0.1 %	0.1 %
Weighted average FICO® score - MPP and MAP	762				

(1) Represents the original lowest FICO® score of the borrowers and co-borrowers.

(a) Represents percentage amount that is less than 0.1%.

Table 44 presents loan-to-value ratios at origination for MPF, MPP, and MAP conventional loans outstanding at December 31, 2025.

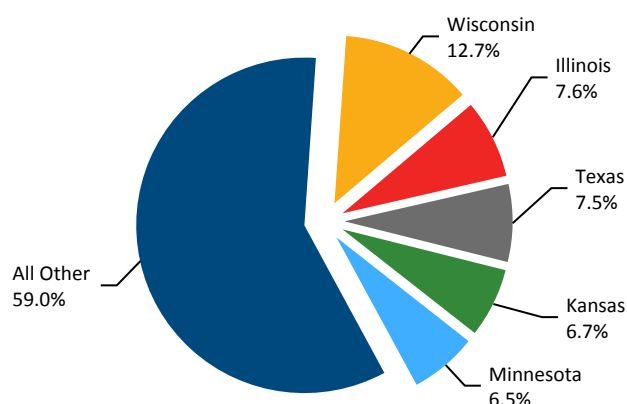
Table 44 - MPF, MPP, and MAP Conventional Loans by Loan-to-Value Ratio at Origination at December 31, 2025

Loan-to-Value Ratio at Origination	MPF Conventional Loans	MPP and MAP Conventional Loans
	Percentage	Percentage
<= 60%	14.0 %	15.2 %
> 60% to 70%	12.2 %	14.1 %
> 70% to 80%	47.1 %	51.8 %
> 80% to 90% ⁽¹⁾	13.5 %	13.5 %
> 90% ⁽¹⁾	13.2 %	5.4 %
Total	100.0 %	100.0 %
Weighted-average loan-to-value %	76.0 %	73.6 %

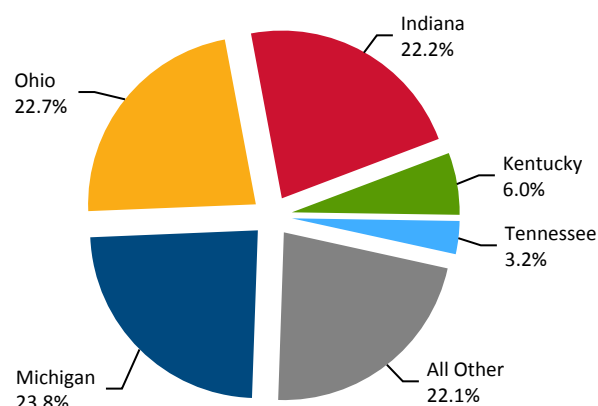
(1) These conventional loans were required to have PMI at origination.

Geographic Concentrations. Figures 23 and 24 provide the percentage of unpaid principal balance of conventional mortgage loans held for portfolio outstanding at December 31, 2025, for the five largest state concentrations. These figures show the state concentration on an aggregated basis for all FHLBanks that hold loans under the MPF Program, the MPP, and the MAP. As a result, these figures do not reflect the actual state concentration with respect to each individual FHLBank.

**Figure 23 - State Concentrations
of MPF Program**



**Figure 24 - State Concentrations
of MPP and MAP**



Derivative Counterparties. Each FHLBank transacts most of its derivatives with counterparties that are large banks and major broker-dealers. Derivative transactions may be either executed with a counterparty, referred to as uncleared derivatives, or cleared through a Futures Commission Merchant (i.e., clearing agent) with a Derivative Clearing Organization, referred to as cleared derivatives.

Each FHLBank is subject to credit risk due to the risk of non-performance by counterparties to its derivative transactions. The amount of credit risk on derivatives depends on the extent to which netting procedures, collateral requirements, and other credit enhancements are used and are effective in mitigating the risk. Each FHLBank manages credit risk through credit analysis, collateral management, and other credit enhancements. The FHLBanks are also required to follow the requirements set forth by applicable regulation.

The contractual or notional amount of derivative transactions reflects the involvement of an FHLBank in the various classes of financial instruments. The maximum credit risk of an FHLBank with respect to derivative transactions is the estimated cost of replacing the derivative transactions if there is a default, minus the value of any related collateral. In determining maximum credit risk, each FHLBank considers accrued interest receivables and payables, as well as the netting requirements to net assets and liabilities.

Uncleared Derivatives. Each FHLBank is subject to the risk of non-performance by the counterparties to its uncleared derivative transactions. An FHLBank generally requires collateral on uncleared derivative transactions. Unless the collateral delivery threshold is set to zero, the amount of net unsecured credit exposure that is permissible with respect to each counterparty may depend on the credit rating of that counterparty. A counterparty generally must deliver collateral if the total market value of the FHLBank's exposure to that counterparty rises above a specific threshold.

Uncleared derivative transactions executed on or after the dates specified in applicable regulations are subject to two-way initial margin requirements as mandated by the Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, if an FHLBank's aggregate uncleared derivative transactions exposure to a counterparty exceeds a specified threshold. The initial margin is required to be held at a third-party custodian and does not change ownership. Rather, the party in respect of which the initial margin has been posted to the third-party custodian

will have a security interest in the amount of initial margin required under the uncleared margin rules and can only take ownership upon the occurrence of certain events, including an event of default due to bankruptcy, insolvency, or similar proceeding.

For all uncleared transactions entered into on or after March 1, 2017, the derivative agreements are fully collateralized with a zero unsecured threshold in accordance with variation margin requirements issued by the U.S. federal bank regulatory agencies and the Commodity Futures Trading Commission.

As a result of these risk mitigation initiatives, the management of each FHLBank did not anticipate any credit losses on its uncleared derivative transactions as of December 31, 2025.

Cleared Derivatives. Each FHLBank is subject to the risk of non-performance by the Derivative Clearing Organization(s) (Clearinghouse) and the clearing agents. The requirement that an FHLBank posts initial and variation margin through the clearing agent, to the Clearinghouse, exposes an FHLBank to credit risk in the event that the clearing agent or the Clearinghouse fails to meet its obligations. However, the use of cleared derivatives is intended to mitigate an FHLBank's overall credit risk exposure because a central counterparty is substituted for individual counterparties and collateral/payment is posted daily for changes in the value of cleared derivatives through a clearing agent. The management of each FHLBank did not anticipate any credit losses on its cleared derivatives as of December 31, 2025.

Table 45 presents the derivative positions with non-member counterparties and member institutions to which the FHLBanks had credit exposure at December 31, 2025. The ratings presented in this table represent the lowest long-term counterparty credit rating available for each counterparty of an individual FHLBank, based on the nationally recognized statistical rating organization(s) used by that FHLBank. Investors should not take the historical or current ratings displayed in this table as an indication of future ratings.

Table 45 - Derivative Counterparty Credit Exposure at December 31, 2025

(dollars in millions)

Credit Rating ⁽¹⁾	Notional Amount	Net Derivatives Fair Value Before Collateral	Cash Collateral Pledged To (From) Counterparties	Non-cash Collateral Pledged To (From) Counterparties	Net Credit Exposure to Counterparties
Non-member counterparties					
Asset positions with credit exposure					
Uncleared derivatives					
Double-A	\$ 290	\$ 2	\$ (1)	\$ —	\$ 1
Single-A	74,120	922	(826)	(55)	41
Triple-B	3,637	14	(12)	—	2
Cleared derivatives ⁽²⁾	827,861	296	1,689	4,685	6,670
Liability positions with credit exposure					
Uncleared derivatives					
Double-A	2,048	(23)	23	—	—
Single-A	117,238	(577)	621	8	52
Triple-B	11,801	(35)	36	—	1
Cleared derivatives ⁽²⁾	7,842	—	4	44	48
Total derivative positions with credit exposure to non-member counterparties	1,044,837	599	1,534	4,682	6,815
Member institutions ⁽³⁾	542	2	—	—	2
Total	\$ 1,045,379	\$ 601	\$ 1,534	\$ 4,682	\$ 6,817

(1) This table does not reflect any changes in rating, outlook, or watch status occurring after December 31, 2025.

(2) Represents derivative transactions cleared with LCH Ltd. and CME Clearing, the FHLBanks' clearinghouses. LCH Ltd. is rated AA- by S&P and CME Clearing is not rated, but its parent company, CME Group Inc., is rated AA- by S&P and Fitch Ratings.

(3) Member institutions include mortgage delivery commitments and derivatives with members where an FHLBank is acting as an intermediary. Collateral held with respect to derivatives with member institutions where an FHLBank is acting as an intermediary represents the amount of eligible collateral physically held by or on behalf of the FHLBank or collateral assigned to the FHLBank, as evidenced by a written security agreement, and held by the member institution for the benefit of that FHLBank.

Liquidity Risk

Liquidity risk is the risk that an FHLBank will be unable to meet its financial obligations as they come due or meet the credit needs of its members and housing associates in a timely, cost-effective manner. There are two types of liquidity risk that affect the FHLBanks:

- *Operational Liquidity Risk.* The potential inability of an FHLBank to meet its anticipated (or unanticipated) day-to-day needs through normal sources of funding, including the short-term discount note market; and
- *Contingency Liquidity Risk.* The potential inability of an FHLBank to meet its liquidity needs when its access to the capital markets is impeded, including the short-term discount note market.

To address liquidity risk, the FHLBank Act, along with FHFA regulations and guidance, set liquidity requirements for the FHLBanks. (See [Liquidity and Capital Resources](#) for FHFA regulations and guidance on the FHLBanks' liquidity requirements.) An FHLBank's board of directors may, at its discretion, also set additional liquidity policies.

The FHLBanks' primary sources of liquidity are proceeds from the issuance of consolidated obligations, as well as cash and investment holdings that are primarily high-quality, short-, and intermediate-term financial instruments. During 2025, the FHLBanks maintained access to funding and were able to structure their debt issuance to meet the credit and liquidity needs of their members and to meet their financial commitments. (See [Risk Factors - Liquidity Risk](#) for additional discussion on liquidity risk and [Combined Financial Condition - Consolidated Obligations](#) and [Combined Financial Condition - Investments](#) for additional analysis and discussion about the FHLBanks' consolidated obligations and investments.)

Operational Risk

Operational risk is the risk of potential loss resulting from inadequate or failed internal processes, people, or systems, or from external events. These failures may be due to:

- human error;
- key person dependency;
- business or financial model errors;
- systems malfunctions or cyber attacks;
- man-made or natural disasters;
- pandemics or other widespread health emergencies;
- critical vendor or third-party failure;
- unenforceability of legal contracts;
- fraud;
- circumvention or failure of internal controls;
- terrorist attacks;
- civil unrest;
- geopolitical events; or
- other unanticipated or catastrophic events.

Each of the FHLBanks and the Office of Finance has established comprehensive risk assessments, as well as financial and operating policies and procedures, to reduce the likelihood of these occurrences and the potential for damage that could result from them. They have also each instituted insurance coverage that may mitigate damages that could result from certain of these risks. The internal audit department of each of the FHLBanks and the Office of Finance, which reports directly to its audit committee, regularly monitors and tests its entity's compliance with established policies and procedures.

Some of the operational risks of the FHLBanks and the Office of Finance, however, are beyond their control. Furthermore, the failure of third parties to address their operational risk adequately could adversely affect the FHLBanks and the Office of Finance. (See [Risk Factors - Operational Risk](#) and [Risk Factors - General](#) for additional information about certain operational risks.)

Cybersecurity. Each of the FHLBanks and the Office of Finance relies heavily on its information systems and other technology to conduct and manage its business. The FHLBanks and the Office of Finance are subject to cybersecurity risk, which includes intentional and unintentional acts that may jeopardize the confidentiality, integrity, or availability of information technology assets and data under control. Cybersecurity risk can take the form of a variety of circumstances to cause harm to the FHLBanks and the Office of Finance, the FHLBank members, or service providers to the FHLBanks and the Office of Finance, and the economy in general. These circumstances include, but are not limited to, malicious software or exploited vulnerabilities, social engineering, such as phishing, denial-of-service attacks, viruses, and malware.

Each of the FHLBanks and the Office of Finance has implemented processes for assessing, identifying, and managing material risks from cybersecurity incidents or threats that may directly or indirectly affect its business strategy, results of operations, or financial condition.

Cybersecurity Risk Management and Strategy. The cybersecurity risk management policies at the FHLBanks and the Office of Finance for assessing, identifying, and managing material risks from cybersecurity threats and incidents are designed to protect the confidentiality, integrity, and availability of information technology assets and data. At each of the FHLBanks and the Office of Finance, cybersecurity risk management is part of the enterprise risk management program, which includes specific controls for the monitoring, mitigation, and reporting associated with those risks. Those processes may include the information security policy, the cybersecurity incident response plan and the business continuity plan focusing on the continuity of operations in the event of a threat or incident.

Each of the FHLBanks and the Office of Finance has a cyber incident response plan that determines how cybersecurity threats and incidents are identified, classified, and escalated, including for the purposes of reporting and providing relevant information to its Board of Directors. In addition, each of the FHLBanks and the Office of Finance has a business continuity plan that is designed to restore critical business processes and systems in the event of a disruption.

Each of the FHLBanks and the Office of Finance engages with third parties to test, maintain, and enhance its cybersecurity risk management practices and threat monitoring. These engagements may include, among other things, incident response exercises, penetration testing, constant managed detection and response services, and intrusion prevention and detection applications.

Each of the FHLBanks and the Office of Finance is focused on third-party cybersecurity incidents and threats that may affect its business. The FHLBanks and the Office of Finance seek to undertake due diligence of third-party systems with whom they will interact with, in addition to requiring data protection covenants in vendor agreements when appropriate. The vendor risk management programs at the FHLBanks and the Office of Finance include regular reviews and oversight of relevant third parties, including performance and technological reviews and escalation of any unsatisfactory reviews.

The results of operations and financial condition of the FHLBanks and the Office of Finance have not been materially affected by cybersecurity threats or incidents during the period covered by this report. However, to assess, identify, and manage risks from cybersecurity threats, including as a result of previous cybersecurity incidents, the FHLBanks and the Office of Finance have invested and expect to continue to invest significant resources to maintain and enhance their information security and business continuity programs designed to maintain confidentiality, integrity, or availability of their information technology assets and data under their control. As a result, some of the FHLBanks and the Office of Finance have deemed cybersecurity risks to have materially affected their business strategy and processes. Cybersecurity incidents may occur in the future and any such cybersecurity incident could result in significantly harmful consequences to the FHLBanks and the Office of Finance or to their members or customers. The FHLBanks and the Office of Finance assess the materiality of any such cybersecurity incident from several perspectives, including, but not limited to, any loss of or unauthorized access to data, lost revenue, increased operating costs, litigation, reputational harm, and the ability to continue to service their members or customers. (See [Risk Factors - General](#) for additional information about cybersecurity risk.)

Cybersecurity Governance. The Board of Directors at each of the FHLBanks and the Office of Finance devotes time and attention to data and systems protection, including cybersecurity and information security risk, and oversees the information security program by setting relevant policies and procedures. In addition, the Board of Directors at each of the FHLBanks and the Office of Finance oversees management's approach to staffing, policies, processes, and practices to gauge and address cybersecurity and information security risk. The Board of Directors, including through one or more of its committees or sub-committees, at each of the FHLBanks and the Office of Finance receives prompt and timely information from the information security employees and senior management on any cybersecurity or information security incident or threat that may pose significant risk to its business.

Each of the FHLBanks and the Office of Finance has a dedicated information security department or team that is responsible for assessing and managing cybersecurity risks, which is generally led by a Chief Information Security Officer (or its equivalent). The information security employees at each of the FHLBanks and the Office of Finance are specialized professionals who are responsible for the management of cybersecurity risks and handle the processes and procedures to mitigate and implement protective, proactive, and reactive measures to protect against those risks and provides related reporting to senior management and the Board of Directors at each of the FHLBanks and the Office of Finance. The information security employees at each of the FHLBanks and the Office of Finance typically hold a variety of technical certifications relevant to their job functions and engage in continuing education. At each of the FHLBanks and the Office of Finance, leadership representatives from the operational risk, information security, information technology, legal, operations, and other departments that provide specific, technical, and multidisciplinary expertise and perspectives also participate in risk assessment associated with information security. The information security employees provide regular, prompt, and periodic information on topics such as threat intelligence, major cybersecurity risk areas, technologies and best practices, and the effect of any relevant cybersecurity incidents, as well as risk assessment, management and monitoring updates, as applicable and as needed, to senior management at each of the FHLBanks and the Office of Finance.

Table 46 presents additional details about the committees or subcommittees and individuals involved in cybersecurity governance at each of the FHLBanks and the Office of Finance.

Table 46 - Cybersecurity Governance

FHLBank	Management Committee(s) Responsible for Approving Policies and Supporting the Implementation of Cybersecurity Programs	Management Committee(s) or Individuals Responsible for Reporting to the Board of Directors Cybersecurity or Information Security Incident or Threat	Committee(s) or Subcommittee(s) of the Board of Directors Responsible for Cybersecurity Oversight
Boston	Technology Governance Committee	Director of Information Security	Risk Committee and Technology Committee
New York	Technology and Operations Committee	Chief Information Security Officer	Technology Committee
Pittsburgh	Risk Management Committee	Chief Information Security Officer and Chief Information Officer	Operational Risk Committee
Atlanta	Security Governance Committee	Chief Information Security Officer and Security Governance Committee	Enterprise Risk and Operations Committee
Cincinnati	Enterprise Risk Management Committee	Chief Information Officer and Chief Information Security Officer	Risk Committee
Indianapolis	Risk Committee	Chief Information Officer and Chief Information Security Officer	Risk Oversight Committee and Security/Technology Committee
Chicago	Operational Risk Oversight Committee	Chief Information Security Officer	Risk Management Committee and Operations and Technology Committee
Des Moines	Technology and Operations Committee	Chief Information and Operations Officer	Risk and Compliance Committee and Technology Committee
Dallas	Operational Risk Oversight Committee and Information Technology Steering Committee	Chief Information Security Officer	Risk Management Committee and Strategic Planning, Operations and Technology Committee
Topeka	Strategic Operations Management Committee and Strategic Risk Management Committee	Strategic Operations Management Committee and Strategic Risk Management Committee	Risk Oversight Committee and Operations Committee
San Francisco	Enterprise Risk Committee and Technology and Operations Committee	Enterprise Risk Committee and Technology and Operations Committee	Enterprise Risk Committee and Technology and Operations Committee
Office of Finance	Information Technology Governance Group and Enterprise Risk Management Committee	Chief Information Officer and Chief Information Security Officer	Risk Committee and Technology and Operations Committee

See each FHLBank's 2025 SEC Form 10-K under *Part I. Item 1C - Cybersecurity* for additional discussion regarding its cybersecurity risk management and strategy and cybersecurity governance.

Business Risk

Business risk is the risk of an adverse effect on an FHLBank's profitability and its ability to fulfill its mission as a result of external factors that may occur in both the short and long term. Business risk includes political, strategic, reputation, or regulatory events that are beyond an FHLBank's control. Each FHLBank's board of directors and management seek to reduce these business risks through long-term strategic planning and by continually monitoring economic indicators and their external environment. From time to time, proposals or changes in laws and regulations are made or considered, which could affect the status of the FHLBanks and their costs of doing business. (See [Risk Factors](#) for additional discussions of general business risk, legislative and regulatory business risk, and strategic business risk.)

Additionally, the FHLBanks are members of the Council of Federal Home Loan Banks (Council), a trade association based in Washington, D.C. whose primary function is to represent the positions and views of the Council's members to policymakers. The Council's stated mission is to:

- encourage and promote cooperation and consensus building among the FHLBanks so that their common legislative and regulatory interests may be best served;
- promote enactment of laws or regulations that are beneficial to, and oppose laws or regulations detrimental to, the FHLBanks, and obtain such research as is necessary for such promotion or opposition; and
- enhance Washington, D.C. opinion leaders' (including members of the U.S. Congress and their staffs, the executive branch of the U.S. government, regulators and trade associations) and the financial media's awareness and understanding of the FHLBanks.

An FHLBank's financial strategies are generally designed to enable it to safely expand and contract its assets, liabilities, and capital in response to changes in its member base and in its members' credit needs. An FHLBank's capital generally grows when members are required to purchase additional capital stock as they increase their advances borrowings or other business activities with their FHLBank. An FHLBank may also repurchase excess capital stock from its members as business activities with those members decline. In addition, in order to meet internally established thresholds or to meet its regulatory capital requirement, an FHLBank, at the discretion of its board of directors or management, could undertake capital preservation initiatives such as:

- voluntarily reducing or eliminating dividend payments;
- suspending excess capital stock repurchases; or
- raising capital stock holding requirements for its members.

An FHLBank may have borrower concentration risk in advances, and therefore, it analyzes the implications for its financial management and profitability if it were to lose the advances of one or more of these borrowers. (See [Combined Financial Condition - Advances](#) for the *Top 10 Advance Holding Borrowers by Holding Company at December 31, 2025*, for the FHLBank System's member concentration risk and *Top 5 Advance Holding Borrowers by FHLBank at December 31, 2025*, for more information regarding each FHLBank's member concentration risk.)

If an FHLBank loses one or more large borrowers that represent a significant portion of its business, that FHLBank could, depending on the magnitude of the effect, compensate for the loss by:

- lowering dividend rates;
- raising advance rates;
- attempting to reduce operating expenses; or
- undertaking some combination of these actions.

The magnitude of the effect would depend, in part, on the FHLBank's size and profitability at the time the institution ceases to be a borrower. Each FHLBank describes its risk management policies, including disclosures about its member concentration risk, if any, in its periodic reports filed with the SEC.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Each FHLBank is responsible for establishing its own risk management philosophies, practices, and policies. Each FHLBank describes its risk management policies for its business, including quantitative and qualitative disclosures about its market risk, in its periodic reports filed with the SEC. (See [Explanatory Statement about Federal Home Loan Banks Combined Financial Report](#).)

Each FHLBank has established policies and procedures to evaluate, manage, and mitigate market risks. The FHFA has established regulations governing the risk management practices of the FHLBanks. The FHLBanks must file periodic compliance reports with the FHFA. The FHFA conducts annual on-site examinations, interim visits, and off-site analyses of each of the FHLBanks and the Office of Finance.

Interest-Rate Risk

Interest-rate risk is the risk that relative and absolute changes in interest rates may adversely affect an institution's financial condition and results of operations. The primary sources of interest rate risk are yield curve risk, basis risk, repricing risk, and options risk. Yield curve risk stems from changes in both the level and shape of a yield curve that adversely affects an FHLBank's income and economic value. Basis risk arises from different magnitude changes of interest rates that adversely affect the cash flows of assets, liabilities, and derivative instruments having similar maturities and repricing schedules. Repricing risk arises from the timing differences in the maturity of fixed-rate instruments and repricing of floating-rate instruments of an FHLBank's assets, liabilities, and derivatives portfolios emanating from unexpected changes in interest rates. Options risk arises from the explicit and implicit options embedded in an FHLBank's assets, liabilities, and off-balance sheet instruments. As these options have asymmetric payoffs, adverse changes in interest rate can negatively affect their value and cause an FHLBank to incur losses. Implied volatility is an important determinant of the value of both explicit and implicit options, and decreases in volatility decreases their values.

The goal of an interest-rate risk management strategy is not necessarily to eliminate interest-rate risk, but to manage it by setting, and operating within, an appropriate framework and limits. The FHLBanks generally manage interest-rate risk by acquiring and maintaining a portfolio of assets and liabilities and entering into related derivative transactions to limit the expected mismatches in duration and market value of equity sensitivity. The FHLBanks measure and monitor interest-rate risk with commonly used methods, which generally include, but are not limited to, the calculations of market value of equity's sensitivity in various interest rate scenarios, duration of equity, and duration gap, convexity of equity, and key rate durations.

The optionality embedded in certain financial instruments held by the FHLBanks can create interest-rate risk. For example, when a member prepays an advance, this can lead to lower future income for the FHLBank. If the principal portion of the advance being prepaid is reinvested in assets yielding a lower return, but that principal amount continues to be funded by the original (higher-cost) debt, the FHLBank can suffer lower net returns. To protect against this risk, each FHLBank generally charges members a prepayment fee to compensate the FHLBank for this potential loss, making it financially indifferent to the prepayment. When an FHLBank offers advances (other than short-term advances) that a member may prepay without a prepayment fee, it usually finances these advances with callable debt or otherwise hedges this option.

The FHLBanks hold mortgage-related investments, such as mortgage loans and mortgage-backed securities. Because mortgage-related investments may contain prepayment options, changes in interest rates may cause the expected maturities of these investments to become shorter (prepay) or longer (extend). The rate and timing of unscheduled payments and collections of principal on mortgage loans are difficult to predict accurately and will be affected by a variety of factors. While the FHLBanks manage prepayment and extension risk by using a

combination of debt instruments and derivative transactions, if the level of actual prepayments is higher or lower than expected, the FHLBanks may incur additional costs to hedge market-risk exposure, which typically results in lower earnings. However, as the market environment changes and these hedges become economically advantageous, it can lead to increased earnings especially in dynamic interest-rate environments. FHFA regulations also limit this source of interest-rate risk by restricting the types of mortgage loans and mortgage-backed securities the FHLBanks may own. The FHLBanks may hedge against prepayment risk by funding some mortgage-related investments with consolidated obligations that have call features. In addition, the FHLBanks may use swaptions, caps, floors, and other derivative transactions to manage the interest-rate risk and extension and contraction variability of mortgage-related investments. The FHLBanks may also use derivative transactions to manage the interest-rate risk associated with investment securities, other than mortgage-backed securities, to match the cash flow characteristics or market value of the hedged item. (See [Quantitative and Qualitative Disclosures about Market Risk - Use of Derivatives to Manage Interest-Rate Risk](#) for additional information.)

Market Value of Equity and Duration of Equity

An FHLBank may analyze its interest-rate risk exposure by measuring its market value of equity with a combination of market based value estimates and market risk model based estimates. Market value of equity represents the difference between the theoretical market value of total assets and the theoretical market value of total liabilities, including off-balance sheet items. It measures, in present value terms, the long-term economic value of current capital and the long-term level and volatility of net interest income. Generally, an FHLBank analyzes the sensitivity of the market value of equity to changes in interest rates, prepayment speeds, options prices, mortgage and debt spreads, interest-rate volatility, and other market variables. Therefore, market values can be calculated under various interest-rate scenarios, and the resulting changes in net equity can provide an indicator of the exposure of that FHLBank's market value of equity to market volatility.

Another measure of interest-rate risk is duration of equity, which measures how sensitive a theoretical market value of equity is to small changes in interest rates. Generally, duration of equity equals the market value-weighted duration of assets minus the market value-weighted duration of liabilities (factoring in the effect of derivatives), divided by the market value of equity. Each FHLBank has an internal modeling system for measuring its duration of equity; therefore, individual FHLBank measurements may not be directly comparable. Each FHLBank reports the results of its duration of equity calculations to the FHFA monthly. Most of the FHLBanks have risk limits on duration of equity and thus they manage to the duration of equity risk measure. The capital adequacy rules of the FHFA require each FHLBank to hold permanent capital in an amount sufficient to cover the sum of its credit, market, and operational risk-based capital requirements, which are defined by applicable regulations. (See [Note 11 - Capital](#) to the accompanying combined financial statements for additional information.) Each FHLBank has implemented a market-risk model that calculates the market-risk component of this requirement.

Table 47 presents each FHLBank that includes quantitative market value of equity and duration of equity information in its individual 2025 SEC Form 10-K.

Table 47 - Individual FHLBank's Market Value of Equity and Duration of Equity Disclosures

FHLBank	Market Value of Equity	Duration of Equity
Boston	(1)	(1)
New York	✓	✓
Pittsburgh	(2)	✓
Atlanta	✓	✓
Cincinnati	✓	✓
Indianapolis	✓	✓
Chicago	(3)	✓
Des Moines	✓	(4)
Dallas	✓	(5)
Topeka	(6)	✓
San Francisco	✓	(7)

- (1) The FHLBank of Boston monitors and measures market value of equity, duration of equity, and duration gap, as described in its 2025 SEC Form 10-K. In addition, the FHLBank of Boston also monitors adjusted market value of equity, adjusted duration of equity, and adjusted duration gap. See the FHLBank of Boston's 2025 SEC Form 10-K for additional information.
- (2) The FHLBank of Pittsburgh monitors and measures market value of equity to par value of capital stock, as described in its 2025 SEC Form 10-K. In addition, the FHLBank of Pittsburgh also monitors return on equity spread volatility relative to a return on equity spread volatility limit, established and approved by its board of directors.
- (3) The FHLBank of Chicago disclosed the percentage loss limits on changes in market value of equity versus base market value of equity under parallel interest rate shocks in its 2025 SEC Form 10-K.
- (4) Although the FHLBank of Des Moines measures and monitors duration of equity, it disclosed in its 2025 SEC Form 10-K projected 24 month income as a key interest-rate risk measure.
- (5) The FHLBank of Dallas monitors and measures duration of equity and duration gap, as described in its 2025 SEC Form 10-K.
- (6) The FHLBank of Topeka measures and monitors market value of equity (MVE); however, the FHLBank of Topeka measures market value risk in terms of its MVE in relation to its regulatory capital stock outstanding instead of to its book value of equity. As described in its 2025 SEC Form 10-K, the FHLBank of Topeka believes this is a reasonable metric because, as a cooperative, the metric reflects the market value of the FHLBank of Topeka relative to the book value of its capital stock.
- (7) The FHLBank of San Francisco does not disclose duration of equity, rather it discloses a comparable metric, "Market Value of Capital Sensitivity" as a key market risk measure.

Table 48 presents the duration of equity reported by each FHLBank to the FHFA in accordance with the FHFA's guidance, which prescribes that down and up interest-rate shocks equal 200 basis points. However, the applicable guidance restricts the down rate from assuming a negative interest rate. Therefore, each FHLBank adjusts the down rate accordingly in periods of very low levels of interest rates.

Table 48 - Duration of Equity

(in years)

FHLBank	December 31, 2025			December 31, 2024		
	Down	Base	Up	Down	Base	Up
Boston	1.6	1.5	2.0	0.4	1.3	2.3
New York	1.2	1.6	2.2	0.3	0.5	1.0
Pittsburgh	0.3	1.7	2.7	0.7	1.4	2.3
Atlanta	0.3	1.2	3.6	0.4	1.4	3.1
Cincinnati	(0.6)	1.3	0.3	(0.2)	1.1	1.4
Indianapolis	2.9	1.9	1.8	1.1	1.9	2.3
Chicago	1.1	2.2	1.9	0.0	0.8	0.9
Des Moines	0.8	1.5	1.7	0.5	1.2	1.5
Dallas	1.5	1.0	1.1	0.5	(0.5)	0.0
Topeka	0.5	1.6	1.5	0.7	1.9	2.0
San Francisco	0.6	0.4	0.1	1.0	1.2	1.3

Duration Gap

A related measure of interest-rate risk is duration gap, which is the difference between the estimated durations (market value sensitivity) of assets and liabilities, and reflects the extent to which estimated maturity and repricing cash flows for assets and liabilities are matched. Duration gap determines the sensitivity of assets and liabilities to interest-rate changes. Each FHLBank has an internal modeling system for measuring its duration gap; therefore, individual FHLBank measurements may not be directly comparable. Duration generally indicates the expected change in an instrument's market value resulting from an increase or a decrease in interest rates. Higher duration numbers, whether positive or negative, indicate greater volatility in the market value of equity in response to changing interest rates. Duration gap numbers in Table 49 include the effect of derivative transactions.

Table 49 - Duration Gap

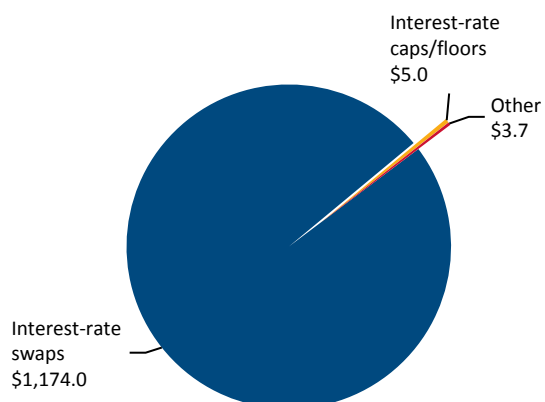
(in months)

FHLBank	December 31, 2025	December 31, 2024
Boston	1.0	0.8
New York	0.9	0.2
Pittsburgh	1.0	0.7
Atlanta	0.8	0.8
Cincinnati	0.1	0.0
Indianapolis	1.0	0.8
Chicago	1.8	0.7
Des Moines	1.0	0.8
Dallas	0.5	(0.5)
Topeka	1.1	1.2
San Francisco	0.4	1.2

Use of Derivatives to Manage Interest-Rate Risk

An FHLBank enters into derivatives to manage interest-rate risk, prepayment risk, and other exposure inherent in otherwise unhedged assets and funding positions. An FHLBank attempts to use derivatives to reduce interest-rate exposure in the most cost-efficient manner. Derivatives are also used to manage the effective maturity, repricing frequency, or option characteristics of financial instruments to achieve risk-management objectives. (See [Note 7 - Derivatives and Hedging Activities](#) to the accompanying combined financial statements for a discussion of managing interest-rate risk exposure and [Financial Discussion and Analysis - Combined Results of Operations](#) for the effect of derivatives and hedging activities on net interest income and non-interest income resulting from the FHLBanks' hedging strategies.) Figures 25 and 26 present the notional amount of derivatives by instrument type and hedge designation at December 31, 2025. The notional amount of derivatives serves as a factor in determining periodic interest payments or cash flows received and paid and reflects the FHLBanks' involvement in the various classes of financial instruments. However, the notional amount of derivatives does not represent the actual amounts exchanged or the overall exposure of the FHLBanks to credit and market risk; the overall risk is much smaller. The risks of derivatives can be measured meaningfully on a portfolio basis that takes into account the counterparties, the types of derivatives, the items being hedged, and any offsets between the derivatives and the items being hedged.

**Figure 25 - Notional Amount of Derivatives
by Instrument Type
(dollars in billions)**



**Figure 26 - Notional Amount of Derivatives
by Hedge Designation
(dollars in billions)**

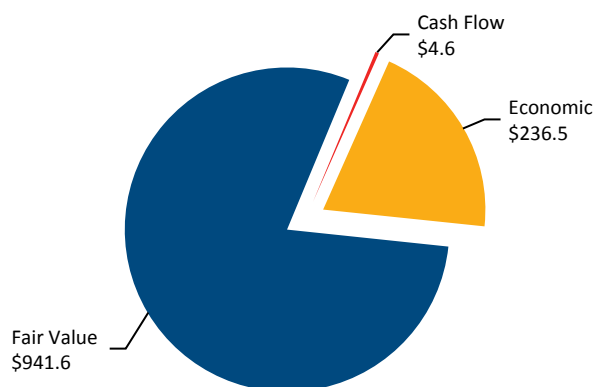


Table 50 presents the notional amount and hedging objectives of the derivatives used to manage interest-rate risk, prepayment risk, or other exposure inherent in otherwise unhedged assets and funding positions. (See [Note 7 - Derivatives and Hedging Activities](#) to the accompanying combined financial statements for a discussion of the use of derivatives and [Financial Discussion and Analysis - Risk Management - Credit Risk - Derivative Counterparties](#) for credit exposure to derivative counterparties.)

Table 50 - Hedging Strategies

(dollars in millions)

Hedged Item / Hedging Instrument	Hedging Objective	Hedge Designation ⁽¹⁾	December 31,	
			2025 Notional Amount	2024 Notional Amount
Advances ⁽²⁾				
Pay-fixed, receive-float interest-rate swap (without options)	Converts the advance’s fixed rate to a variable-rate index.	Fair Value	\$ 263,860	\$ 289,713
		Economic	4,642	11,953
Pay-fixed, receive-float interest-rate swap (with options)	Converts the advance’s fixed rate to a variable-rate index and offsets option risk in the advance.	Fair Value	42,986	40,331
		Economic	5,220	5,336
Receive-fixed, pay-float interest-rate swap	Converts the advance’s variable rate to a fixed rate.	Economic	1,890	1,585
Pay-fixed with embedded features, receive-float interest-rate swap (non-callable)	Reduces interest-rate sensitivity and repricing gaps by converting the advance’s fixed rate to a variable-rate index and/or offsets embedded option risk in the advance.	Fair Value	198	223
Pay-float with embedded features, receive-float interest-rate swap (non-callable)	Reduces interest-rate sensitivity and repricing gaps by converting the advance’s variable rate to a different variable-rate index and/or offsets embedded option risk in the advance.	Fair Value	—	15
		Total	318,796	349,156

Hedged Item / Hedging Instrument	Hedging Objective	Hedge Designation ⁽¹⁾	December 31,	
			2025 Notional Amount	2024 Notional Amount
Investment securities ⁽³⁾				
Pay-fixed, receive-float interest-rate swap	Converts the investment security's fixed rate to a variable-rate index.	Fair Value	\$ 150,922	\$ 141,072
		Economic	26,686	22,560
Interest-rate cap or floor	Offsets the interest-rate cap or floor embedded in a variable-rate investment.	Economic	2,931	3,131
Pay-fixed, receive-float interest-rate swap (with options)	Converts the investment securities' fixed rate to a variable-rate index and offsets option risk in the investment.	Fair Value	6,611	6,829
Pay-fixed, receive-float interest-rate swap (with options)	Converts the investment securities' fixed rate to a variable-rate index.	Fair Value	1,956	—
Interest-rate swaption	Provides the option to enter into an interest-rate swap to offset the embedded option risk in certain investment securities.	Economic	1,150	1,150
		Total	190,256	174,742
Mortgage loans ⁽⁴⁾				
Pay-fixed, receive-float interest-rate swap	Converts the mortgage loan's fixed rate to a variable-rate index.	Economic	1,263	1,173
Receive-fixed, pay-float interest-rate swap	Converts the variable rate to a fixed rate in a pooled mortgage portfolio hedge.	Economic	123	211
Interest-rate swaption	Provides the option to enter into an interest-rate swap to offset interest-rate or prepayment risk in a pooled mortgage portfolio hedge.	Economic	1,455	1,125
Forward settlement agreement	Protects against changes in market value of fixed-rate mortgage delivery commitments resulting from changes in interest rates.	Economic	348	284
		Total	3,189	2,793
Consolidated bonds ⁽⁵⁾				
Receive-fixed or structured, pay-float interest-rate swap (without options)	Converts the bond's fixed or structured rate to a variable-rate index.	Fair Value	54,699	78,562
		Economic	2,551	3,066
Receive-fixed or structured, pay-float interest-rate swap (with options)	Converts the bond's fixed- or structured-rate to a variable-rate index and offsets option risk in the bond.	Fair Value	200,961	229,971
		Economic	17,975	22,229
Forward-starting interest-rate swap	Locks in the cost of funding on anticipated issuance of debt.	Cash Flow	641	741
Pay-fixed, receive-float interest-rate swap	Hedging sequential issuance of variable-rate floaters to reduce interest-rate sensitivity	Cash Flow	1,120	690
		Total	277,947	335,259
Consolidated discount notes ⁽⁶⁾				
Receive-fixed, pay-float interest-rate swap	Converts the discount note's fixed rate to a variable-rate index.	Fair Value	219,416	94,060
		Economic	136,575	98,523
Pay-fixed, receive-float interest-rate swap (with options)	Discount note converted to fixed-rate callable debt that offsets the prepayment risk of mortgage assets.	Economic	50	50
Pay-fixed, receive-float interest-rate swap	Hedging sequential issuance of discount notes to reduce interest-rate sensitivity.	Cash Flow	2,888	3,513
		Total	358,929	196,146
Balance sheet				
Pay-float, receive-fixed interest-rate swap	Interest-rate swap not linked to a specific asset, liability or forecasted transaction.	Economic	12,302	13,880
Pay-fixed, receive-float interest-rate swap	Interest-rate swap not linked to specific assets, liabilities or forecasted transactions.	Economic	16,724	13,485
Pay-float, receive-float basis swap	To reduce interest-rate sensitivity and repricing gaps by converting the asset's or liability's variable rate to the same variable-rate index as the funding source or asset being funded.	Economic	—	750
Interest-rate cap or floor	Protects against changes in income of certain assets due to changes in interest rates.	Economic	2,085	2,754
		Total	31,111	30,869

Hedged Item / Hedging Instrument	Hedging Objective	Hedge Designation ⁽¹⁾	December 31,	
			2025 Notional Amount	2024 Notional Amount
Intermediary positions and other				
Pay-fixed, receive-float interest-rate swap, and receive-fixed, pay-float interest-rate swap	To offset interest-rate swaps executed with members by executing interest-rate swaps with derivatives counterparties.	Economic	\$ 1,712	\$ 41
Pay-fixed, receive-float interest-rate swap, and receive-fixed, pay-float interest-rate swap	Interest-rate swap used to offset the economic effect of an interest-rate swap that is no longer designated to advances, investment securities, mortgage loans, consolidated bonds or consolidated discount notes.	Economic	—	1,177
Total			1,712	1,218
Stand-alone derivatives				
Mortgage delivery commitment	Exposed to fair-value risk associated with fixed-rate mortgage delivery commitments.	n/a	748	483
Consolidated obligation bond firm commitment	Exposed to fair-value risk associated with fixed-rate consolidated obligation bonds.	n/a	—	765
Total			748	1,248
Total Notional Amount			\$ 1,182,688	\$ 1,091,431

- (1) The Fair Value and Cash Flow categories represent hedging strategies for which qualifying hedge accounting is achieved. All fair value hedges represent benchmark interest-rate hedges. The Economic category represents hedging strategies for which qualifying hedge accounting is not achieved.
- (2) At December 31, 2025 and 2024, the principal amount of advances outstanding was \$677,077 million and \$740,858 million.
- (3) At December 31, 2025 and 2024, the fair value of trading securities was \$26,019 million and \$22,811 million and the amortized cost of AFS securities was \$190,569 million and \$175,774 million.
- (4) At December 31, 2025 and 2024, the unpaid principal balance of mortgage loans held for portfolio was \$78,166 million and \$68,718 million.
- (5) At December 31, 2025 and 2024, the principal amount of consolidated bonds outstanding was \$716,005 million and \$863,789 million.
- (6) At December 31, 2025 and 2024, the principal amount of consolidated discount notes outstanding was \$435,779 million and \$329,180 million.

FINANCIAL STATEMENT SCHEDULES

Financial Statements

The combined financial statements and accompanying notes, including the Report of Independent Auditors, begin on page F-4 of this Combined Financial Report.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON COMBINED ACCOUNTING AND FINANCIAL DISCLOSURES

There were no changes in accountants or disagreements with accountants in the period covered by this Combined Financial Report.

CONTROLS AND PROCEDURES

FHLBanks

The management of each FHLBank is required under applicable laws and regulations to establish and maintain effective disclosure controls and procedures as well as effective internal control over financial reporting, as such disclosure controls and procedures and internal control over financial reporting relate to that FHLBank only. Each FHLBank's management assessed the effectiveness of its individual internal control over financial reporting as of December 31, 2025, based on the criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management of each FHLBank concluded, as of December 31, 2025, that its individual internal control over financial reporting was effective based on the criteria established in *Internal Control-Integrated Framework*. Additionally, the independent registered public accounting firm of each FHLBank opined that the individual FHLBank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025. (See *Part II. Item 8 - Financial Statements and Supplementary Data* or *Item 9A - Controls and Procedures* of each FHLBank's 2025 SEC Form 10-K for its *Management's Report on Internal Control over Financial Reporting*.)

The management of each FHLBank concluded that its disclosure controls and procedures were effective at a reasonable assurance level as of the end of the period covered by its 2025 SEC Form 10-K. Additionally, each FHLBank indicated that there were no changes to its internal control over financial reporting during the quarter ended December 31, 2025, that materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. (See *Part II. Item 9A - Controls and Procedures* of each FHLBank's 2025 SEC Form 10-K.)

Office of Finance Controls and Procedures over the Combined Financial Reporting Combining Process

The Office of Finance is not responsible for the preparation, accuracy, or adequacy of the information or financial data provided by the FHLBanks to the Office of Finance for use in preparing the combined financial reports, or for the quality or effectiveness of the disclosure controls and procedures or internal control over financial reporting of the FHLBanks as they relate to that information and financial data. Each FHLBank is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting with respect to the information and financial data provided to the Office of Finance. Although the Office of Finance is not an SEC registrant, FHFA regulations require that the combined financial report form and content generally be consistent with SEC Regulations S-K and S-X, as interpreted by the FHFA. The Office of Finance is not required to establish and maintain, and in light of the nature of its role has not established and maintained, disclosure controls and procedures and internal control over financial reporting in the same manner as those maintained by each FHLBank. The Office of Finance has established controls and procedures concerning the FHLBanks' submission of information and financial data to the Office of Finance, the process of combining the financial statements and other financial information of the individual FHLBanks, and the review of that information.

The Office of Finance does not independently verify the financial information submitted by each FHLBank that comprise the combined financial statements, the condensed combining schedules, and other disclosures included in this Combined Financial Report. Instead, the Office of Finance relies on each FHLBank management's certification and representation regarding the accuracy and completeness, in all material respects, of its data submitted to the Office of Finance for use in preparing this Combined Financial Report.

Audit Committee Charter

The charter of the audit committee of the Office of Finance's board of directors is available on the Office of Finance's website at fhlb-of.com. This website address is provided as a matter of convenience only, and its contents are not made part of or incorporated by reference into this report.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Each FHLBank is a member-owned cooperative, whose members elect a majority of that FHLBank's directors from among the officers and directors of its members. The FHLBanks conduct their advances and mortgage loan business primarily with members. As a result, in the normal course of business, the FHLBanks regularly extend credit to members whose officers or directors may serve as directors of the FHLBank extending the credit and to members (or affiliates) owning more than 5% of an FHLBank's capital stock. This credit is extended on market terms that are no more favorable to these "related" members than comparable transactions with other members of the same FHLBank. As of December 31, 2025, the FHLBanks had \$55.8 billion of advances outstanding to members whose officers or directors were serving as directors of the FHLBank extending the credit, which represented 8% of the principal amount of total advances. (See [Market for Capital Stock and Related Stockholder Matters](#) and [Financial Discussion and Analysis - Combined Financial Condition - Advances](#) for additional information on FHLBank advances and membership.)

An FHLBank provides Affordable Housing Program subsidies in the form of direct grants and below-market interest rates on advances to members, which use the funds to assist in the purchase, construction, or rehabilitation of housing for very low- and low- or moderate-income households. Only FHLBank members, on behalf of non-member Affordable Housing Program project sponsors, may submit Affordable Housing Program applications. All Affordable Housing Program subsidies are provided in the normal course of business, with comparable terms provided to all members of the respective FHLBank.

An FHLBank also provides subsidies in the form of below-market interest rates on advances or standby letters of credit to members for community lending and economic development projects under the Community Investment Program and Community Investment Cash Advance programs. In addition, an FHLBank may also provide subsidies in the form of grants, or below-market interest rates on advances, under the Community Investment Cash Advance programs. FHLBank members and housing associates may apply for Community Investment Cash Advance funds, but only FHLBank members may apply for Community Investment Program funds. These subsidies are provided in the normal course of business, with comparable terms provided to all members of the respective FHLBank.

In instances where an Affordable Housing Program, Community Investment Program, or other Community Investment Cash Advance program transaction involves a member (or its affiliate) owning more than 5% of an FHLBank's capital stock, a member with an officer or director who serves as a director of an FHLBank within that district, or an entity with an officer, director, or general partner who serves as a director of an FHLBank within that district (and has a direct or indirect interest in the subsidy), the transaction is subject to the same eligibility and other program criteria and requirements as all other transactions, and the regulations governing the operations of the relevant program.

An FHLBank may also have investments in interest-bearing deposits, securities purchased under agreements to resell, federal funds sold, and certificates of deposit, and may also execute mortgage-backed securities and derivative transactions, with members, former members, or their affiliates, some of whose officers or directors may serve as directors of their respective FHLBank. All investments are transacted at then-current market prices without preference to the status of the counterparty or the issuer of the investment as a member, former member, or affiliate. (See each FHLBank's 2025 SEC Form 10-K under *Item 13—Certain Relationships and Related Transactions, and Director Independence* for additional information regarding related transactions with its members.)

PRINCIPAL ACCOUNTING FEES AND SERVICES

Each of the audit committees of the FHLBanks and the Office of Finance pre-approves audit and non-audit services provided by the principal independent public accountant to the entity it oversees. Also, each audit committee annually considers whether the services identified under the caption “all other fees” and rendered to the entity it oversees are compatible with maintaining the principal independent public accountant’s independence. Table 51 presents the aggregate fees billed or to be billed to the FHLBanks and the Office of Finance by their principal independent public accountant, PricewaterhouseCoopers LLP.

Table 51 - Principal Accounting Fees and Services

(dollars in millions)

	Year Ended December 31,	
	2025	2024
Audit fees ⁽¹⁾	\$ 13	\$ 13
Audit-related fees ⁽²⁾	1	1
Tax fees	—	—
All other fees ⁽³⁾	—	—
Total fees	\$ 14	\$ 14

(1) Audit fees consist of fees incurred in connection with the annual audits and quarterly reviews of the FHLBanks’ individual and combined financial statements, including audits of internal control over financial reporting, and for the review of related financial information.

(2) Audit-related fees primarily consist of assurance and related services for accounting consultations.

(3) All other fees generally consist of services rendered for non-financial information system related consulting. No fees were paid to the principal independent public accountant for financial information system design and implementation.

OFFICE OF FINANCE AUDIT COMMITTEE REPORT

By Federal Housing Finance Agency (FHFA) regulation, the Audit Committee of the Office of Finance Board of Directors (Office of Finance Audit Committee) performs oversight duties in connection with the preparation of the combined financial reports of the Federal Home Loan Banks (FHLBanks), which include the combined financial statements of the FHLBanks. The Office of Finance Audit Committee is comprised of five independent directors (including one current vacancy) not employed by an FHLBank or the Office of Finance; who were selected by the Office of Finance Board of Directors, subject to review by the FHFA; and who as a group must have substantial experience in financial and accounting matters. In connection with its duties, the Office of Finance Audit Committee has adopted a written charter, which is posted on the Office of Finance website. The Office of Finance Audit Committee members are not required to satisfy any express qualification or independence standards governing their service as audit committee members that are separate and distinct from their qualifications to serve as members of the Office of Finance Board of Directors.

There is no centralized, system-wide management of the FHLBanks. Each FHLBank is a separately chartered entity and has its own board of directors and management. Each FHLBank's board of directors has established an audit committee, the members of which are required to meet express qualification and independence standards established by the FHFA and the audit committee independence requirements set forth in Section 10A(m) of the Securities Exchange Act of 1934, as amended. For disclosure purposes, each FHLBank is required to identify audit committee members who may not be considered "independent" based on corporate governance standards of independence used by the FHLBanks as required under Securities and Exchange Commission rules and regulations. In addition, each FHLBank's board of directors and management is responsible for establishing its own accounting and financial reporting policies in accordance with accounting principles generally accepted in the United States of America. Each FHLBank is subject to certain reporting requirements of the Securities Exchange Act of 1934, as amended, and must file periodic reports and other information including annual audited financial statements with the Securities and Exchange Commission. (See [Explanatory Statement about Federal Home Loan Banks Combined Financial Report.](#))

In connection with its responsibilities in preparing the combined financial reports and the combined financial statements, the Office of Finance is responsible for combining the financial information it receives from each of the FHLBanks. Each FHLBank is responsible for the financial information and the underlying data it provides to the Office of Finance for inclusion in the combined financial reports and combined financial statements. Based on FHFA regulation and guidance related to the combined financial reports, the Office of Finance Audit Committee's responsibilities are limited to the oversight of the preparation of the combined financial reports with regard to the basis for and approach to combining information from the FHLBanks. The Office of Finance Audit Committee is responsible for ensuring that the FHLBanks adopt consistent accounting policies and procedures to the extent necessary for information submitted by the FHLBanks to the Office of Finance to be combined to create accurate and meaningful combined financial reports. However, the Office of Finance Audit Committee is not responsible for overseeing the reliability and integrity of the accounting policies and financial reporting of the individual FHLBanks or the accuracy of the information that they submit to the Office of Finance.

The FHLBanks and the Office of Finance have determined that the FHLBank System is best served by having the same independent auditor to coordinate and perform separate audits of each of the FHLBanks and the annual combined financial report of the FHLBanks, which includes the audited combined financial statements of the FHLBanks. The audit committees of each of the FHLBanks and the Office of Finance collaborate in selecting, setting the compensation of, and evaluating the performance of, the independent auditor, but the responsibility for the appointment and oversight of the independent auditor remains solely with the audit committee of each FHLBank and the Office of Finance.

PricewaterhouseCoopers LLP (PwC) has been the independent auditor for each of the FHLBanks and the Office of Finance since 1990. The audit committee at each FHLBank and the Office of Finance engages in an evaluation of the independent auditor annually. In connection with the appointment of an independent auditor, the evaluation includes consultation amongst the audit committees of each of the FHLBanks and the Office of Finance. Specific considerations may include:

- an analysis of the risks and benefits of retaining PwC as independent auditor versus engaging a different firm, including consideration of:
 - PwC engagement audit partner, engagement quality review partner, and audit team rotation;
 - PwC's tenure as independent auditor for the FHLBanks and the Office of Finance;
 - independence of PwC;
 - benefits associated with engaging a different firm as independent auditor; and
 - potential disruption and risks associated with changing the independent auditor.
- PwC's depth and breadth of understanding of our business, operations, and accounting policies and practices;
- PwC's historical and recent performance of the audits of the FHLBanks and the Office of Finance, including the results of an internal survey of PwC service and quality;
- an analysis of PwC's known legal risks and significant proceedings;
- external data relating to audit quality and performance, including recent Public Company Accounting Oversight Board audit quality inspection reports on PwC and its peer firms, as well as metrics indicative of audit quality; and
- the appropriateness of PwC's fees, both on an absolute basis and as compared to its peer firms.

Each audit committee of the FHLBanks and the Office of Finance pre-approves audit and non-audit services provided by PwC to the entity it oversees. Also, each audit committee annually considers whether the services identified under the caption "all other fees" and rendered to the entity it oversees are compatible with maintaining the independent auditor's independence.

The Office of Finance Audit Committee requires audit partner rotation by limiting the number of consecutive years an individual partner may provide service to the Office of Finance. For lead and concurring partners, the maximum number of consecutive years of service in that capacity is five years. The process for selection of the Office of Finance's lead audit partner pursuant to this rotation policy involves a meeting between the Chair of the Office of Finance Audit Committee and the candidate for the role, as well as discussions with the full Office of Finance Audit Committee and with management. The Office of Finance's lead audit partner began providing service during 2025.

Based on its reviews, the Office of Finance Audit Committee reappointed PwC as the independent auditor for 2025.

The Office of Finance Audit Committee has reviewed and discussed the audited combined financial statements with senior management of the Office of Finance, and discussed with the independent auditor the matters required to be discussed in accordance with auditing standards generally accepted in the United States of America. In addition, the Office of Finance Audit Committee has:

- reviewed and understands how management and the independent auditor assess financial statement materiality; and

- reviewed management’s analyses of significant financial reporting issues and accounting judgments made in preparing the combined financial reports and the combined financial statements.

The Office of Finance Audit Committee has also received the written disclosures from the independent auditor required to be disclosed in accordance with auditing standards generally accepted in the United States of America regarding the independent auditor’s communications with the Office of Finance Audit Committee concerning independence, and has discussed with the independent auditor its independence.

Based on the review and discussions referred to above, the Office of Finance Audit Committee determined to include the audited combined financial statements in the FHLBanks’ Combined Financial Report for the Year Ended December 31, 2025.

Michael C. Bodson, Chair

Teri R. Shaffer, Vice-Chair

Joel W. Motley

Brent Neiman

March 24, 2026



Report of Independent Auditors

To the Board of Directors of the Federal Home Loan Banks Office of Finance

Opinion

We have audited the accompanying combined financial statements of the Federal Home Loan Banks (the “FHLBanks”), which comprise the combined statements of condition as of December 31, 2025 and 2024, and the related combined statements of income, comprehensive income, capital and cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the “combined financial statements”).

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the FHLBanks as of December 31, 2025 and 2024, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the FHLBanks and the Federal Home Loan Banks Office of Finance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the FHLBanks’ ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

Auditors’ Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance

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and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FHLBanks' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the FHLBanks' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying condensed combining schedules as of December 31, 2025 and 2024 and for each of the three years ended December 31, 2025, the FHLBank Management and Compensation, Insider Trading Policies, and the Individual Federal Home Loan Bank Selected Financial Data and Financial Ratios are presented for purposes of additional analysis and are not a required part of the combined financial statements, nor are they intended to present the financial position, results of operations and cash flows of the individual FHLBanks. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual FHLBanks. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements.

The condensed combining schedules as of December 31, 2025 and 2024 and for each of the three years ended December 31, 2025 have been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the condensed combining schedules as of December 31, 2025 and 2024 and for each of the three years

ended December 31, 2025 are fairly stated, in all material respects, in relation to the combined financial statements taken as a whole.

The FHLBank Management and Compensation, Insider Trading Policies, and the Individual Federal Home Loan Bank Selected Financial Data and Financial Ratios marked “unaudited” have not been subjected to the auditing procedures applied in the audit of the combined financial statements, and accordingly, we do not express an opinion or provide any assurance thereon.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Combined Financial Report on pages 1 through 122 and F-1 through F-3, but does not include the combined financial statements and our auditors’ report thereon. Our opinion on the combined financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the combined financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the combined financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

Washington, District of Columbia
March 24, 2026

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CONDITION

(dollars in millions, except par value)	December 31,	
	2025	2024
Assets		
Cash and due from banks (Note 3)	\$ 373	\$ 298
Interest-bearing deposits (Note 4)	27,926	27,246
Securities purchased under agreements to resell (Note 4)	105,345	127,689
Federal funds sold (Note 4)	72,066	51,590
Investment securities (Note 4)		
Trading securities, includes \$2,236 and \$1,336 pledged as collateral that may be repledged	26,019	22,811
Available-for-sale securities, net, amortized cost of \$190,569 and \$175,774 and includes \$2,494 and \$2,656 pledged as collateral that may be repledged	191,045	175,178
Held-to-maturity securities, net, fair value of \$60,956 and \$62,232	61,381	63,241
Total investment securities	278,445	261,230
Advances, includes \$5,888 and \$5,697 at fair value held under fair value option (Note 5)	676,711	736,713
Mortgage loans held for portfolio, net (Note 6)	79,169	69,593
Accrued interest receivable, net	3,729	4,031
Derivative assets, net (Note 7)	2,164	2,968
Other assets, net	1,675	1,527
Total assets	\$ 1,247,603	\$ 1,282,885
Liabilities		
Deposits (Note 8)	\$ 15,248	\$ 14,330
Consolidated obligations (Note 9)		
Discount notes, includes \$81,144 and \$61,019 at fair value held under fair value option	433,247	326,786
Bonds, includes \$14,692 and \$17,855 at fair value held under fair value option	714,050	857,812
Total consolidated obligations	1,147,297	1,184,598
Mandatorily redeemable capital stock	508	743
Accrued interest payable	4,425	5,737
Affordable Housing Program payable (Note 10)	1,961	1,781
Derivative liabilities, net (Note 7)	28	118
Other liabilities	3,800	2,413
Total liabilities	1,173,267	1,209,720
Commitments and contingencies (Note 15)		
Capital (Note 11)		
Capital stock		
Class B putable (\$100 par value) issued and outstanding shares: 407,063,517 and 424,593,085	40,706	42,459
Class A putable (\$100 par value) issued and outstanding shares: 2,596,836 and 4,649,040	260	465
Total capital stock	40,966	42,924
Retained earnings		
Unrestricted	22,976	21,819
Restricted	9,754	8,738
Total retained earnings	32,730	30,557
Accumulated other comprehensive income (loss) (Note 12)	640	(316)
Total capital	74,336	73,165
Total liabilities and capital	\$ 1,247,603	\$ 1,282,885

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF INCOME

(dollars in millions)	Year Ended December 31,		
	2025	2024	2023
Interest income			
Advances	\$ 34,400	\$ 43,484	\$ 48,481
Interest-bearing deposits	1,458	1,958	2,113
Securities purchased under agreements to resell	2,490	2,716	2,939
Federal funds sold	4,418	4,973	5,559
Investment securities			
Trading securities	911	689	348
Available-for-sale securities	9,341	10,120	8,440
Held-to-maturity securities	2,984	3,500	3,139
Total investment securities	13,236	14,309	11,927
Mortgage loans held for portfolio	3,127	2,487	1,923
Other	3	3	2
Total interest income	59,132	69,930	72,944
Interest expense			
Consolidated obligations			
Discount notes	14,236	15,816	19,100
Bonds	36,253	44,611	44,190
Total consolidated obligations	50,489	60,427	63,290
Deposits	609	696	661
Mandatorily redeemable capital stock	40	99	74
Total interest expense	51,138	61,222	64,025
Net interest income	7,994	8,708	8,919
Provision (reversal) for credit losses	14	3	13
Net interest income after provision (reversal) for credit losses	7,980	8,705	8,906
Non-interest income			
Net gains (losses) on investment securities	424	80	280
Net gains (losses) on financial instruments held under fair value option	(8)	(144)	(243)
Net gains (losses) on derivatives	(177)	310	10
Other, net	285	300	283
Total non-interest income (loss)	524	546	330
Non-interest expense			
Compensation and benefits	887	859	830
Other operating expenses	623	614	575
Voluntary housing and community investment	488	481	185
Federal Housing Finance Agency	109	109	102
Office of Finance	81	81	71
Other, net	39	32	30
Total non-interest expense	2,227	2,176	1,793
Net income before assessments	6,277	7,075	7,443
Affordable Housing Program assessments	632	718	752
Net income	\$ 5,645	\$ 6,357	\$ 6,691

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF COMPREHENSIVE INCOME

(dollars in millions)	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 5,645	\$ 6,357	\$ 6,691
Other comprehensive income			
Net change in fair value of available-for-sale securities	1,077	716	(241)
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	1	—	3
Net change relating to hedging activities	(129)	2	(74)
Pension and postretirement benefits	7	10	21
Total other comprehensive income (loss)	956	728	(291)
Comprehensive income (loss)	\$ 6,601	\$ 7,085	\$ 6,400

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CAPITAL

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

(dollars and shares in millions)	Capital Stock - Putable					
	Class B		Class A		Total	
	Shares	Par Value	Shares	Par Value	Shares	Par Value
Balance, December 31, 2022	438	\$ 43,767	2	\$ 239	440	\$ 44,006
Comprehensive income (loss)	—	—	—	—	—	—
Proceeds from issuance of capital stock	653	65,348	—	4	653	65,352
Repurchases/redemptions of capital stock	(602)	(60,244)	(23)	(2,306)	(625)	(62,550)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(22)	(2,205)	(4)	(434)	(26)	(2,639)
Transfers between Class B and Class A shares	(28)	(2,776)	28	2,776	—	—
Dividends on capital stock						
Cash	—	—	—	—	—	—
Stock	5	517	—	—	5	517
Balance, December 31, 2023	444	44,407	3	279	447	44,686
Comprehensive income (loss)	—	—	—	—	—	—
Proceeds from issuance of capital stock	415	41,517	—	1	415	41,518
Repurchases/redemptions of capital stock	(415)	(41,548)	(18)	(1,824)	(433)	(43,372)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(1)	(85)	(3)	(340)	(4)	(425)
Transfers between Class B and Class A shares	(23)	(2,349)	23	2,349	—	—
Dividends on capital stock						
Cash	—	—	—	—	—	—
Stock	5	517	—	—	5	517
Balance, December 31, 2024	425	42,459	5	465	430	42,924
Comprehensive income (loss)	—	—	—	—	—	—
Proceeds from issuance of capital stock	509	51,003	—	1	509	51,004
Repurchases/redemptions of capital stock	(501)	(50,126)	(23)	(2,348)	(524)	(52,474)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(4)	(419)	(5)	(497)	(9)	(916)
Transfers between Class B and Class A shares	(26)	(2,639)	26	2,639	—	—
Dividends on capital stock						
Cash	—	—	—	—	—	—
Stock	4	428	—	—	4	428
Balance, December 31, 2025	407	\$ 40,706	3	\$ 260	410	\$ 40,966

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CAPITAL (continued)

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

(dollars and shares in millions)	Retained Earnings			Accumulated Other Comprehensive Income (Loss)	Total Capital
	Unrestricted	Restricted	Total		
Balance, December 31, 2022	\$ 18,322	\$ 6,232	\$ 24,554	\$ (753)	\$ 67,807
Comprehensive income (loss)	5,377	1,314	6,691	(291)	6,400
Proceeds from issuance of capital stock	—	—	—	—	65,352
Repurchases/redemptions of capital stock	—	—	—	—	(62,550)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	—	(2,639)
Transfers between Class B and Class A shares	—	—	—	—	—
Dividends on capital stock					
Cash	(2,834)	—	(2,834)	—	(2,834)
Stock	(517)	—	(517)	—	—
Balance, December 31, 2023	20,348	7,546	27,894	(1,044)	71,536
Comprehensive income (loss)	5,165	1,192	6,357	728	7,085
Proceeds from issuance of capital stock	—	—	—	—	41,518
Repurchases/redemptions of capital stock	—	—	—	—	(43,372)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	—	(425)
Transfers between Class B and Class A shares	—	—	—	—	—
Dividends on capital stock					
Cash	(3,177)	—	(3,177)	—	(3,177)
Stock	(517)	—	(517)	—	—
Balance, December 31, 2024	21,819	8,738	30,557	(316)	73,165
Comprehensive income (loss)	4,629	1,016	5,645	956	6,601
Proceeds from issuance of capital stock	—	—	—	—	51,004
Repurchases/redemptions of capital stock	—	—	—	—	(52,474)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	—	(916)
Transfers between Class B and Class A shares	—	—	—	—	—
Dividends on capital stock					
Cash	(3,044)	—	(3,044)	—	(3,044)
Stock	(428)	—	(428)	—	—
Balance, December 31, 2025	\$ 22,976	\$ 9,754	\$ 32,730	\$ 640	\$ 74,336

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CASH FLOWS

(dollars in millions)	Year Ended December 31,		
	2025	2024	2023
Operating activities			
Net income	\$ 5,645	\$ 6,357	\$ 6,691
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization/(accretion)	(775)	167	554
Net change in derivatives and hedging activities	(6,369)	2,404	(4,612)
Net change in fair value adjustments on trading securities	(418)	(77)	(285)
Net change in fair value adjustments on financial instruments held under fair value option	8	144	243
Other adjustments, net	68	99	(5)
Net change in			
Accrued interest receivable	21	229	(1,393)
Other assets	(159)	(31)	(73)
Accrued interest payable	(1,382)	(1,069)	3,729
Other liabilities	374	406	631
Total adjustments	(8,632)	2,272	(1,211)
Net cash provided by (used in) operating activities	(2,987)	8,629	5,480
Investing activities			
Net change in			
Interest-bearing deposits	2,389	430	2,702
Securities purchased under agreements to resell	22,344	(46,676)	(9,608)
Federal funds sold	(20,476)	6,270	8,060
Trading securities			
Proceeds from sales	7,081	5,867	1,282
Proceeds from maturities and paydowns	8,615	2,605	7,098
Purchases	(18,389)	(15,716)	(7,466)
Available-for-sale securities			
Proceeds from sales	3,668	2,702	1,391
Proceeds from maturities and paydowns	17,984	9,680	12,496
Purchases	(30,400)	(28,253)	(41,536)
Held-to-maturity securities			
Proceeds from sales	26	—	39
Proceeds from maturities and paydowns	14,994	13,350	9,881
Purchases	(12,889)	(7,736)	(21,039)
Advances, net	63,791	72,946	13,244
Mortgage loans held for portfolio			
Principal collected	7,868	6,330	5,023
Purchases	(17,555)	(14,701)	(10,429)
Other investing activities, net	(96)	(104)	(82)
Net cash provided by (used in) investing activities	48,955	6,994	(28,944)

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CASH FLOWS (continued)

(dollars in millions)	Year Ended December 31,		
	2025	2024	2023
Financing activities			
Net change in deposits and pass-through reserves, and other financing activities	\$ 494	\$ 1,453	\$ 3,002
Net proceeds (payments) on derivative contracts with financing element	29	115	85
Net proceeds from issuance of consolidated obligations			
Discount notes	5,252,166	6,020,726	5,823,594
Bonds	1,000,397	933,674	1,049,694
Payments for maturing and retiring consolidated obligations			
Discount notes	(5,145,093)	(5,981,515)	(6,003,498)
Bonds	(1,148,220)	(984,316)	(847,200)
Proceeds from issuance of capital stock	51,004	41,518	65,352
Payments for repurchases/redemptions of capital stock	(52,474)	(43,372)	(62,550)
Payments for repurchases/redemptions of mandatorily redeemable capital stock	(1,152)	(912)	(2,117)
Cash dividends paid	(3,044)	(3,177)	(2,834)
Net cash provided by (used in) financing activities	(45,893)	(15,806)	23,528
Net increase (decrease) in cash and due from banks	75	(183)	64
Cash and due from banks at beginning of the period	298	481	417
Cash and due from banks at end of the period	\$ 373	\$ 298	\$ 481
Supplemental disclosures			
Cash activities			
Interest paid	\$ 51,594	\$ 57,757	\$ 55,913
Non-cash activities			
Transfers of mortgage loans held for sale to securitized mortgage loans	\$ 151	\$ 116	\$ 152
Net capital stock reclassified to/(from) mandatorily redeemable capital stock	\$ 916	\$ 425	\$ 2,639

The accompanying notes are an integral part of these combined financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

Background Information

These financial statements present the combined financial position and combined results of operations of the Federal Home Loan Banks (FHLBanks). The FHLBanks are government-sponsored enterprises (GSEs) that were organized under the Federal Home Loan Bank Act of 1932, as amended (FHLBank Act), to serve the public by enhancing the availability of credit for residential mortgages and targeted community development. They are financial cooperatives that provide a readily available, competitively-priced source of funds to their member institutions. All federally-insured depository institutions and insurance companies engaged in residential housing finance may apply for membership. Additionally, qualified community development financial institutions (CDFIs) are eligible to be members of an FHLBank. Housing associates, including state and local housing authorities, that meet certain statutory and regulatory criteria may also borrow from the FHLBanks. While eligible to borrow, housing associates are not members of the FHLBanks. All members must purchase stock in their district's FHLBank. On a combined basis, member institutions own most of the FHLBanks' capital stock. Former members (including certain non-members that own FHLBank capital stock as a result of merger or acquisition, relocation, charter termination, voluntary termination, or involuntary termination of an FHLBank member) own the remaining capital stock to support business transactions still carried on an FHLBank's statement of condition. All holders of an FHLBank's capital stock may, to the extent declared by that FHLBank's board of directors, receive dividends on their capital stock.

Each FHLBank operates as a separate entity with its own management, employees, and board of directors. The FHLBanks do not sponsor any special purpose entities or any other type of off-balance sheet conduits.

The Federal Housing Finance Agency (FHFA), an independent agency in the executive branch of the U.S. government, supervises and regulates the FHLBanks, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae). The FHFA's stated mission is to ensure the housing GSEs fulfill their mission by operating in a safe and sound manner to serve as a reliable source of liquidity and funding for the housing finance market throughout the economic cycle.

The Office of Finance is a joint office of the FHLBanks established to facilitate the issuance and servicing of the debt instruments of the FHLBanks, known as consolidated obligations (consolidated bonds and consolidated discount notes), and to prepare the quarterly and annual combined financial reports of the FHLBanks. As provided by the FHLBank Act and applicable regulations, consolidated obligations are backed only by the financial resources of the FHLBanks. Consolidated obligations are the primary source of funds for the FHLBanks in addition to deposits, other borrowings, and capital stock issued to members. The FHLBanks primarily use these funds to provide advances to members. The FHLBanks also use these funds to acquire mortgage loans from members (acquired member assets) through the Mortgage Partnership Finance® (MPF®) Program, the Mortgage Purchase Program (MPP), and the Mortgage Asset Program (MAP®). "Mortgage Partnership Finance," "MPF," and "MPF Xtra®" are registered trademarks of the FHLBank of Chicago, and "MAP" is a registered trademark of the FHLBank of New York. In addition, some FHLBanks offer correspondent services to their member and non-member institutions, including wire transfer, security safekeeping, and settlement services.

Unless otherwise stated, dollar amounts disclosed in this Combined Financial Report represent values rounded to the nearest million. Dollar amounts rounding to less than one million are not reflected in this Combined Financial Report.

Note 1 - Summary of Significant Accounting Policies

The following summary of significant accounting policies has been compiled from the FHLBanks' individual summaries of significant accounting policies. Although the FHLBanks' accounting and financial reporting policies are not necessarily always identical, each FHLBank is responsible for establishing its own accounting and financial reporting policies in accordance with generally accepted accounting principles in the United States of America (GAAP). The following paragraphs describe the more significant accounting policies followed by the FHLBanks, including the more notable alternatives acceptable under GAAP.

Basis of Presentation

These combined financial statements include the financial statements and records of the FHLBanks that are prepared in accordance with GAAP.

Principles of Combination. Transactions between the FHLBanks have been eliminated in accordance with combination accounting principles similar to consolidation under GAAP and primarily consist of:

1. Transfers of Direct Liability on Consolidated Obligations between the FHLBanks. These transfers occur when the primary obligation under consolidated obligations issued on behalf of one FHLBank is transferred to and assumed by another FHLBank. The transferring FHLBank treats the transfer as a debt extinguishment because it is released from being the primary obligor when the Office of Finance records the transfer, pursuant to its duties under applicable regulations. The assuming FHLBank then becomes the primary obligor while the transferring FHLBank has a contingent liability due to its joint and several liability with respect to repaying the transferred consolidated obligations.

The FHLBank assuming the consolidated obligation liability initially records the consolidated obligation at fair value, which represents the amount paid to the assuming FHLBank by the transferring FHLBank to assume the debt. A premium or discount exists for the amount paid above or below face value. Because these transfers represent inter-company transfers under combination accounting principles, an inter-company elimination is made for any gain or loss on the transfer. As a result, the subsequent amortization of premium or discount, amortization of concession fees, and recognition of hedging-related adjustments in the combined financial statements represent those of the transferring FHLBank.

2. Lending Activity. From time to time, the FHLBanks loan short-term funds to one another. Under combination accounting, inter-company adjustments are made to eliminate these amounts.

See the [Condensed Combining Schedules](#) for the combining adjustments, consisting of interbank eliminations and rounding adjustments, made to the combined financial statements.

Segment Reporting. FHFA regulations consider each FHLBank to be a segment. However, there is no single chief operating decision maker because there is no centralized, system-wide management or centralized board of directors oversight of the individual FHLBanks. (See the [Condensed Combining Schedules](#) for segment information.)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires each FHLBank's management to make subjective assumptions and estimates that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expense. The most significant of these estimates include those used in conjunction with fair value estimates and derivatives and hedging activities. Actual results could differ from these estimates significantly.

Fair Value. The fair value amounts, recorded on the Combined Statements of Condition and in the footnotes for the periods presented, have been determined by the FHLBanks using available market and other pertinent information, and reflect each FHLBank's best judgment of appropriate valuation methods. Although an FHLBank uses its best judgment in estimating the fair value of these financial instruments, there are inherent limitations in any valuation technique. Therefore, these fair values may not be indicative of the amounts that would have been realized in market transactions at the reporting dates. (See [Note 14 - Fair Value](#) for more information.)

Financial Instruments Meeting Netting Requirements

The FHLBanks present certain financial instruments on a net basis when they have a legal right of offset and all other requirements for netting are met (collectively referred to as the netting requirements). For these financial instruments, each of the affected FHLBanks has elected to offset its asset and liability positions, as well as cash collateral received or pledged, when it has met the netting requirements.

The net exposure for these financial instruments can change on a daily basis; therefore, there may be a delay between the time this exposure change is identified and additional collateral is requested, and the time when this collateral is received or pledged. Likewise, there may be a delay for excess collateral to be returned. For derivative instruments that meet the netting requirements, any excess cash collateral received or pledged is recognized as a derivative liability or derivative asset. (See [Note 7 - Derivatives and Hedging Activities](#) for additional information regarding these agreements.)

Securities purchased under agreements to resell are also subject to netting requirements. Based on the fair value of the related collateral held, securities purchased under agreements to resell were fully collateralized for the periods presented. There were no offsetting liabilities related to these securities at December 31, 2025 or 2024.

Investments

Interest-Bearing Deposits, Securities Purchased under Agreements to Resell, and Federal Funds Sold. The FHLBanks invest in interest-bearing deposits, securities purchased under agreements to resell, and federal funds sold. Interest-bearing deposits include certificates of deposit and bank notes not meeting the definition of a security. The FHLBanks treat securities purchased under agreements to resell as short-term collateralized loans. These investments provide short-term liquidity and are carried at amortized cost. Accrued interest receivable is recorded separately on the Combined Statements of Condition. If applicable, an allowance for credit losses is recorded with a corresponding adjustment to the provision (reversal) for credit losses. Interest-bearing deposits and federal funds sold are evaluated quarterly for credit losses.

The FHLBanks use the collateral maintenance provision practical expedient, which allows expected credit losses to be measured based on the difference between the fair value of the collateral and the investment's amortized cost, for securities purchased under agreements to resell. Consequently, a credit loss would be recognized if there is a collateral shortfall which the FHLBanks do not believe the counterparty will replenish in accordance with the relevant contractual terms. The credit loss would be limited to the difference between the fair value of the collateral and the investment's amortized cost.

Debt Securities. The FHLBanks classify investment securities as trading, available-for-sale (AFS), or held-to-maturity (HTM) at the date of acquisition. Purchases and sales of securities are recorded on a trade date basis.

Trading. Securities classified as trading are held for liquidity purposes and carried at fair value. The FHLBanks record changes in the fair value of these securities through non-interest income as net gains (losses) on investment securities. FHFA regulation and each FHLBank's risk management policy prohibit trading in or the speculative use of these instruments and limit credit risk arising from these instruments.

Available-for-Sale. Securities that are not classified as HTM or trading are classified as AFS and are carried at fair value. The FHLBanks record changes in the fair value of these securities that are not in qualifying fair value hedging relationships in other comprehensive income (loss) (OCI).

For AFS securities in hedging relationships that qualify as fair value hedges, the FHLBanks record the portion of the change in the fair value of the investment related to the risk being hedged in interest income on AFS securities together with the related change in the fair value of the derivative, and record the remainder of the change in the fair value of the investment in OCI as net unrealized gains (losses) on AFS securities.

For securities classified as AFS, each FHLBank evaluates an individual security for impairment on a quarterly basis by comparing the security's fair value to its amortized cost. Accrued interest receivable is recorded separately on the Combined Statements of Condition. Impairment exists when the fair value of the investment is less than its amortized cost (i.e., in an unrealized loss position). In assessing whether a credit loss exists on an impaired security, an FHLBank considers whether there would be a shortfall in receiving all cash flows contractually due. When a shortfall is considered possible, an FHLBank compares the present value of cash flows to be collected from the security with the amortized cost basis of the security. If the present value of cash flows is less than amortized cost, an allowance for credit losses is recorded with a corresponding adjustment to the provision (reversal) for credit losses. The allowance is limited by the amount of the unrealized loss. The allowance for credit losses excludes uncollectible accrued interest receivable, which is measured separately.

If management intends to sell an impaired security classified as AFS, or more likely than not will be required to sell the security before expected recovery of its amortized cost basis, any allowance for credit losses is written off and the amortized cost basis is written down to the security's fair value at the reporting date with any incremental impairment reported in earnings as net gains (losses) on investment securities. If management does not intend to sell an impaired security classified as AFS and it is not more likely than not that management will be required to sell the debt security, then the credit portion of the difference is recognized as an allowance for credit losses and any remaining difference between the security's fair value and amortized cost is recorded as net unrealized gains (losses) on AFS securities within OCI.

Held-to-Maturity. Securities that the FHLBanks have both the ability and intent to hold to maturity are classified as HTM and are carried at amortized cost, which is original cost net of periodic principal repayments and amortization of premiums and accretion of discounts. Accrued interest receivable is recorded separately on the Combined Statements of Condition.

Certain changes in circumstances may cause an FHLBank to change its intent to hold a security to maturity without calling into question its intent to hold other debt securities to maturity in the future. Thus, the sale or transfer of an HTM security due to certain changes in circumstances, such as evidence of significant deterioration in the issuer's creditworthiness or changes in regulatory requirements, is not considered to be inconsistent with its original classification. Other events that are isolated, nonrecurring, and unusual for the FHLBanks that could not have been reasonably anticipated may cause an FHLBank to sell or transfer an HTM security without necessarily calling into question its intent to hold other debt securities to maturity. In addition, sale of a debt security that meets either of the following two conditions would not be considered inconsistent with the original classification of that security:

1. The sale occurs near enough to its maturity date (for example, within three months of maturity), or call date if exercise of the call is probable, that interest-rate risk is substantially eliminated as a pricing factor and the changes in market interest rates would not have a significant effect on the security's fair value; or
2. The sale of a security occurs after an FHLBank has already collected a substantial portion (at least 85%) of the principal outstanding at acquisition due either to prepayments on the debt security or to scheduled payments on a debt security payable in equal installments (both principal and interest) over its term.

HTM securities are evaluated quarterly for expected credit losses on a pool basis unless an individual assessment is deemed necessary because the securities do not possess similar risk characteristics. An allowance for credit losses is recorded with a corresponding adjustment to the provision (reversal) for credit losses. The allowance for credit losses excludes uncollectible accrued interest receivable, which is measured separately.

Premiums and Discounts. The FHLBanks amortize or accrete purchased premiums and discounts on investment securities and basis adjustments on discontinued fair value hedging relationships using either the contractual level-yield (contractual interest method) or the retrospective level-yield (retrospective interest method) over the estimated cash flows of the securities. The contractual interest method recognizes the income effects of premiums and discounts over the contractual life of the securities based on the actual behavior of the underlying assets, including adjustments for actual prepayment activities, and reflects the contractual terms of the securities without regard to changes in estimated prepayments based on assumptions about future borrower behavior. The retrospective interest method requires that an FHLBank estimate prepayments over the estimated life of the securities and make a retrospective adjustment of the effective yield each time that it changes the estimated life as if the new estimate had been known since the original acquisition date of the securities.

Gains and Losses on Sales. Each FHLBank computes gains and losses on sales of its investment securities using the specific identification method and includes these gains and losses in non-interest income (loss).

Advances

The FHLBanks report advances (secured loans to members, former members, or housing associates) either at amortized cost or at fair value when the fair value option has been elected. Advances carried at amortized cost are evaluated quarterly for expected credit losses and reported net of premiums, discounts (including discounts related to the Affordable Housing Program (AHP)), unearned commitment fees, and hedging adjustments. The FHLBanks amortize or accrete premiums, discounts, unearned commitment fees, and basis adjustments on discontinued fair value hedging relationships on advances to interest income using a level-yield methodology. The FHLBanks record interest on advances to interest income as earned. For advances carried at fair value, interest income is recognized based on the contractual interest rate. Accrued interest receivable is recorded separately on the Combined Statements of Condition. If deemed necessary, an allowance for credit losses is recorded with a corresponding adjustment to the provision (reversal) for credit losses.

Advance Modifications. In cases in which an FHLBank funds a new advance concurrently with or within a short period of time before or after the prepayment of an existing advance, the FHLBank evaluates whether the new advance meets the accounting criteria to qualify as a modification of an existing advance or whether it constitutes a new advance. The FHLBank compares the present value of cash flows on the new advance to the present value of cash flows remaining on the existing advance. If there is at least a 10% difference in the present value of cash flows or if the FHLBank concludes the difference between the advances is more than minor based on a qualitative assessment of the modifications made to the original contractual terms, then the advance is accounted for as a new advance. In all other instances, the new advance is accounted for as a modification.

Prepayment Fees. The FHLBanks charge a borrower a prepayment fee when the borrower prepays certain advances before the original maturity. The FHLBanks record prepayment fees net of basis adjustments related to hedging activities included in the carrying value of the advance as interest income on advances on the Combined Statements of Income.

If a new advance does not qualify as a modification of an existing advance, the existing advance is treated as an advance termination and any prepayment fee, net of hedging adjustments, is recorded as interest income on advances on the Combined Statements of Income.

If a new advance qualifies as a modification of an existing advance, any prepayment fee, net of hedging adjustments, is deferred, recorded in the basis of the modified advance, and amortized using a level-yield methodology over the life of the modified advance to interest income on advances. If the modified advance is hedged and meets hedge accounting requirements, the modified advance is marked to fair value, depending on the risk being hedged, and subsequent fair value changes that are attributable to the hedged risk are recorded in interest income on advances.

Mortgage Loans Held for Portfolio

Each FHLBank classifies mortgage loans that it has the intent and ability to hold for the foreseeable future, or until maturity or payoff, as held for portfolio. These mortgage loans are reported at amortized cost, which is net of premiums, discounts, deferred loan fees or costs, derivatives and hedging adjustments primarily from mortgage delivery commitments, and charge-offs. Accrued interest receivable is recorded separately on the Combined Statements of Condition. An allowance for credit losses is recorded with a corresponding adjustment to the provision (reversal) for credit losses. The FHLBanks do not purchase mortgage loans with credit deterioration present at the time of purchase.

Quarterly, each FHLBank measures expected credit losses on mortgage loans on a collective basis, pooling loans with similar risk characteristics. If a mortgage loan no longer shares risk characteristics with other loans, it is removed from the pool and evaluated for expected credit losses on an individual basis. When developing the allowance for credit losses, an FHLBank measures the expected loss over the estimated remaining life of a mortgage loan, which also considers how the FHLBank's credit enhancements mitigate credit losses. If a loan is purchased at a discount, the discount does not offset the allowance for credit losses. The FHLBanks include estimates of expected recoveries within the allowance for credit losses.

The allowance excludes uncollectible accrued interest receivable, as the FHLBanks write off accrued interest receivable by reversing interest income if a mortgage loan is placed on non-accrual status.

Premiums and Discounts. An FHLBank defers and amortizes or accretes premiums and discounts paid to and received by participating financial institutions (PFIs), deferred loan fees or costs, and hedging basis adjustments to interest income using the contractual interest method.

Credit Enhancement Fees. For conventional mortgage loans, PFIs retain a portion of the credit risk on the loans they sell to the FHLBanks by providing credit enhancement either through a direct liability to pay credit losses up to a specified amount or through a contractual obligation to the FHLBanks. To secure this obligation, a PFI may either pledge collateral or purchase supplemental mortgage insurance. For certain mortgage loans purchased under the MPF Program, PFIs are paid a credit enhancement fee (also considered as credit enhancement income to the PFIs) for assuming credit risk and in some instances all or a portion of the credit enhancement fees may be performance-based. Credit enhancement fees are paid monthly based on the remaining unpaid principal balance of the loans in a master commitment. Credit enhancement fees are recorded as an offset to mortgage loan interest income. To the extent an FHLBank experiences losses in a master commitment, it may be able to recapture performance-based credit enhancement fees paid to that PFI to offset these losses.

Other Fees. The FHLBanks may receive other non-origination fees, such as delivery commitment extension fees, pair-off fees, and price adjustment fees. Delivery commitment extension fees are received when a PFI requests to extend the delivery commitment period beyond the original stated expiration. These fees compensate the FHLBanks for lost interest as a result of late funding and are recorded in non-interest income as received. Pair-off fees represent a make-whole provision; they are received when the amount funded is less than a specific percentage of the delivery commitment amount and are recorded in non-interest income. Price adjustment fees are received when the amount funded is greater than a specified percentage of the delivery commitment amount; they represent purchase price adjustments to the related loans acquired and are recorded as a part of the carrying value of the loans.

Non-accrual Loans. A past due loan is one where the borrower has failed to make a full payment of principal and interest within 30 days of its due date. The FHLBanks place a conventional mortgage loan on non-accrual status if it is determined that either (1) the collection of interest or principal is doubtful or (2) interest or principal is past due for 90 days or more, except when the loan is well-secured (e.g., through credit enhancements) and in the process of collection. As such, the FHLBanks do not place conventional mortgage loans over 90 days delinquent on non-accrual status when losses are not expected to be incurred. The FHLBanks do not place government-guaranteed or -insured mortgage loans on non-accrual status due to the U.S. government guarantee or insurance on these loans and the contractual obligation of the loan servicer to repurchase the loans when certain criteria are met. For those mortgage loans placed on non-accrual status, accrued but uncollected interest is reversed against interest income. The FHLBanks record cash payments received first as interest income and then as a reduction of principal as specified in the contractual agreement, unless the collection of the remaining principal amount due is considered doubtful. If the collection of the remaining principal amount due is considered doubtful, then cash payments received would be applied first solely to principal until the remaining principal amount due is expected to be collected and then as a recovery of any charge-off, if applicable, followed by recording interest income. A loan on non-accrual status may be restored to accrual status when (1) none of its contractual principal and interest is due and unpaid, and an FHLBank expects repayment of the remaining contractual interest and principal, or (2) it otherwise becomes well secured and in the process of collection.

Mortgage Loan Modifications. Generally, the FHLBanks only grant mortgage loan modifications to borrowers experiencing financial difficulty. If the terms of the modified loan are at least as favorable to the lender as the terms offered to borrowers with similar collection risks for comparable loans and the modification to the terms of the loan is more than minor, the loan meets the accounting criteria for a new loan. Generally, a modification would not result in a new loan because the modified terms are not as favorable to the lender as terms for comparable loans that would be offered to similar borrowers.

Collateral-dependent Loans. A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be substantially through the sale of the underlying collateral. A loan that is considered collateral-dependent is measured for credit loss based on the fair value of the underlying property less estimated selling costs, with any shortfall recognized as an allowance for loan loss or charged-off.

Charge-off Policy. A charge-off is recorded if it is estimated that the amortized cost and any applicable accrued interest in a loan will not be recovered. The FHLBanks evaluate whether to record a charge-off on a conventional mortgage loan upon the occurrence of a confirming event. Confirming events include, but are not limited to, the occurrence of foreclosure or notification of a claim against any of the credit enhancements. The FHLBanks charge off the portion of outstanding conventional mortgage loan balances in excess of fair value of the underlying property, less cost to sell and adjusted for any available credit enhancements, for loans that are 180 days or more delinquent and/or certain loans where the borrower has filed for bankruptcy.

Mortgage Loans Held for Sale

Mortgage loans held for sale represent the MPF Government MBS product acquired by the FHLBank of Chicago and are classified in other assets, net on the Combined Statements of Condition. The fair value option has been elected for these mortgage loans. MPF Loans under the MPF Government MBS product qualify, once sold, for sales accounting treatment and are reclassified from mortgage loans held for sale to trading investment securities upon their securitization.

In addition, under the MPF Xtra product, the FHLBank of Chicago purchases eligible mortgage loans from PFIs, which are concurrently sold to Fannie Mae and qualify for sales accounting treatment, and are therefore not carried on the Combined Statements of Condition.

The FHLBank of Chicago makes customary representations and warranties regarding the underwriting and loan eligibility of MPF loans that are sold to third party investors under the MPF Government MBS and MPF Xtra products. The reserves associated with these representations and warranties are not material.

The FHLBank of Chicago does not own the servicing rights related to these sold loans because the servicing is either retained by the PFI or sold by the PFI to a third party. The FHLBank of Chicago has ongoing operating expenses related to administering these loans that are expensed as incurred.

Derivatives and Hedging Activities

All derivatives are recognized on the Combined Statements of Condition at their fair values and are reported as either derivative assets or derivative liabilities, net of cash collateral, and accrued interest received from or pledged to clearing agents and/or counterparties. The fair values of derivatives are netted by clearing agent and/or counterparty when the netting requirements have been met. If these netted amounts are positive, they are classified as an asset, and if negative, they are classified as a liability. Cash flows associated with a derivative are reflected as cash flows from operating activities on the Combined Statements of Cash Flows unless the derivative meets the criteria to be a financing derivative.

Each FHLBank utilizes one or two Derivative Clearing Organizations (Clearinghouses), for all cleared derivative transactions, LCH Ltd. and/or CME Clearing. At both Clearinghouses, variation margin is characterized as daily settlement payments and initial margin is considered collateral.

Types of Qualifying and Non-Qualifying Hedges. The FHLBanks have the following types of hedges qualifying for hedge accounting treatment (qualifying hedges) and hedges that do not qualify for hedge accounting treatment (non-qualifying hedges):

- a qualifying hedge of the change in fair value of a recognized asset or liability or an unrecognized firm commitment (a fair value hedge);
- a qualifying hedge of a forecasted transaction or the variability of cash flows that are to be received or paid in connection with a recognized asset or liability (a cash flow hedge);
- a non-qualifying hedge (economic hedge) for asset-liability management purposes; or
- a non-qualifying hedge of another derivative (an intermediation hedge) that is offered as a product to members or used to offset other derivatives with non-member counterparties.

Accounting for Fair Value or Cash Flow Hedges. If hedging relationships meet certain criteria, including, but not limited to, formal documentation of the hedging relationship and an expectation to be highly effective, they qualify for fair value or cash flow hedge accounting.

Two approaches to hedge accounting include:

- *Long-haul hedge accounting.* The application of long-haul hedge accounting requires an FHLBank to assess (both at the hedge's inception and at least quarterly) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in the fair value or cash flows of hedged items or forecasted transactions attributable to the hedged risk and whether those derivatives may be expected to remain highly effective in future periods. For fair value hedges, an FHLBank may perform dollar-offset prospective testing at the inception of the hedge and calculate retrospective regressions after a sufficient number of data points have been accumulated. Alternatively, an FHLBank may employ regression-based testing prospectively based on valuations derived from historical and current market data. For cash flow hedges, the FHLBanks measure effectiveness using the hypothetical derivative method, which compares the cumulative change in fair value of the actual derivative designated as the hedging instrument to the cumulative change in fair value of a hypothetical derivative having terms that identically match the critical terms of the hedged forecasted transaction. After the initial quantitative effectiveness assessment, the

FHLBanks may perform subsequent effectiveness assessments on a qualitative basis if certain criteria are met.

- **Short-cut hedge accounting.** Transactions that meet certain criteria qualify for the short-cut method of hedge accounting in which an assumption can be made that the change in fair value of a hedged item, due to changes in the hedged risk, exactly offsets the change in fair value of the related derivative. Under the short-cut method, the entire change in fair value of the interest-rate swap is considered to be highly effective at achieving offsetting changes in fair values or cash flows of the hedged asset or liability. If certain criteria are met, a derivative relationship no longer qualifying for short-cut hedge accounting can fall back to the long-haul hedge accounting method.

Derivatives are typically executed at the same time as the hedged item, and each FHLBank designates the hedged item in a qualifying hedging relationship at the trade date. In many hedging relationships, an FHLBank may designate the hedging relationship upon its commitment to disburse an advance or trade a consolidated obligation in which settlement occurs within the shortest period of time possible for the type of instrument based on market settlement conventions. An FHLBank then records the changes in fair value of the derivative and the hedged item beginning on the trade date.

Changes in the fair value of a derivative that is designated and qualifies as a fair value hedge, along with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk, are recorded in net interest income in the same line as the earnings effect of the hedged item. Changes in the fair value of a derivative that is designated and qualifies as a cash flow hedge are recorded in OCI. These amounts remain in accumulated other comprehensive income (AOCI) until earnings are affected by the variability of the cash flows of the hedged transaction, at which time these amounts are reclassified from AOCI to the same income statement line as the earnings effect of the hedged item. Net gains (losses) on derivatives and hedging activities for qualifying hedges recorded in net interest income include unrealized and realized gains (losses), which include net interest settlements.

Accounting for Economic Hedges or Intermediary Activities. An economic hedge is defined as a derivative hedging specific or non-specific underlying assets, liabilities, or firm commitments that does not qualify or was not designated for fair value or cash flow hedge accounting, but is an acceptable hedging strategy under an FHLBank's risk management program. These economic hedging strategies also comply with FHFA regulatory requirements prohibiting speculative hedge transactions. An economic hedge introduces the potential for earnings variability caused by the changes in fair value of the derivatives that are recorded in an FHLBank's income but that are not offset by corresponding changes in the value of the economically hedged assets, liabilities, or firm commitments. As a result, an FHLBank recognizes only the net interest and the change in fair value of these derivatives in non-interest income as net gains (losses) on derivatives with no offsetting fair value adjustments for the assets, liabilities, or firm commitments.

The derivatives used in intermediary activities do not qualify for hedge accounting treatment and are separately marked-to-market through earnings. The net result of the accounting for these derivatives does not significantly affect the operating results of the FHLBanks. These amounts are recorded in non-interest income as net gains (losses) on derivatives.

Accrued Interest Receivables and Payables. The net settlements of interest receivables and payables related to derivatives designated in fair value or cash flow hedging relationships are recognized as adjustments to the income or expense of the designated hedged item. The net settlements of interest receivables and payables related to intermediated derivatives for members and other economic hedges are recognized in non-interest income as net gains (losses) on derivatives.

Discontinuance of Hedge Accounting. An FHLBank discontinues hedge accounting prospectively when:

- it determines that the derivative is no longer highly effective in offsetting changes in the fair value or cash flows of a hedged item attributable to the hedged risk (including hedged items such as firm commitments or forecasted transactions);
- the derivative and/or the hedged item expires or is sold, terminated, or exercised;
- it is no longer probable that the forecasted transaction in a cash flow hedge will occur in the originally expected period or within the following two months;
- a hedged firm commitment in a fair value hedge no longer meets the definition of a firm commitment; or
- management determines that designating the derivative as a hedging instrument is no longer appropriate.

When fair value hedge accounting is discontinued, an FHLBank either terminates the derivative or continues to carry the derivative on the statement of condition at its fair value, ceases to adjust the hedged asset or liability for changes in fair value, and amortizes the cumulative basis adjustment on the hedged item into earnings over the remaining life of the hedged item using a level-yield methodology.

When hedge accounting is discontinued because the hedged item no longer meets the definition of a firm commitment, an FHLBank continues to carry the derivative on the statement of condition at its fair value, removing from the statement of condition any asset or liability that was recorded to recognize the firm commitment and recording it as a gain or loss in current period earnings.

When cash flow hedge accounting is discontinued because an FHLBank determines that the derivative no longer qualifies as an effective cash flow hedge of an existing hedged item, that FHLBank continues to carry the derivative on the statement of condition at its fair value and reclassifies the cumulative OCI adjustment into earnings when earnings are affected by the existing hedged item (i.e., the original forecasted transaction).

If an FHLBank discontinues cash flow hedge accounting because it is probable that a forecasted transaction will not occur by the end of the originally expected time period or within the following two months, the gains and losses that were in AOCI are recognized immediately in earnings.

Embedded Derivatives. The FHLBanks may issue debt, make advances, or purchase financial instruments in which a derivative instrument is “embedded.” Upon execution of these transactions, an FHLBank assesses whether the economic characteristics of the embedded derivative are clearly and closely related to the economic characteristics of the remaining component of the debt, advance, or purchased financial instrument (the host contract) and whether a separate, non-embedded instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. The embedded derivative is separated from the host contract, carried at fair value, and designated as a stand-alone derivative instrument pursuant to an economic hedge when an FHLBank determines that (1) the embedded derivative has economic characteristics that are not clearly and closely related to the economic characteristics of the host contract and (2) a separate, stand-alone instrument with the same terms would qualify as a derivative instrument. However, the entire contract is carried at fair value and no portion of the contract is designated as a hedging instrument if the entire contract (the host contract and the embedded derivative) is to be measured at fair value, with changes in fair value reported in current period earnings (such as an investment security classified as “trading” as well as hybrid financial instruments for which the fair value option is elected), or if an FHLBank cannot reliably identify and measure the embedded derivative for purposes of separating that derivative from its host contract.

Consolidated Obligations

Consolidated obligations are recorded at amortized cost unless an FHLBank has elected the fair value option, in which case the consolidated obligations are carried at fair value.

Discounts and Premiums. The FHLBanks amortize or accrete premiums, discounts, and basis adjustments on discontinued fair value hedging relationships on consolidated obligations to interest expense using the interest method over the term to maturity or the estimated life of the corresponding consolidated obligation.

Concessions. The FHLBanks pay concessions to dealers in connection with the issuance of certain consolidated obligations. The Office of Finance prorates the amount of the concession to each FHLBank based upon the percentage of the debt issued on behalf of that FHLBank. Concessions paid on consolidated obligations designated under the fair value option are expensed as incurred in non-interest expense. The FHLBanks record concessions paid on consolidated obligations not designated under the fair value option as a direct deduction from their carrying amounts, consistent with the presentation of discounts on consolidated obligations. The concessions are amortized, using the interest method, over the term to maturity or the estimated life of the corresponding consolidated obligations. The amortization of those concessions is included in consolidated obligation interest expense.

Off-Balance Sheet Credit Exposures

The FHLBanks evaluate their off-balance sheet credit exposures on a quarterly basis for expected credit losses. If deemed necessary, an allowance for expected credit losses on these off-balance sheet exposures is recorded in other liabilities with a corresponding adjustment to the provision (reversal) for credit losses.

Mandatorily Redeemable Capital Stock

An FHLBank generally reclassifies stock subject to redemption from capital stock to a liability after a member provides written notice of redemption, gives notice of intention to withdraw from membership, or attains non-member status by merger or acquisition, relocation, charter termination, voluntary termination, or involuntary termination from membership, because the member's shares will then meet the definition of a mandatorily redeemable financial instrument. Shares meeting this definition are reclassified to a liability at fair value. Dividends declared on shares classified as a liability are accrued at the expected dividend rate and reflected as interest expense on the Combined Statements of Income. The repurchase or redemption of mandatorily redeemable capital stock is reflected as a financing cash outflow on the Combined Statements of Cash Flows.

If a member cancels its written notice of redemption or notice of withdrawal, the affected FHLBank will reclassify mandatorily redeemable capital stock from liabilities to capital. After the reclassification, dividends on the capital stock will no longer be classified as interest expense.

Restricted Retained Earnings

The Joint Capital Enhancement Agreement, as amended by and among the FHLBanks (Capital Agreement), provides that each FHLBank will, on a quarterly basis, allocate 20% of its net income to a separate restricted retained earnings account until the balance of that account, calculated as of the last day of each calendar quarter, equals at least one percent of that FHLBank's average balance of outstanding consolidated obligations for the calendar quarter. Additionally, the Capital Agreement provides that amounts in restricted retained earnings in excess of 150% of an FHLBank's restricted retained earnings minimum (i.e., one percent of that FHLBank's average balance of outstanding consolidated obligations calculated as of the last day of each calendar quarter) may be released from restricted retained earnings. The FHLBanks' restricted retained earnings are not available to pay dividends and are presented separately on the Combined Statements of Condition.

FHFA Expenses

The portion of the FHFA's expenses and working capital fund paid by the FHLBanks are allocated among the FHLBanks based on the pro-rata share of the annual assessments (which are based on the ratio between each FHLBank's minimum required regulatory capital and the aggregate minimum required regulatory capital of every FHLBank).

Office of Finance Expenses

Each FHLBank's proportionate share of Office of Finance operating and capital expenditures is calculated using a formula that is based upon the following components: (1) two-thirds based upon each FHLBank's share of total consolidated obligations outstanding and (2) one-third based upon an equal pro-rata allocation.

Voluntary Housing and Community Investment Expenses

The FHLBanks' voluntary contributions to AHP and certain other housing and community investment initiatives are recorded in a separate line within non-interest expense on the Combined Statements of Income.

Voluntary contributions to AHP are expensed when the likelihood of the award is probable, typically when an FHLBank's board of directors approves the irrevocable terms of the award, and the amount is estimable. Any voluntary contribution to AHP is subject to the same regulatory requirements as AHP assessments.

Other voluntary housing and community investment initiatives primarily consist of grants and donations and subsidized advances. These grants and donations are recognized as an expense in the period in which the grant or contribution is considered an unconditional promise to give. Subsidized advances are advances that have an interest rate below the customary interest rate for non-subsidized advances with similar terms. For a subsidized advance, at the time of disbursement, an FHLBank determines the present value of the advance using the imputed market interest rate as the discount rate. In addition, the FHLBank records a discount on the advance with a corresponding voluntary housing and community investment expense related to the inherent contribution made at the time the FHLBank issues the advance. The discount on a subsidized advance is accreted to interest income on advances using a level-yield methodology over the life of the advance.

Affordable Housing Program Assessments

The FHLBank Act requires each FHLBank to establish and fund a statutory AHP, providing subsidies to members to assist in the purchase, construction, or rehabilitation of housing for very low- and low- or moderate-income households. Each FHLBank recognizes the required funding for the AHP as a reduction to earnings and establishes an AHP liability. An FHLBank issues AHP subsidized advances that have interest rates below the customary interest rate for non-subsidized advances. A discount on the AHP advance and charge against AHP liability is recorded for the present value of the variation in the cash flow caused by the difference in the interest rate between the AHP advance rate and that FHLBank's related cost of funds for comparable maturity funding. As an alternative, that FHLBank has the authority to make the AHP subsidy available to members as a grant. The discount on an AHP advance is accreted to interest income on advances using a level-yield methodology over the life of the advance.

Note 2 - Recently Issued and Adopted Accounting Guidance

The following table provides a summary of recently issued accounting standards which may have an effect on the combined financial statements.

Accounting Standards Update (ASU)	Description	Effective Date	Effect on the Combined Financial Statements or Other Significant Matters
Interim Reporting - Narrow-Scope Improvements (ASU 2025-11)	This update clarifies and improves the interim reporting guidance by providing a comprehensive list of required interim disclosures and clarifying when interim reporting guidance is applicable, without expanding or reducing current interim disclosure requirements. The amendments add a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material effect on the entity.	This guidance becomes effective for the FHLBanks for the interim periods beginning on January 1, 2028. Early adoption is permitted.	The FHLBanks are in the process of evaluating this guidance and its effect on the FHLBanks' disclosures. The adoption of this guidance is not expected to have any effect on the FHLBanks' combined financial condition, combined results of operations, or combined cash flows.
Hedge Accounting Improvements (ASU 2025-09)	This update expands the hedged risks permitted in cash flow hedges, introducing a model for hedging forecasted interest payments on choose-your-rate debt instruments, and expands cash flow hedge accounting for nonfinancial forecasted transactions. It also eliminates the net written option test in certain instances and addresses mismatches in dual hedge strategies involving foreign-currency-denominated debt instruments.	This guidance becomes effective for the FHLBanks for the interim and annual periods beginning on January 1, 2027. Early adoption is permitted.	The FHLBanks are in the process of evaluating this guidance and its effect on the FHLBanks' combined financial condition, combined results of operations, and combined cash flows has not yet been determined.
Purchased Loans (ASU 2025-08)	This update expands the use of the gross-up approach for acquired financial assets by requiring that purchased seasoned loans be accounted for using this method.	This guidance becomes effective for the FHLBanks for the interim and annual periods beginning on January 1, 2027. Early adoption is permitted.	The FHLBanks are in the process of evaluating this guidance and its effect on the FHLBanks' combined financial condition, combined results of operations, and combined cash flows has not yet been determined.
Targeted Improvements to the Accounting for Internal-Use Software (ASU 2025-06)	This update removes all references to prescriptive and sequential software development stages. Among other things, it requires an entity to start capitalizing software costs when management has committed to funding the project and it is probable that the project will be completed and used for its intended function.	This guidance becomes effective for the FHLBanks for the interim and annual periods beginning on January 1, 2028. Early adoption is permitted.	The FHLBanks are in the process of evaluating this guidance and its effect on the FHLBanks' combined financial condition, combined results of operations, and combined cash flows has not yet been determined.
Disaggregation of Income Statement Expenses, as amended (ASU 2024-03)	This update requires disclosure, in the notes to the financial statements, of specified information about certain costs and expenses on an interim and annual basis.	This guidance becomes effective for the FHLBanks for the annual period ending December 31, 2027, and the interim periods thereafter. Early adoption is permitted.	The FHLBanks do not intend to adopt this guidance early. The adoption of this guidance may affect the FHLBanks' disclosures, but it will not have any effect on the FHLBanks' combined financial condition, combined results of operations, combined cash flows.

Note 3 - Cash and Due from Banks

Cash and due from banks on the Combined Statements of Condition includes cash on hand, cash items in the process of collection, compensating balances, and amounts due from correspondent banks and the Federal Reserve Bank.

Compensating Balances

The FHLBanks maintain collected cash balances with commercial banks in return for certain services. These agreements contain no legal restrictions on the withdrawal of funds. The average collected cash balances were \$99 million and \$81 million for the years ended December 31, 2025 and 2024.

Pass-through Deposit Reserves

Certain FHLBanks act as pass-through correspondents for member institutions required to deposit reserves with the Federal Reserve Banks. The amount shown as cash and due from banks includes pass-through reserves deposited with the Federal Reserve Banks. At both December 31, 2025 and 2024, there were no pass-through reserves deposited with the Federal Reserve Banks.

Note 4 - Investments

The FHLBanks make short-term investments in interest-bearing deposits, securities purchased under agreements to resell, and federal funds sold and may make other investments in debt securities, which are classified as trading, AFS, or HTM.

Interest-Bearing Deposits, Securities Purchased under Agreements to Resell, and Federal Funds Sold

The FHLBanks invest in interest-bearing deposits, securities purchased under agreements to resell, and federal funds sold to provide liquidity. These investments are generally transacted with counterparties that have received a credit rating of triple-B or greater (investment grade) by a nationally recognized statistical rating organization. At December 31, 2025 and 2024, none of these investments were with counterparties rated below triple-B, and 9% and 7% of these investments, based on amortized cost, were with counterparties that were unrated. At both December 31, 2025 and 2024, securities purchased under agreements to resell comprised all of the investments with unrated counterparties, and all of the associated collateral of these transactions was rated single-A or above.

Federal funds sold are unsecured loans that are generally transacted on an overnight term. FHFA regulations include a limit on the amount of unsecured credit an individual FHLBank may extend to a counterparty. At December 31, 2025 and 2024, all investments in interest-bearing deposits and federal funds sold were repaid or expected to be repaid according to the contractual terms. No allowance for credit losses was recorded for these assets at December 31, 2025 and 2024. The carrying values of interest-bearing deposits and federal funds sold exclude accrued interest receivable totaling \$73 million and \$78 million at December 31, 2025 and 2024.

Securities purchased under agreements to resell are short-term collateralized loans and are structured such that they are evaluated regularly to determine if the market value of the underlying securities decreases below the market value required as collateral (i.e., subject to collateral maintenance provisions). If so, the counterparty must place an equivalent amount of additional securities as collateral or remit an equivalent amount of cash, generally by the next business day. Based upon the collateral held as security and collateral maintenance provisions with the relevant counterparties, each FHLBank determined that no allowance for credit losses was needed for its securities purchased under agreements to resell at December 31, 2025 and 2024. The carrying value of securities purchased under agreements to resell excludes accrued interest receivable of \$11 million and \$15 million at December 31, 2025 and 2024.

Debt Securities

The FHLBanks invest in debt securities, which are classified as trading, AFS, or HTM. Within these investments, the FHLBanks are primarily subject to credit risk related to private-label mortgage-backed securities (private-label MBS or PLMBS) that are supported by underlying mortgage or asset-backed loans. The FHLBanks are prohibited by FHFA regulations from purchasing certain higher-risk securities, such as equity securities and debt instruments that are not investment quality, other than certain investments targeted at low-income persons or communities and instruments that experienced credit deterioration after their purchase by the FHLBanks.

Trading Securities

Table 4.1 presents the fair value of trading securities by major security type at December 31, 2025 and 2024.

Table 4.1 - Trading Securities by Major Security Type

(dollars in millions)

Fair Value	December 31, 2025	December 31, 2024
Non-mortgage-backed securities		
U.S. Treasury obligations	\$ 24,143	\$ 20,548
Other U.S. obligations	57	59
GSE and Tennessee Valley Authority obligations	1,642	1,671
Other	95	108
Total non-mortgage-backed securities	25,937	22,386
Mortgage-backed securities		
U.S. obligations single-family	—	—
GSE single-family	9	12
GSE multifamily	73	413
Total mortgage-backed securities	82	425
Total	\$ 26,019	\$ 22,811

Table 4.2 presents a summary of net gains (losses) on trading securities for the years ended December 31, 2025, 2024, and 2023.

Table 4.2 - Net Gains (Losses) on Trading Securities

(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Net unrealized gains (losses) on trading securities held at period-end	\$ 403	\$ 54	\$ 245
Net gains (losses) on trading securities sold/matured during the period	15	23	40
Net gains (losses) on trading securities	\$ 418	\$ 77	\$ 285

Available-for-Sale Securities

Table 4.3 presents the amortized cost and fair value of AFS securities by major security type at December 31, 2025 and 2024.

Table 4.3 - AFS Securities by Major Security Type

(dollars in millions)

	December 31, 2025				
	Amortized Cost ⁽¹⁾	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Non-mortgage-backed securities					
U.S. Treasury obligations	\$ 37,768	\$ —	\$ 71	\$ (85)	\$ 37,754
Other U.S. obligations	1,928	—	14	(81)	1,861
GSE and Tennessee Valley Authority obligations	4,564	—	69	(11)	4,622
State or local housing agency obligations	2,383	—	3	(9)	2,377
Federal Family Education Loan Program ABS	1,207	—	31	(2)	1,236
Other	263	—	1	(1)	263
Total non-mortgage-backed securities	48,113	—	189	(189)	48,113
Mortgage-backed securities					
U.S. obligations single-family	7,940	—	30	(10)	7,960
U.S. obligations multifamily	501	—	—	(48)	453
GSE single-family	10,344	—	23	(67)	10,300
GSE multifamily	122,657	—	1,306	(726)	123,237
Private-label	1,014	(49)	36	(19)	982
Total mortgage-backed securities	142,456	(49)	1,395	(870)	142,932
Total	\$ 190,569	\$ (49)	\$ 1,584	\$ (1,059)	\$ 191,045

	December 31, 2024				
	Amortized Cost ⁽¹⁾	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Non-mortgage-backed securities					
U.S. Treasury obligations	\$ 36,049	\$ —	\$ 20	\$ (92)	\$ 35,977
Other U.S. obligations	1,802	—	—	(128)	1,674
GSE and Tennessee Valley Authority obligations	5,302	—	79	(20)	5,361
State or local housing agency obligations	2,021	—	1	(20)	2,002
Federal Family Education Loan Program ABS	1,510	—	45	(2)	1,553
Other	381	—	2	(3)	380
Total non-mortgage-backed securities	47,065	—	147	(265)	46,947
Mortgage-backed securities					
U.S. obligations single-family	7,252	—	18	(20)	7,250
U.S. obligations multifamily	510	—	—	(45)	465
GSE single-family	10,348	—	16	(116)	10,248
GSE multifamily	109,498	—	1,080	(1,379)	109,199
Private-label	1,101	(44)	36	(24)	1,069
Total mortgage-backed securities	128,709	(44)	1,150	(1,584)	128,231
Total	\$ 175,774	\$ (44)	\$ 1,297	\$ (1,849)	\$ 175,178

(1) Includes adjustments made to the cost basis of an investment for accretion, amortization, net charge-offs, and/or fair value hedge accounting adjustments, and excludes accrued interest receivable of \$731 million and \$638 million at December 31, 2025 and 2024.

Table 4.4 presents the AFS securities with gross unrealized losses by major security type and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2025 and 2024.

Table 4.4 - AFS Securities in a Continuous Gross Unrealized Loss Position

(dollars in millions)

	December 31, 2025					
	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Non-mortgage-backed securities						
U.S. Treasury obligations	\$ 751	\$ —	\$ 3,761	\$ (85)	\$ 4,512	\$ (85)
Other U.S. obligations	95	—	771	(81)	866	(81)
GSE and Tennessee Valley Authority obligations	—	—	353	(11)	353	(11)
State or local housing agency obligations	1,311	(2)	281	(7)	1,592	(9)
Federal Family Education Loan Program ABS	—	—	239	(2)	239	(2)
Other	—	—	243	(1)	243	(1)
Total non-mortgage-backed securities	2,157	(2)	5,648	(187)	7,805	(189)
Mortgage-backed securities						
U.S. obligations single-family	930	(1)	1,149	(9)	2,079	(10)
U.S. obligations multifamily	—	—	452	(48)	452	(48)
GSE single-family	2,214	(4)	2,666	(63)	4,880	(67)
GSE multifamily	2,878	(8)	25,990	(718)	28,868	(726)
Private-label	176	(1)	254	(18)	430	(19)
Total mortgage-backed securities	6,198	(14)	30,511	(856)	36,709	(870)
Total	\$ 8,355	\$ (16)	\$ 36,159	\$ (1,043)	\$ 44,514	\$ (1,059)

	December 31, 2024					
	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Non-mortgage-backed securities						
U.S. Treasury obligations	\$ 8,500	\$ (7)	\$ 7,388	\$ (85)	\$ 15,888	\$ (92)
Other U.S. obligations	625	(12)	822	(116)	1,447	(128)
GSE and Tennessee Valley Authority obligations	65	—	342	(20)	407	(20)
State or local housing agency obligations	223	(2)	1,288	(18)	1,511	(20)
Federal Family Education Loan Program ABS	—	—	258	(2)	258	(2)
Other	—	—	325	(3)	325	(3)
Total non-mortgage-backed securities	9,413	(21)	10,423	(244)	19,836	(265)
Mortgage-backed securities						
U.S. obligations single-family	1,190	(4)	1,679	(16)	2,869	(20)
U.S. obligations multifamily	—	—	465	(45)	465	(45)
GSE single-family	2,599	(7)	3,486	(109)	6,085	(116)
GSE multifamily	18,259	(116)	33,531	(1,263)	51,790	(1,379)
Private-label	63	(2)	276	(22)	339	(24)
Total mortgage-backed securities	22,111	(129)	39,437	(1,455)	61,548	(1,584)
Total	\$ 31,524	\$ (150)	\$ 49,860	\$ (1,699)	\$ 81,384	\$ (1,849)

Table 4.5 presents the amortized cost and fair value of AFS securities by contractual maturity at December 31, 2025 and 2024.

Table 4.5 - AFS Securities by Contractual Maturity

(dollars in millions)

Year of Maturity	December 31, 2025		December 31, 2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Non-mortgage-backed securities				
Due in one year or less	\$ 8,472	\$ 8,428	\$ 7,426	\$ 7,415
Due after one year through five years	31,396	31,435	33,024	33,002
Due after five years through ten years	3,200	3,220	1,872	1,852
Due after ten years	3,838	3,794	3,233	3,125
Federal Family Education Loan Program ABS ⁽¹⁾	1,207	1,236	1,510	1,553
Total non-mortgage-backed securities	48,113	48,113	47,065	46,947
Mortgage-backed securities⁽¹⁾	142,456	142,932	128,709	128,231
Total	\$ 190,569	\$ 191,045	\$ 175,774	\$ 175,178

(1) MBS and Federal Family Education Loan Program ABS are not presented by contractual maturity because their expected maturities will likely differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment fees.

Table 4.6 presents the proceeds from sales and gross gains and losses on sales of AFS securities for the years ended December 31, 2025, 2024, and 2023.

Table 4.6 - Proceeds from Sales and Gross Gains and Losses on Sales of AFS Securities

(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Proceeds from sales of AFS securities	\$ 3,668	\$ 2,702	\$ 1,391
Gross gains on sales of AFS securities	\$ 8	\$ 3	\$ 1
Gross losses on sales of AFS securities	(3)	—	(7)
Net realized gains (losses) from sales of AFS securities	\$ 5	\$ 3	\$ (6)

Held-to-Maturity Securities

Table 4.7 presents the amortized cost, net carrying value, and fair value of HTM securities by major security type at December 31, 2025 and 2024.

Table 4.7 - HTM Securities by Major Security Type

(dollars in millions)

	December 31, 2025						
	Amortized Cost ⁽¹⁾	Allowance for Credit Losses	OTTI Recognized in AOCI ⁽²⁾	Net Carrying Value	Gross Unrecognized Holding Gains ⁽³⁾	Gross Unrecognized Holding Losses ⁽³⁾	Fair Value
Non-mortgage-backed securities							
U.S. Treasury obligations	\$ 51	\$ —	\$ —	\$ 51	\$ —	\$ —	\$ 51
Other U.S. obligations	1,360	—	—	1,360	4	(2)	1,362
GSE and Tennessee Valley Authority obligations	484	—	—	484	10	—	494
State or local housing agency obligations	273	—	—	273	1	(7)	267
Total non-mortgage-backed securities	2,168	—	—	2,168	15	(9)	2,174
Mortgage-backed securities							
U.S. obligations single-family	6,423	—	—	6,423	31	(137)	6,317
GSE single-family	22,135	—	—	22,135	122	(213)	22,044
GSE multifamily	30,540	—	—	30,540	20	(248)	30,312
Private-label	115	—	—	115	—	(6)	109
Total mortgage-backed securities	59,213	—	—	59,213	173	(604)	58,782
Total	\$ 61,381	\$ —	\$ —	\$ 61,381	\$ 188	\$ (613)	\$ 60,956

	December 31, 2024						
	Amortized Cost ⁽¹⁾	Allowance for Credit Losses	OTTI Recognized in AOCI ⁽²⁾	Net Carrying Value	Gross Unrecognized Holding Gains ⁽³⁾	Gross Unrecognized Holding Losses ⁽³⁾	Fair Value
Non-mortgage-backed securities							
U.S. Treasury obligations	\$ 50	\$ —	\$ —	\$ 50	\$ —	\$ —	\$ 50
Other U.S. obligations	1,539	—	—	1,539	1	(7)	1,533
GSE and Tennessee Valley Authority obligations	1,153	—	—	1,153	8	(2)	1,159
State or local housing agency obligations	268	—	—	268	—	(12)	256
Total non-mortgage-backed securities	3,010	—	—	3,010	9	(21)	2,998
Mortgage-backed securities							
U.S. obligations single-family	7,283	—	—	7,283	13	(212)	7,084
GSE single-family	17,621	—	—	17,621	40	(365)	17,296
GSE multifamily	35,156	—	—	35,156	21	(490)	34,687
Private-label	172	—	(1)	171	4	(8)	167
Total mortgage-backed securities	60,232	—	(1)	60,231	78	(1,075)	59,234
Total	\$ 63,242	\$ —	\$ (1)	\$ 63,241	\$ 87	\$ (1,096)	\$ 62,232

(1) Amortized cost of HTM securities includes adjustments made to the cost basis of an investment for accretion, amortization, and/or net charge-offs and excludes accrued interest receivable of \$140 million and \$178 million at December 31, 2025 and 2024.

(2) Represents other-than-temporary impairment (OTTI) recognized in AOCI.

(3) Gross unrecognized holding gains (losses) represent the difference between fair value and net carrying value.

Table 4.8 presents the amortized cost, net carrying value, and fair value of HTM securities by contractual maturity at December 31, 2025 and 2024.

Table 4.8 - HTM Securities by Contractual Maturity

(dollars in millions)

Year of Maturity	December 31, 2025			December 31, 2024		
	Amortized Cost	Net Carrying Value ⁽¹⁾	Fair Value	Amortized Cost	Net Carrying Value ⁽¹⁾	Fair Value
Non-mortgage-backed securities						
Due in one year or less	\$ 1,176	\$ 1,176	\$ 1,177	\$ 2,081	\$ 2,081	\$ 2,082
Due after one year through five years	334	334	334	347	347	349
Due after five years through ten years	327	327	335	333	333	326
Due after ten years	331	331	328	249	249	241
Total non-mortgage-backed securities	2,168	2,168	2,174	3,010	3,010	2,998
Mortgage-backed securities⁽²⁾	59,213	59,213	58,782	60,232	60,231	59,234
Total	\$ 61,381	\$ 61,381	\$ 60,956	\$ 63,242	\$ 63,241	\$ 62,232

(1) Net carrying value of HTM securities represents amortized cost after adjustments for non-credit-related losses recognized in AOCI and allowance for credit losses.

(2) MBS are not presented by contractual maturity because their expected maturities will likely differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment fees.

Certain FHLBanks sold securities out of their respective HTM portfolio that were near enough to their maturity date (for example, within three months of maturity) that changes in market interest rates would not have a significant effect on the security's fair value or had less than 15% of the acquired principal outstanding at the time of the sale. These sales are considered maturities for purposes of security classification. Table 4.9 presents the proceeds from sales and gains and losses on sales of HTM securities for the years ended December 31, 2025, 2024, and 2023.

Table 4.9 - Proceeds from Sales and Gains and Losses on Sales of HTM Securities

(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Proceeds from sales of HTM securities	\$ 26	\$ —	\$ 39
Amortized cost of HTM securities sold	25	—	38
Net realized gains (losses) from sales of HTM securities	\$ 1	\$ —	\$ 1

Allowance for Credit Losses on AFS and HTM Securities

The FHLBanks evaluate AFS and HTM securities for credit losses on a quarterly basis. Table 4.10 presents a rollforward of the allowance for credit losses on AFS securities for the years ended December 31, 2025, 2024, and 2023. There was no allowance for credit losses on HTM securities for the years ended December 31, 2025, 2024, and 2023.

Table 4.10 - Allowance for Credit Losses on AFS Securities

(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Balance, at beginning of period	\$ 44	\$ 43	\$ 38
Provision (reversal) for credit losses	5	2	8
Charge-offs, net of recoveries	—	(1)	(3)
Balance, at end of period	\$ 49	\$ 44	\$ 43

AFS and HTM Securities (Excluding PLMBS)

The FHLBanks' AFS and HTM securities are principally U.S. Treasury and other U.S. obligations, GSE and Tennessee Valley Authority obligations, state or local housing agency obligations, and MBS issued by Ginnie Mae, Freddie Mac, and Fannie Mae that are backed by single-family or multifamily mortgage loans. The FHLBanks only purchase securities that are considered investment quality. Excluding PLMBS investments, at December 31, 2025 and 2024, substantially all of the AFS and HTM securities, based on amortized cost, were rated single-A or above by a nationally recognized statistical rating organization, based on the lowest long-term credit rating for each security owned by each individual FHLBank.

Each FHLBank evaluates its individual AFS securities for impairment by comparing the security's fair value to its amortized cost. Impairment may exist when the fair value of the investment is less than its amortized cost (i.e., in an unrealized loss position). At December 31, 2025 and 2024, certain of the FHLBanks' AFS securities were in an unrealized loss position. These losses are considered temporary as each FHLBank expects to recover the entire amortized cost basis on these AFS securities and neither intends to sell these securities nor considers it more likely than not that it will be required to sell these securities before its anticipated recovery of each security's remaining amortized cost basis. Furthermore, the FHLBanks had not experienced any payment default on these securities at December 31, 2025 and 2024, and substantially all of these securities are highly-rated. In the case of U.S. obligations, they carry an explicit government guarantee. In the case of GSE securities, they are purchased under an assumption that the issuers' obligation to pay principal and interest on those securities will be honored, taking into account their status as GSEs. As a result, no allowance for credit losses was recorded on these AFS securities at December 31, 2025 and 2024.

Each FHLBank evaluates its HTM securities for impairment on a collective or pooled basis unless an individual assessment is deemed necessary because the securities do not possess similar risk characteristics. At December 31, 2025 and 2024, the FHLBanks had not established an allowance for credit losses on any of these HTM securities because the securities: (1) were all highly-rated and/or had short remaining terms to maturity, (2) had not experienced, nor did the FHLBanks expect, any payment default on these securities, (3) in the case of U.S. obligations, carry an explicit government guarantee, and (4) in the case of GSE securities, are purchased under an assumption that the issuers' obligation to pay principal and interest on those securities will be honored, taking into account their status as GSEs.

Private-label MBS

Certain FHLBanks also hold investments in private-label MBS. No FHLBank has purchased private-label MBS since 2008. Although the FHLBanks invested in private-label MBS that at the date of purchase were substantially all rated triple-A, many of these securities have subsequently experienced significant credit deterioration. At December 31, 2025 and 2024, 4% and 6% of private-label MBS, based on amortized cost, were rated single-A, or above, by a nationally recognized statistical rating organization; and the remaining securities were either rated less than single-A, or were unrated. To determine whether an allowance for credit losses is necessary on these securities, the FHLBanks perform cash flow analyses.

Each applicable FHLBank performs a cash flow analysis using third-party models to assess whether the entire amortized cost basis of its private-label MBS will be recovered. The projected cash flows are based on a number of assumptions and expectations, and the results of these models can vary significantly with changes in assumptions and expectations. The projected cash flows, determined based on the model approach, reflect a best estimate scenario and include a base case housing price forecast and a base case housing price recovery path. At December 31, 2025 and 2024, the allowance for credit losses was \$49 million and \$44 million for AFS PLMBS. For certain private-label MBS where underlying collateral data is not available, alternative procedures as determined by each FHLBank are used to assess these securities for credit loss.

Note 5 - Advances

The FHLBanks offer a wide range of fixed- and variable-rate advance products with different maturities, interest rates, payment characteristics, and optionality. Fixed-rate advances generally have maturities ranging from one day to 30 years. Variable-rate advances generally have maturities ranging from less than 30 days to 20 years, where the interest rates reset periodically at a fixed spread to the Secured Overnight Financing Rate (SOFR) or other specified indices, or to consolidated obligation yields.

Table 5.1 presents advances outstanding by redemption term and weighted-average interest rate at December 31, 2025 and 2024.

Table 5.1 - Advances by Redemption Term

(dollars in millions)

Redemption Term	December 31, 2025		December 31, 2024	
	Amount ⁽¹⁾	Weighted-Average Interest Rate	Amount ⁽¹⁾	Weighted-Average Interest Rate
Overdrawn demand and overnight deposit accounts	\$ 2	3.98 %	\$ 6	4.97 %
Due in 1 year or less	389,841	3.76 %	411,780	4.26 %
Due after 1 year through 2 years	118,417	3.89 %	120,378	4.06 %
Due after 2 years through 3 years	69,274	3.86 %	76,996	3.85 %
Due after 3 years through 4 years	34,718	3.90 %	59,659	4.04 %
Due after 4 years through 5 years	30,656	3.57 %	31,553	4.02 %
Thereafter	34,169	3.51 %	40,486	3.45 %
Total principal amount	677,077	3.78 %	740,858	4.11 %
Premiums	7		15	
Discounts	(169)		(138)	
Fair value hedging adjustments	(274)		(4,031)	
Fair value option valuation adjustments	70		9	
Total	\$ 676,711		\$ 736,713	

(1) Carrying amounts exclude accrued interest receivable of \$2,041 million and \$2,550 million at December 31, 2025 and 2024.

The FHLBanks offer advances to members and housing associates that provide the right, based upon predetermined option exercise dates, to call the advance prior to maturity without incurring prepayment or termination fees (callable advances). The FHLBanks also offer certain floating-rate and/or amortizing advances that may be contractually prepaid by the borrower on specified dates without incurring prepayment or termination fees (prepayable advances). Other advances may only be prepaid by paying a fee to the FHLBank (prepayment fee) that makes the FHLBank financially indifferent to the prepayment of the advance.

Some advances contain embedded options allowing an FHLBank to offer puttable and convertible advances. A member can either sell an embedded option to an FHLBank or purchase an embedded option from an FHLBank. With a puttable advance to a member, an FHLBank effectively purchases a put option from the member that allows that FHLBank to put or extinguish the fixed-rate advance to the member on predetermined exercise dates. Generally, these put options are exercised when interest rates increase relative to contractual rates.

Convertible advances allow an FHLBank to convert an advance from one interest-payment term structure to another. Fixed-rate to variable-rate convertible advances have a defined lockout period after which they convert to the current market rate or another structure. A convertible advance generally carries a lower initial interest rate than a comparable-maturity fixed-rate advance without the conversion feature. Variable- to fixed-rate convertible advances have a defined lockout period during which the interest rates adjust based on a spread to SOFR or other specified indices, or to consolidated obligation yields. At the end of the lockout period, these advances may convert to fixed-rate advances. The fixed rates on the converted advances are determined at origination.

Table 5.2 presents advances by redemption term or next call date and next put or convert date at December 31, 2025 and 2024.

Table 5.2 - Advances by Redemption Term or Next Call Date and Next Put or Convert Date

(dollars in millions)

	Redemption Term or Next Call Date ⁽¹⁾		Redemption Term or Next Put or Convert Date	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Overdrawn demand and overnight deposit accounts	\$ 2	\$ 6	\$ 2	\$ 6
Due in 1 year or less	430,518	456,675	425,005	447,546
Due after 1 year through 2 years	105,204	98,494	115,829	117,908
Due after 2 years through 3 years	56,734	73,616	63,663	73,244
Due after 3 years through 4 years	29,514	47,701	29,649	55,455
Due after 4 years through 5 years	24,457	26,904	26,440	24,787
Thereafter	30,648	37,462	16,489	21,912
Total principal amount	\$ 677,077	\$ 740,858	\$ 677,077	\$ 740,858

(1) Also includes certain floating-rate and/or amortizing advances that may be contractually prepaid by the borrower on specified dates without incurring prepayment or termination fees.

Table 5.3 presents the redemption term for fixed-rate and variable-rate advances at December 31, 2025 and 2024.

Table 5.3 - Advances by Current Interest Rate Terms

(dollars in millions)

Redemption Term	December 31, 2025	December 31, 2024
Fixed-rate		
Due in one year or less	\$ 231,536	\$ 246,904
Due after one year	210,042	246,481
Total fixed-rate	441,578	493,385
Variable-rate		
Due in one year or less	158,307	164,882
Due after one year	77,192	82,591
Total variable-rate	235,499	247,473
Total principal amount	\$ 677,077	\$ 740,858

Credit Risk Exposure and Security Terms

The FHLBanks' advances are primarily made to member financial institutions, including commercial banks and insurance companies. Each FHLBank manages its credit exposure to advances through an integrated approach that includes establishing a credit limit for each borrower. This approach includes an ongoing review of each borrower's financial condition, in conjunction with the FHLBank's collateral and lending policies to limit risk of loss, while balancing borrowers' needs for a reliable source of funding.

In addition, each FHLBank lends to eligible borrowers in accordance with federal law and FHFA regulations. Specifically, each FHLBank is required to obtain sufficient collateral to fully secure credit products up to the borrower's total credit limit. Collateral eligible to secure new or renewed advances includes:

- one-to-four family and multifamily mortgage loans (delinquent for no more than 90 days) and securities representing such mortgages;
- loans and securities issued, insured, or guaranteed by the U.S. government or any U.S. government agency (for example, mortgage-backed securities issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae);

- cash or deposits in the FHLBank;
- certain other collateral that is real estate-related, such as commercial real estate loans, provided it meets certain eligibility requirements; and
- certain qualifying securities representing undivided equity interests in eligible advance collateral.

Residential mortgage loans are the principal form of collateral for advances. The estimated value of the collateral required to secure each member's credit products is calculated by applying collateral discounts, or haircuts, to the market value or unpaid principal balance of the collateral, as applicable. In addition, community development financial institutions are eligible to use expanded statutory collateral provisions for small business, agriculture loans, and community development loans. The FHLBank capital stock owned by each borrower is also pledged as collateral. Collateral arrangements may vary depending upon borrower credit quality, financial condition, and performance; borrowing capacity; the type of member (e.g., commercial bank, insurance company, or CDFI); collateral availability; and overall credit exposure to the borrower. Each FHLBank can also require additional or substitute collateral to protect its security interest. The FHLBanks also have policies and procedures for validating the reasonableness of their collateral valuations. In addition, collateral verifications and on-site reviews are performed by the FHLBanks based on the risk profile of the borrower. Management of each FHLBank believes that these policies effectively manage that FHLBank's respective credit risk from advances.

An FHLBank either allows a borrower to retain physical possession of the collateral assigned to it, or requires the borrower to specifically assign or place physical possession of the collateral with the FHLBank or its third-party custodian. Each FHLBank perfects its security interest in all pledged collateral. The FHLBank Act provides that, notwithstanding any other provision of law, any security interest granted to an FHLBank by any member of any FHLBank, or any affiliate of any member, is entitled to a priority over the claims and rights of any party (including any receiver, conservator, trustee, or similar lien creditor), other than claims and rights that (1) would be entitled to priority under otherwise applicable law, and (2) are held by actual bona fide purchasers for value or by actual secured parties that are secured by actual perfected security interests. Moreover, with respect to federally-insured depository institution borrowers, pursuant to its regulations, the Federal Deposit Insurance Corporation (FDIC) has recognized the priority of an FHLBank's security interest under the FHLBank Act and the right of an FHLBank to require delivery of collateral held by the FDIC, as receiver, for a failed depository institution. Each FHLBank takes steps necessary to help ensure that its security interest in all collateral pledged by non-depository institutions, such as insurance companies and housing associates, is perfected and protected to the same extent as its security interest in the collateral pledged by depository institutions.

The FHLBanks evaluate the credit quality of advances using a risk-based approach and taking into consideration each borrower's financial strength. This assessment considers the payment performance and the types and amount of collateral pledged to be the primary indicators of credit quality. At December 31, 2025 and 2024, each FHLBank had rights to collateral on a borrower-by-borrower basis with an estimated value equal to, or greater than, its outstanding advances.

Each FHLBank continues to evaluate and make changes to its collateral guidelines, as necessary, based on current market conditions. At December 31, 2025 and 2024, none of the FHLBanks had any advances that were considered past due, on nonaccrual status, or considered impaired. In addition, there were no modifications related to advances with borrowers experiencing financial difficulties at any FHLBank during the year ended December 31, 2025 and 2024. Based on the collateral held as security, each FHLBank management's credit extension and collateral policies, and repayment history on advances, no allowance for credit losses on advances was recorded at December 31, 2025 and 2024.

Note 6 - Mortgage Loans

Mortgage Loans Held for Portfolio

Mortgage loans held for portfolio consist of loans obtained through the MPF Program, the MPP, or the MAP, and are either conventional mortgage loans or government-guaranteed or -insured mortgage loans. Under these mortgage programs, the FHLBanks purchase single-family (secured by four or fewer residential units) mortgage loans that are originated or acquired by participating financial institutions. These mortgage loans are credit-enhanced by participating financial institutions or are guaranteed or insured by federal agencies.

Table 6.1 presents the composition of mortgage loans held for portfolio, net of the allowance for credit losses at December 31, 2025 and 2024.

Table 6.1 - Mortgage Loans Held for Portfolio

(dollars in millions)

	December 31,	
	2025	2024
Fixed-rate, long-term ⁽¹⁾ single-family mortgage loans	\$ 73,256	\$ 63,896
Fixed-rate, medium-term ⁽²⁾ single-family mortgage loans	4,910	4,822
Total unpaid principal balance	78,166	68,718
Premiums	1,208	1,063
Discounts	(143)	(106)
Derivatives and hedging adjustments	(30)	(52)
Total mortgage loans held for portfolio⁽³⁾	79,201	69,623
Allowance for credit losses on mortgage loans	(32)	(30)
Mortgage loans held for portfolio, net	\$ 79,169	\$ 69,593

(1) Long-term is defined as an original term of greater than 15 years and up to 30 years.

(2) Medium-term is defined as an original term of 15 years or less.

(3) Excludes accrued interest receivable of \$523 million and \$414 million at December 31, 2025 and 2024.

Table 6.2 presents mortgage loans held for portfolio by collateral/guarantee type at December 31, 2025 and 2024.

Table 6.2 - Mortgage Loans Held for Portfolio by Collateral/Guarantee Type

(dollars in millions)

	December 31,	
	2025	2024
Conventional mortgage loans	\$ 75,696	\$ 66,480
Government-guaranteed or -insured mortgage loans	2,470	2,238
Total unpaid principal balance	\$ 78,166	\$ 68,718

Credit Enhancements. An FHLBank's allowance for credit losses considers the credit enhancements associated with conventional mortgage loans under the MPF Program, the MPP, and the MAP. Credit enhancements may include primary mortgage insurance, supplemental mortgage insurance, the credit enhancement amount plus any recoverable performance-based credit enhancement fees (for certain MPF loans), Lender Risk Account (for MPP loans), and Member Performance Account (for MAP loans). The credit risk analysis of all conventional loans is performed at the individual master commitment level to determine the credit enhancements available to recover losses on loans under each individual master commitment.

MPF Program. Participating financial institutions are paid a credit enhancement fee for assuming credit risk, and in some instances all or a portion of the credit enhancement fee may be performance-based. An FHLBank records credit enhancement fees paid to the participating financial institutions as a reduction to mortgage interest income. A participating financial institution may obtain supplemental mortgage insurance that it intends to use to cover a portion of its credit loss obligation under a master commitment.

Each FHLBank participating in the MPF program (MPF FHLBank) and its participating financial institution share the risk of credit losses on conventional MPF loan products held for portfolio, by structuring potential losses into layers with respect to each master commitment. Credit losses in a master commitment are first absorbed by an FHLBank, up to a specified amount referred to as the First Loss Account. For certain product master commitments, the FHLBank may withhold a participating financial institution's scheduled performance credit enhancement fee in order to reimburse the FHLBank for a portion of credit losses allocated to the First Loss Account.

The First Loss Account represents the first layer or portion of credit losses that each MPF FHLBank absorbs with respect to its MPF loans after considering the borrower's equity, primary mortgage insurance, and recoverable credit enhancement fees. The participating financial institution is required to cover the next layer of losses up to an agreed-upon credit enhancement obligation amount, which may consist of a direct liability of the participating financial institution to pay credit losses up to a specified amount, a contractual obligation of a participating financial institution to provide supplemental mortgage insurance, or a combination of both. Any remaining unallocated losses are absorbed by the MPF FHLBank.

Unlike conventional MPF products held for portfolio, under the MPF Xtra, MPF Government, and MPF Government MBS products, participating financial institutions are not required to provide credit enhancement and do not receive credit enhancement fees. Loans sold to the FHLBank of Chicago under the MPF Xtra product are concurrently sold to third-party investors, and are not recorded on the MPF FHLBank's statement of condition.

MPP and MAP Loans. The conventional mortgage loans under the MPP are supported by a Lender Risk Account, and may also be supported by primary or supplemental mortgage insurance, in addition to the associated property as collateral. The Lender Risk Account is funded by an FHLBank participating in the MPP (MPP FHLBank) either upfront as a portion of the purchase proceeds or through a portion of the net interest remitted monthly by the borrower in an amount sufficient to cover expected losses on the pool of mortgages. The Lender Risk Account is recorded in other liabilities on the Combined Statements of Condition. To the extent available, Lender Risk Account funds are used to offset any losses that occur. Typically after five years, excess funds over required balances are returned to the participating financial institution in accordance with a step-down schedule that is established upon execution of a master commitment contract. Similar to the MPP's Lender Risk Account, the FHLBank of New York maintains a Member Performance Account as credit enhancement for MAP loans. At December 31, 2025 and 2024, the amount of the credit enhancements in the Lender Risk and Member Performance accounts remaining to cover future potential losses totaled \$566 million and \$515 million.

Payment Status of Mortgage Loans. Payment status is the key credit quality indicator for conventional mortgage loans and allows the FHLBanks to monitor borrower performance. A past due loan is one where the borrower has failed to make a full payment of principal and interest within 30 days of its due date. Other delinquency statistics include, non-accrual loans and loans in process of foreclosure. Tables 6.3 and 6.4 present the payment status for conventional mortgage loans and other delinquency statistics for all of the FHLBanks' mortgage loans at December 31, 2025 and 2024.

Table 6.3 - Credit Quality Indicator for Conventional Mortgage Loans

(dollars in millions)

Payment Status at Amortized Cost ⁽¹⁾	December 31, 2025		
	Conventional Mortgage Loans		
	Origination Year		
	Prior to 2021	2021 to 2025	Total
Past due 30-59 days	\$ 249	\$ 313	\$ 562
Past due 60-89 days	64	67	131
Past due 90 days or more	96	87	183
Total past due mortgage loans	409	467	876
Total current mortgage loans	24,374	51,451	75,825
Total conventional mortgage loans	\$ 24,783	\$ 51,918	\$ 76,701

Payment Status at Amortized Cost ⁽¹⁾	December 31, 2024		
	Conventional Mortgage Loans		
	Origination Year		
	Prior to 2020	2020 to 2024	Total
Past due 30-59 days	\$ 205	\$ 250	\$ 455
Past due 60-89 days	55	54	109
Past due 90 days or more	98	72	170
Total past due mortgage loans	358	376	734
Total current mortgage loans	17,507	49,116	66,623
Total conventional mortgage loans	\$ 17,865	\$ 49,492	\$ 67,357

(1) Amortized cost excludes accrued interest receivable.

Table 6.4 - Other Delinquency Statistics

(dollars in millions)

Amortized Cost	December 31, 2025		
	Conventional Mortgage Loans	Government-Guaranteed or -Insured	Total
In process of foreclosure ⁽¹⁾	\$ 42	\$ 8	\$ 50
Serious delinquency rate ⁽²⁾	0.24 %	2.01 %	0.30 %
Past due 90 days or more and still accruing interest	\$ 16	\$ 49	\$ 65
Loans on non-accrual status ⁽³⁾	\$ 233	\$ —	\$ 233

Amortized Cost	December 31, 2024		
	Conventional Mortgage Loans	Government-Guaranteed or -Insured	Total
In process of foreclosure ⁽¹⁾	\$ 39	\$ 10	\$ 49
Serious delinquency rate ⁽²⁾	0.26 %	1.64 %	0.30 %
Past due 90 days or more and still accruing interest	\$ 14	\$ 36	\$ 50
Loans on non-accrual status ⁽³⁾	\$ 215	\$ —	\$ 215

(1) Includes loans where the decision of foreclosure or a similar alternative, such as pursuit of deed-in-lieu, has been reported.

(2) Represents seriously delinquent loans as a percentage of total mortgage loans. Seriously delinquent loans are comprised of all loans past due 90 days or more and loans that are in the process of foreclosure.

(3) At December 31, 2025 and 2024, \$109 million and \$101 million of conventional mortgage loans on non-accrual status did not have a related allowance for credit losses because either these loans were previously charged-off to the expected recoverable value or the fair value of the underlying collateral, including any credit enhancements, was greater than the amortized cost of the loans.

Allowance for Credit Losses for Mortgage Loans

Conventional Mortgage Loans. Each FHLBank determines its allowance for credit losses on conventional loans through analyses that include consideration of various loan portfolio and collateral-related characteristics, such as past performance, current conditions, and reasonable and supportable forecasts of expected economic conditions. The FHLBanks use models that employ a variety of methods, such as projected cash flows, to estimate expected credit losses over the life of the loans. These models rely on a number of inputs, such as both current and forecasted property values and interest rates as well as historical borrower behavior experience. Each FHLBank also incorporates associated credit enhancements, if any, to determine its estimate of expected credit losses.

Certain conventional loans may be evaluated for credit losses by an FHLBank using the practical expedient for collateral dependent assets. A mortgage loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be substantially through the sale of the underlying collateral. An FHLBank may estimate the fair value of this collateral by applying an appropriate loss severity rate or using third party estimates or property valuation model(s). The expected credit loss of a collateral dependent mortgage loan is equal to the difference between the amortized cost of the loan and the estimated fair value of the collateral, less estimated selling costs. The FHLBanks will either reserve for these estimated losses or record a direct charge-off of the loan balance, if certain triggering criteria are met. Expected recoveries of prior charge-offs,

if any, are included in the allowance for credit losses. Table 6.5 presents a rollforward of the allowance for credit losses on conventional mortgage loans for the years ended December 31, 2025, 2024, and 2023.

Table 6.5 - Allowance for Credit Losses on Conventional Mortgage Loans

(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Balance, at beginning of period	\$ 30	\$ 35	\$ 30
(Charge-offs), net of recoveries	(3)	(2)	—
Provision (reversal) for credit losses	5	(3)	5
Balance, at end of period	\$ 32	\$ 30	\$ 35

Government-Guaranteed or -Insured Mortgage Loans. An FHLBank may invest in fixed-rate mortgage loans that are insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs, the Rural Housing Service of the Department of Agriculture, and/or the Department of Housing and Urban Development. The servicer provides and maintains insurance or a guarantee from the applicable government agency. Based on each FHLBank's assessment of its servicers and the collateral backing the loans, the risk of loss was immaterial and, consequently, no FHLBank recorded an allowance for credit losses for government-guaranteed or -insured mortgage loans at December 31, 2025 and 2024.

Note 7 - Derivatives and Hedging Activities

Nature of Business Activity

The FHLBanks are exposed to interest-rate risk primarily from the effect of interest rate changes on their interest-earning assets and their interest-bearing liabilities that finance these assets. The goal of each FHLBank's interest-rate risk management strategy is not to eliminate interest-rate risk, but to manage it within appropriate limits. To mitigate the risk of loss, each FHLBank has established policies and procedures, which include guidelines on the amount of exposure to interest rate changes it is willing to accept. In addition, each FHLBank monitors the risk to its interest income, net interest margin, and average maturity of interest-earning assets and interest-bearing liabilities.

Consistent with FHFA regulation, an FHLBank enters into derivatives: (1) to manage the interest-rate risk exposures inherent in its otherwise unhedged assets and funding positions, (2) to achieve the FHLBank's risk management objectives, and (3) to act as an intermediary between its members and counterparties. FHFA regulation and each FHLBank's risk management policy prohibit the speculative use of these derivative instruments and limit credit risk arising from these instruments. The use of derivatives is an integral part of each FHLBank's financial and risk management strategy.

Each FHLBank reevaluates its hedging strategies periodically and may change the hedging techniques it uses or may adopt new strategies. The most common ways in which an FHLBank uses derivatives are to:

- reduce the interest-rate sensitivity and repricing gaps of assets and liabilities;
- preserve a favorable interest-rate spread between the yield of an asset (e.g., an advance) and the cost of the related liability (e.g., the consolidated obligation used to fund the advance);
- mitigate the adverse earnings effects of the shortening or extension of certain assets (e.g., advances or mortgage assets) and liabilities;
- manage embedded options in assets and liabilities;

- reduce funding costs by combining a derivative with a consolidated obligation because the cost of a combined funding structure can be lower than the cost of a comparable consolidated obligation; and
- protect the value of existing asset or liability positions or of anticipated transactions.

Application of Derivatives

Each FHLBank documents at inception all relationships between derivatives designated as hedging instruments and hedged items, its risk management objectives and strategies for undertaking various hedge transactions, and its method of assessing hedge effectiveness for all derivatives designated in an accounting hedging relationship. This process includes linking all derivatives that are designated as fair value or cash flow hedges to: (1) assets and liabilities on the Combined Statements of Condition, (2) firm commitments, or (3) forecasted transactions.

The FHLBanks have the following types of hedges qualifying for hedge accounting treatment (qualifying hedges) and hedges that do not qualify for hedge accounting treatment (non-qualifying hedges):

- A qualifying fair value or cash flow hedge of an associated financial instrument, a firm commitment, or an anticipated transaction.
- A non-qualifying economic hedge to manage certain defined risks on the Combined Statements of Condition. These hedges are primarily used to: (1) manage mismatches between the coupon features of assets and liabilities, (2) offset prepayment risks in certain assets, (3) mitigate the income statement volatility that occurs when financial instruments are recorded at fair value and hedge accounting is not permitted, (4) offset the income statement effect of other derivatives that are no longer designated to advances, investments, or consolidated obligations, or (5) reduce exposure reset risk.
- A non-qualifying intermediary hedge to meet the asset or liability management needs of its members. An FHLBank acts as an intermediary by entering into derivatives with its members and offsetting derivatives with other counterparties. This intermediation grants smaller members indirect access to the derivatives market. The derivatives used in intermediary activities do not receive hedge accounting treatment and are separately marked-to-market through earnings. The net result of the accounting for these derivatives does not significantly affect the operating results of the FHLBanks.

Each FHLBank transacts most of its derivatives with counterparties that are large banks and major broker-dealers. Some of these banks and broker-dealers, or their affiliates, buy, sell, and distribute consolidated obligations. Derivative transactions may be either executed with a counterparty, referred to as uncleared derivatives, or cleared through a Futures Commission Merchant (i.e., clearing agent) with a Derivative Clearing Organization, referred to as cleared derivatives. The FHLBanks are not derivative dealers and do not trade derivatives for short-term profit.

Types of Derivatives

The FHLBanks primarily use the following derivative instruments:

Interest-Rate Swaps. An interest-rate swap is an agreement between two entities to exchange cash flows in the future. The agreement sets the dates on which the cash flows will be exchanged and the manner in which the cash flows will be calculated. One of the simplest forms of an interest-rate swap involves the promise by one party to pay cash flows equivalent to the interest on a notional amount at a predetermined fixed rate for a given period of time. In return for this promise, this party receives cash flows equivalent to the interest on the same notional amount at a variable-rate index for the same period of time. The variable rate received or paid by the FHLBanks in most derivative transactions is based on SOFR or the Federal Funds overnight indexed swap rate (OIS).

Options. An option is an agreement between two entities that conveys the right, but not the obligation, to engage in a future transaction on some underlying security or other financial asset at an agreed-upon price during a certain period of time or on a specific date. Premiums paid to acquire options are considered the fair value of the derivative at inception of the hedge and are reported in derivative assets.

Swaptions. A swaption is an option on a swap that gives the buyer the right to enter into a specified interest-rate swap at a certain time in the future. When used as a hedge, a swaption can protect an FHLBank that is planning to lend or borrow funds in the future against future interest rate changes. The FHLBanks may enter into both payer swaptions and receiver swaptions. A payer swaption is the option to make fixed interest payments at a later date and a receiver swaption is the option to receive fixed interest payments at a later date.

Interest-Rate Cap and Floor Agreements. In an interest-rate cap agreement, a cash flow is generated if the price or rate of an underlying variable rises above a certain threshold (or cap) price. In an interest-rate floor agreement, a cash flow is generated if the price or rate of an underlying variable falls below a certain threshold (or floor) price. Interest-rate caps and floors are designed as protection against the interest rate on a variable-rate asset or liability falling below or rising above a certain level.

Futures and Forwards Contracts. Futures and forwards contracts gives the buyer the right to buy or sell a specific type of asset at a specific time at a given price. For example, certain mortgage delivery commitments entered into by an FHLBank are considered derivatives. An FHLBank may hedge these commitments by selling to-be-announced (TBA) mortgage-backed securities for forward settlement. A TBA represents a forward contract for the sale of mortgage-backed securities at a future agreed upon date for an established price.

Types of Hedged Items

An FHLBank may have the following types of hedged items:

Investments. The FHLBanks classify investment securities as HTM, AFS, or trading securities. The interest-rate and prepayment risks associated with these investment securities are managed through a combination of debt issuance and derivatives. An FHLBank may manage the prepayment and interest-rate risk by funding investment securities with consolidated obligations that have call features or by hedging the prepayment risk with caps or floors, callable swaps, or swaptions. An FHLBank may manage prepayment and duration risk by funding investment securities with consolidated obligations that contain call features. An FHLBank may also manage the risk arising from changing market prices and volatility of investment securities by entering into economic derivatives that generally offset the changes in fair value of the securities. Derivatives held by an FHLBank that are associated with trading and HTM securities are economic hedges and derivatives held by an FHLBank associated with available-for-sale securities may qualify as either a fair value hedge or a cash flow hedge, or may be an economic hedge.

Advances. The FHLBanks offer a wide range of fixed- and variable-rate advance products with different maturities, interest rates, payment characteristics, and optionality. An FHLBank may use derivatives to manage the repricing and/or option characteristics of advances in order to more closely match the characteristics of that FHLBank's funding liabilities. In general, whenever a member executes a fixed-rate advance or a variable-rate advance with embedded options, the FHLBank may simultaneously execute a derivative with terms that offset the terms and embedded options, in the advance. For example, an FHLBank may hedge a fixed-rate advance with an interest-rate swap where the FHLBank pays a fixed-rate and receives a variable-rate, effectively converting the fixed-rate advance to a variable-rate advance. This type of hedge is typically treated as a fair value hedge. In addition, an FHLBank may hedge a callable, prepayable, convertible or putable advance by entering into a cancelable interest-rate swap.

Mortgage Loans. The FHLBanks invest in fixed-rate mortgage loans. The prepayment options embedded in mortgage loans can result in extensions or contractions in the expected repayment of these investments, depending on changes in actual and estimated prepayment speeds. The FHLBanks manage the interest-rate and prepayment risks associated with mortgage loans through a combination of debt issuance and derivatives. The FHLBanks issue both callable and non-callable debt and prepayment-linked consolidated obligations to achieve cash flow patterns and liability durations similar to those expected on the mortgage loans. Interest-rate swaps, to the extent the payments on the mortgage loans result in a simultaneous reduction of the notional amount on the swaps, may receive fair value hedge accounting.

A combination of swaps and options, including futures, may be used as a portfolio of derivatives linked to a portfolio of mortgage loans. The portfolio of mortgage loans consists of one or more pools of similar assets, as determined by factors such as product type and coupon. As the portfolio of loans changes due to new loans, liquidations, and payments, the derivative portfolio is modified accordingly to hedge the interest-rate and prepayment risks effectively. A new hedging relationship is created and is treated as a fair value hedge.

The FHLBanks may also enter into interest-rate caps and floors, swaptions, callable swaps, and calls and puts to minimize the prepayment risk embedded in the mortgage loans. These type of hedges are treated as economic hedges as they are not identified to specific mortgage loans and are marked-to-market through earnings.

Consolidated Obligations. An FHLBank may enter into derivatives to hedge the interest-rate risk associated with its debt issuances. An FHLBank manages the risk arising from changing market prices and volatility of a consolidated obligation by matching the cash inflow on the derivative with the cash outflow on the consolidated obligation.

For example, an FHLBank may issue a fixed-rate consolidated obligation and simultaneously enter into a matching derivative in which the FHLBank receives a fixed cash flow designed to match in timing and amount the cash outflows the FHLBank pays on the consolidated obligation and the FHLBank pays a variable cash flow that closely matches the interest payments it receives on short-term or variable-rate advances. These transactions are typically treated as fair value hedges. The FHLBanks may issue variable-rate consolidated obligations indexed to specified indices, such as SOFR, and simultaneously execute interest-rate swaps to manage the interest-rate risk of the variable-rate debt. This type of hedge is treated as an economic hedge and the derivative is marked-to-market through earnings.

This strategy of issuing consolidated obligations while simultaneously entering into derivatives enables an FHLBank to offer a wider range of competitively-priced advances to its members and allows an FHLBank to manage its funding costs and associated interest-rate risk. The continued attractiveness of this strategy depends on yield relationships between the FHLBanks' consolidated obligations and the derivatives markets. If conditions change, an FHLBank may alter the types or terms of the consolidated obligations that it issues.

Anticipated Streams of Future Cash Flows. An FHLBank may enter into an option to hedge a specified future variable cash stream as a result of rolling over short-term, fixed-rate financial instruments, such as SOFR advances and consolidated discount notes. The option will effectively cap the variable cash stream at a predetermined target rate.

Firm Commitments. Certain mortgage loan purchase commitments are considered derivatives. An FHLBank may hedge these commitments by selling TBA mortgage-backed securities or other derivatives for forward settlement. The mortgage loan purchase commitment and the TBA used in the firm commitment hedging strategy are treated as an economic hedge and are marked-to-market through earnings. When the mortgage loan purchase commitment derivative settles, the current market value of the commitment is included with the basis of the mortgage loan and amortized accordingly.

Additionally, an FHLBank may enter into a commitment to issue consolidated obligations beyond the timeframe of normal market settlement conventions. These commitments are considered derivatives and treated as economic hedges, with changes in the fair value of the derivative marked-to-market through earnings. When the consolidated obligation issuance commitment derivative settles, the current market value of the commitment is included with the basis of the consolidated obligation and amortized accordingly.

An FHLBank may also hedge a firm commitment for a forward-starting advance through the use of an interest-rate swap. In this case, the interest-rate swap functions as the hedging instrument for both the firm commitment and the subsequent advance and is treated as a fair value hedge. If the hedging relationship is de-designated when the commitment is terminated and the advance is issued, the fair value change associated with the firm commitment is recorded as a basis adjustment of the advance and amortized accordingly. In addition, if a hedged firm commitment no longer qualifies as a fair value hedge, the hedge would be terminated and net gains and losses would be recognized in current period earnings. There were no material amounts of gains and losses recognized due to disqualification of firm commitment hedges during the years ended December 31, 2025, 2024, and 2023.

Anticipated Debt Issuance. Certain FHLBanks use derivatives to lock in the cost of funding prior to an anticipated debt issuance and designate them as cash flow hedges. The derivative is terminated upon issuance of the debt instrument.

Variable Cash Streams. Certain FHLBanks use derivatives to hedge the variability of cash flows over a specified period of time as a result of the issuances and maturities of short-term, fixed-rate instruments, such as discount notes, and designate them as cash flow hedges. The maturity dates of the cash flow streams are matched to the maturity dates of the derivatives. If the hedging relationships are terminated prior to their maturity dates by an FHLBank, that FHLBank continues to carry the derivative on the Combined Statements of Condition at its fair value and reclassifies the cumulative other comprehensive income adjustment into earnings when earnings are affected by the existing hedged item (i.e., the original forecasted transaction).

Financial Statement Effect and Additional Financial Information

Derivative Notional Amounts. The notional amount of derivatives serves as a factor in determining periodic interest payments or cash flows received and paid. However, the notional amount of derivatives reflects the FHLBanks' involvement in the various classes of financial instruments and represents neither the actual amounts exchanged nor the overall exposure of the FHLBanks to credit and market risk; the overall risk is much smaller. The risks of derivatives can be measured meaningfully on a portfolio basis that takes into account the counterparties, the types of derivatives, the items being hedged, and any offsets between the derivatives and the items being hedged.

Table 7.1 presents the notional amount, fair value of derivative instruments, and total derivative assets and liabilities at December 31, 2025 and 2024. Total derivative assets and liabilities include the effect of netting adjustments and cash collateral. For purposes of this disclosure, the derivative values include the fair value of derivatives and the related accrued interest.

Table 7.1 - Fair Value of Derivative Instruments

(dollars in millions)

	December 31, 2025			December 31, 2024		
	Notional Amount of Derivatives	Derivative Assets	Derivative Liabilities	Notional Amount of Derivatives	Derivative Assets	Derivative Liabilities
Derivatives designated as hedging instruments						
Interest-rate swaps	\$ 946,258	\$ 3,914	\$ 4,326	\$ 886,484	\$ 5,242	\$ 8,319
Derivatives not designated as hedging instruments						
Interest-rate swaps	227,713	528	388	196,019	1,095	584
Interest-rate swaptions	2,605	9	—	2,275	12	—
Interest-rate caps or floors	5,016	3	—	5,885	10	—
Interest-rate futures or forwards	237	—	1	199	2	—
Mortgage delivery commitments	748	2	1	483	—	2
Other	111	—	—	86	1	—
Total derivatives not designated as hedging instruments	236,430	542	390	204,947	1,120	586
Total derivatives before netting and collateral adjustments	\$ 1,182,688	4,456	4,716	\$ 1,091,431	6,362	8,905
Netting adjustments and cash collateral ⁽¹⁾		(2,292)	(4,688)		(3,394)	(8,787)
Total derivative assets and total derivative liabilities		\$ 2,164	\$ 28		\$ 2,968	\$ 118

(1) Amounts represent the application of the netting requirements that allow an FHLBank to settle positive and negative positions, and also cash collateral, including accrued interest, held or placed by that FHLBank with the same clearing agent and/or counterparty. Cash collateral posted, including accrued interest, was \$2,818 million and \$6,600 million at December 31, 2025 and 2024. Cash collateral received, including accrued interest, was \$1,545 million and \$2,170 million at December 31, 2025 and 2024.

Table 7.2 presents the net gains (losses) on qualifying and discontinued fair value and cash flow hedging relationships for the years ended December 31, 2025, 2024, and 2023.

Table 7.2 - Net Gains (Losses) on Fair Value and Cash Flow Hedging Relationships

(dollars in millions)

	Year Ended December 31, 2025				
	Interest Income/Expense				Other Comprehensive Income
	Advances	Available-for-Sale Securities	Consolidated Discount Notes	Consolidated Bonds	
Total interest income (expense) presented on the Combined Statements of Income	\$ 34,400	\$ 9,341	\$ (14,236)	\$ (36,253)	
Gains (losses) on fair value hedging relationships					
Interest rate contracts					
Derivatives ⁽¹⁾	\$ (1,181)	\$ (1,851)	\$ (23)	\$ 768	
Hedged items ⁽²⁾	3,689	4,074	(8)	(4,061)	
Net gains (losses) on fair value hedging relationships	\$ 2,508	\$ 2,223	\$ (31)	\$ (3,293)	
Gains (losses) on cash flow hedging relationships⁽³⁾					
Interest rate contracts					
Reclassified from AOCI into interest income (expense)	\$ —	\$ —	\$ 71	\$ 14	
Recognized in OCI					\$ (44)

	Year Ended December 31, 2024				
	Interest Income/Expense				Other Comprehensive Income
	Advances	Available-for-Sale Securities	Consolidated Discount Notes	Consolidated Bonds	
Total interest income (expense) presented on the Combined Statements of Income	\$ 43,484	\$ 10,120	\$ (15,816)	\$ (44,611)	
Gains (losses) on fair value hedging relationships					
Interest rate contracts					
Derivatives ⁽¹⁾	\$ 5,675	\$ 5,304	\$ (79)	\$ (3,531)	
Hedged items ⁽²⁾	158	(1,773)	(23)	(3,810)	
Net gains (losses) on fair value hedging relationships	\$ 5,833	\$ 3,531	\$ (102)	\$ (7,341)	
Gains (losses) on cash flow hedging relationships⁽³⁾					
Interest rate contracts					
Reclassified from AOCI into interest income (expense)	\$ —	\$ —	\$ 117	\$ 5	
Recognized in OCI					\$ 124
	Year Ended December 31, 2023				
	Interest Income/Expense				Other Comprehensive Income
	Advances	Available-for-Sale Securities	Consolidated Discount Notes	Consolidated Bonds	
Total interest income (expense) presented on the Combined Statements of Income	\$ 48,481	\$ 8,440	\$ (19,100)	\$ (44,190)	
Gains (losses) on fair value hedging relationships					
Interest rate contracts					
Derivatives ⁽¹⁾	\$ 2,054	\$ 1,170	\$ 5	\$ (1,991)	
Hedged items ⁽²⁾	3,546	2,074	(80)	(6,543)	
Net gains (losses) on fair value hedging relationships	\$ 5,600	\$ 3,244	\$ (75)	\$ (8,534)	
Gains (losses) on cash flow hedging relationships⁽³⁾					
Interest rate contracts					
Reclassified from AOCI into interest income (expense)	\$ —	\$ —	\$ 71	\$ (6)	
Recognized in OCI					\$ (9)

(1) Includes changes in fair value and net interest settlements and excludes the interest income (expense) of the respective hedged item.

(2) Includes changes in fair value and amortization and accretion of basis adjustments.

(3) Includes changes in fair value, net interest settlements, and amortization and accretion of hedging activities into interest income. Excludes the interest income (expense) of the respective hedged item.

For the years ended December 31, 2025, 2024, and 2023, no material amounts were reclassified from AOCI into earnings as a result of discontinued cash flow hedges because the original forecasted transactions occurred by the end of the originally specified time period or within a two-month period thereafter. At December 31, 2025, \$17 million of deferred net gains on derivative instruments in AOCI was expected to be reclassified to earnings during the next twelve months. At December 31, 2025, the maximum length of time over which an FHLBank was hedging its exposure to the variability in future cash flows for forecasted transactions was fifteen years, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments.

Table 7.3 presents the cumulative basis adjustments on hedged items designated in fair value hedging relationships and the related amortized cost of the hedged items at December 31, 2025 and 2024.

Table 7.3 - Cumulative Basis Adjustments for Fair Value Hedges

(dollars in millions)

	December 31, 2025				
	Advances	Available-for-Sale Securities	Mortgage Loans	Consolidated Discount Notes	Consolidated Bonds
Amortized cost of hedged asset or liability ⁽¹⁾	\$ 309,574	\$ 155,455	\$ 120	\$ 217,442	\$ 256,056
Fair value hedging adjustments					
Basis adjustments for active hedging relationships included in amortized cost	\$ (267)	\$ (3,659)	\$ —	\$ 24	\$ (2,184)
Basis adjustments for discontinued hedging relationships included in amortized cost	(7)	260	2	—	106
Total amount of fair value hedging basis adjustments	\$ (274)	\$ (3,399)	\$ 2	\$ 24	\$ (2,078)

	December 31, 2024				
	Advances	Available-for-Sale Securities	Mortgage Loans	Consolidated Discount Notes	Consolidated Bonds
Amortized cost of hedged asset or liability ⁽¹⁾	\$ 331,404	\$ 139,046	\$ 148	\$ 96,512	\$ 303,708
Fair value hedging adjustments					
Basis adjustments for active hedging relationships included in amortized cost	\$ (4,027)	\$ (8,581)	\$ —	\$ 16	\$ (6,247)
Basis adjustments for discontinued hedging relationships included in amortized cost	(4)	607	2	—	108
Total amount of fair value hedging basis adjustments	\$ (4,031)	\$ (7,974)	\$ 2	\$ 16	\$ (6,139)

(1) Includes only the portion of amortized cost representing the hedged items in active or discontinued fair value hedging relationships. Amortized cost includes fair value hedging adjustments.

Table 7.4 presents net gains (losses) related to derivatives and economic hedging activities recorded in non-interest income for the years ended December 31, 2025, 2024, and 2023.

Table 7.4 - Net Gains (Losses) on Derivatives and Economic Hedging Activities Recorded in Non-interest Income

(dollars in millions)

Derivatives not designated as hedging instruments	Year Ended December 31,		
	2025	2024	2023
Economic hedges			
Interest-rate swaps	\$ (327)	\$ 140	\$ 2
Interest-rate swaptions	(16)	(1)	(11)
Interest-rate caps or floors	(9)	(6)	(12)
Interest-rate futures or forwards	(12)	2	2
Net interest settlements	166	178	60
Other	(3)	2	2
Mortgage delivery commitments	23	(14)	(6)
Total net gains (losses) related to derivatives not designated as hedging instruments	(178)	301	37
Price alignment amount ⁽¹⁾	1	9	(27)
Net gains (losses) on derivatives	\$ (177)	\$ 310	\$ 10

(1) This amount is for derivatives for which variation margin is characterized as a daily settled contract.

Managing Credit Risk on Derivatives

Each FHLBank is subject to credit risk due to the risk of non-performance by counterparties to its derivative transactions, and manages credit risk through credit analyses of derivative counterparties, collateral requirements, and adherence to the requirements set forth in its policies, U.S. Commodity Futures Trading Commission regulations, and FHFA regulations.

Uncleared Derivatives. For uncleared derivatives, the degree of credit risk depends on the extent to which master netting arrangements are included in these contracts to mitigate the risk. Each FHLBank requires collateral agreements on its uncleared derivatives. Additionally, collateral related to derivatives with member institutions includes collateral assigned to an FHLBank, as evidenced by a written security agreement and held by the member institution for the benefit of that FHLBank.

Uncleared derivative transactions executed on or after the dates specified in applicable regulations are subject to two-way initial margin requirements as mandated by the Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, if an FHLBank's aggregate uncleared derivative transactions exposure to a counterparty exceeds a specified threshold. The initial margin is required to be held at a third-party custodian and does not change ownership. Rather, the party in respect of which the initial margin has been posted to the third-party custodian will have a security interest in the amount of initial margin required under the uncleared margin rules and can only take ownership upon the occurrence of certain events, including an event of default due to bankruptcy, insolvency, or similar proceeding.

For all uncleared transactions entered into on or after March 1, 2017, the derivative agreements are fully collateralized with a zero unsecured threshold in accordance with variation margin requirements issued by the U.S. federal bank regulatory agencies and the Commodity Futures Trading Commission.

Cleared Derivatives. For cleared derivatives, a Derivative Clearing Organization (Clearinghouse) is an FHLBank's counterparty. The Clearinghouse notifies the clearing agent of the required initial and variation margin and the clearing agent in turn notifies the FHLBank. Each FHLBank utilizes one or two Clearinghouses for all cleared derivative transactions, LCH Ltd. and/or CME Clearing. At both Clearinghouses, variation margin is characterized as daily settlement payments and initial margin is considered collateral. The requirement that an FHLBank post initial and variation margin, through the clearing agent to the Clearinghouse, exposes an FHLBank to credit risk if the clearing agent or the Clearinghouse fails to meet its obligations. The use of cleared derivatives is intended to mitigate credit risk exposure because a central counterparty is substituted for individual counterparties and collateral/payments for changes in the fair value of cleared derivatives is posted daily through a clearing agent.

The Clearinghouse determines initial margin requirements and generally credit ratings are not factored into the initial margin. However, clearing agents may require additional initial margin to be posted based on credit considerations, including, but not limited to, credit rating downgrades. None of the FHLBanks were required to post additional initial margin by its clearing agents, based on credit considerations, at December 31, 2025.

Offsetting of Derivative Assets and Derivative Liabilities

An FHLBank presents derivative instruments, related cash collateral received or pledged, and associated accrued interest, on a net basis by clearing agent and/or by counterparty when it has met the netting requirements.

Each FHLBank has analyzed the enforceability of offsetting rights incorporated in its cleared derivative transactions and determined that the exercise of those offsetting rights by a non-defaulting party under these transactions should be upheld under applicable law upon an event of default including a bankruptcy, insolvency, or similar proceeding involving the Clearinghouse or that FHLBank's clearing agent, or both. Based on this analysis, each FHLBank presents a net derivative receivable or payable for all of its transactions through a particular clearing agent with a particular Clearinghouse.

Table 7.5 presents separately the fair value of derivative instruments meeting or not meeting netting requirements, with and without the legal right of offset, including the related collateral at December 31, 2025 and 2024.

Table 7.5 - Offsetting of Derivative Assets and Derivative Liabilities

(dollars in millions)

December 31, 2025								
	Derivative Instruments Meeting Netting Requirements		Derivative Instruments Not Meeting Netting Requirements ⁽¹⁾	Total Derivative Assets and Total Derivative Liabilities	Non-cash Collateral Not Offset			Net Amount ⁽²⁾⁽³⁾
	Gross Recognized Amount	Gross Amounts of Netting Adjustments and Cash Collateral			Can Be Sold or Repledged	Cannot Be Sold or Repledged		
Derivative Assets								
Uncleared	\$ 2,789	\$ (2,616)	\$ 2	\$ 175	\$ 2	\$ 83	\$ 90	
Cleared	1,665	324	—	1,989	—	—	1,989	
Total				<u>\$ 2,164</u>			<u>\$ 2,079</u>	
Derivative Liabilities								
Uncleared	\$ 3,346	\$ (3,319)	\$ 1	\$ 28	\$ —	\$ —	\$ 28	
Cleared	1,369	(1,369)	—	—	—	—	—	
Total				<u>\$ 28</u>			<u>\$ 28</u>	
December 31, 2024								
	Derivative Instruments Meeting Netting Requirements		Derivative Instruments Not Meeting Netting Requirements ⁽¹⁾	Total Derivative Assets and Total Derivative Liabilities	Non-cash Collateral Not Offset			Net Amount ⁽²⁾⁽³⁾
	Gross Recognized Amount	Gross Amounts of Netting Adjustments and Cash Collateral			Can Be Sold or Repledged	Cannot Be Sold or Repledged		
Derivative Assets								
Uncleared	\$ 4,416	\$ (4,281)	\$ —	\$ 135	\$ —	\$ 72	\$ 63	
Cleared	1,946	887	—	2,833	—	—	2,833	
Total				<u>\$ 2,968</u>			<u>\$ 2,896</u>	
Derivative Liabilities								
Uncleared	\$ 7,037	\$ (6,921)	\$ 2	\$ 118	\$ —	\$ —	\$ 118	
Cleared	1,866	(1,866)	—	—	—	—	—	
Total				<u>\$ 118</u>			<u>\$ 118</u>	

(1) Represents derivatives that are not subject to an enforceable netting agreement (e.g., mortgage delivery commitments and certain interest-rate futures or forwards).

(2) Any over-collateralization at an FHLBank's individual clearing agent and/or counterparty level is not included in the determination of the net amount. At December 31, 2025 and 2024, the FHLBanks had additional net credit exposure of \$4,729 million and \$3,991 million due to instances where an FHLBank's non-cash collateral to a counterparty exceeded the FHLBank's net derivative position.

(3) The amount of non-cash collateral for uncleared derivatives included in the determination of the net amount is limited to the amount needed to secure the FHLBanks' or counterparties' uncleared exposure. In addition to the additional net credit exposure included in footnote 2 to this table, the FHLBanks pledged excess non-cash collateral with a fair value of \$174 million and \$101 million at December 31, 2025 and 2024, and the FHLBanks received excess noncash collateral with a fair value of \$139 million and \$100 million at December 31, 2025 and 2024.

Note 8 - Deposits

The FHLBanks offer demand and overnight deposit programs to members and to qualifying non-members. In addition, certain FHLBanks offer short-term interest-bearing deposit programs to members, and in certain cases, to qualifying non-members. A member that services mortgage loans may deposit in its FHLBank funds collected in connection with the mortgage loans, pending disbursement of these funds. The FHLBanks classify these funds as other deposits. Deposits classified as demand, overnight, or other pay interest based on a daily interest rate. Term deposits pay interest based on a fixed rate determined at the issuance of the deposit.

Table 8.1 presents interest-bearing and non-interest bearing deposits at December 31, 2025 and 2024.

Table 8.1 - Deposits

(dollars in millions)

	December 31, 2025	December 31, 2024
Interest-bearing		
Demand and overnight	\$ 14,321	\$ 13,685
Term	199	178
Other	28	11
Total interest-bearing	14,548	13,874
Non-interest-bearing		
Demand and overnight	195	133
Other	505	323
Total non-interest-bearing	700	456
Total deposits	\$ 15,248	\$ 14,330

Note 9 - Consolidated Obligations

Consolidated obligations consist of consolidated bonds and consolidated discount notes, which are joint and several obligations of all FHLBanks. The FHLBanks issue consolidated obligations through the Office of Finance as their agent. In connection with each debt issuance, an FHLBank specifies the amount of debt it wants issued on its behalf. The Office of Finance tracks the amount of debt issued on behalf of each FHLBank. In addition, each FHLBank records as a liability its specific portion of consolidated obligations for which it is the primary obligor.

The FHFA and the Secretary of the Treasury oversee the issuance of FHLBank debt through the Office of Finance. Consolidated bonds may be issued to raise short-, intermediate-, or long-term funds for the FHLBanks and are not subject to any statutory or regulatory limits on their maturity. Consolidated discount notes are issued primarily to raise short-term funds and have original maturities of up to one year. These notes generally sell below their face value and are redeemed at face value when they mature.

Although each FHLBank is primarily liable for its portion of consolidated obligations, each FHLBank is also jointly and severally liable with the other FHLBanks for the payment of principal and interest on all consolidated obligations of the FHLBanks. The principal amount of the FHLBanks' outstanding consolidated obligations, including consolidated obligations held by other FHLBanks, was \$1,151.8 billion and \$1,193.0 billion at December 31, 2025 and 2024. The FHFA, at its discretion, may require any FHLBank to make principal or interest payments due on any consolidated obligation whether or not the consolidated obligation represents a primary liability of that FHLBank. Although an FHLBank has never made the principal or interest payments due on a consolidated obligation on behalf of another FHLBank, if that event should occur, FHFA regulations provide that the paying FHLBank is entitled to reimbursement from the FHLBank that is primarily liable for that consolidated obligation for any payments and other associated costs, including interest to be determined by the FHFA. If, however, that FHLBank is unable to satisfy its repayment obligations, then the FHFA may allocate the outstanding liabilities of that FHLBank among the remaining FHLBanks on a pro-rata basis in proportion to each FHLBank's participation in all consolidated obligations outstanding or in any other manner it may determine to ensure that the FHLBanks operate in a safe and sound manner.

Regulations require each FHLBank to maintain unpledged qualifying assets at least equal to a pro-rata share of the total amount of currently outstanding consolidated obligations and equal to that FHLBank's participation in all such consolidated obligations outstanding. Qualifying assets are defined as cash; obligations of or fully guaranteed by the United States; secured advances; mortgages, which have any guaranty, insurance, or commitment from the United States or any agency of the United States; and investments described in Section 16(a) of the FHLBank Act (i.e., direct obligations of the United States; obligations, participations, or other instruments of or issued by Fannie Mae or Ginnie Mae; mortgages, obligations, or other securities which are or ever have been sold by Freddie Mac;

and such securities as fiduciary and trust funds may invest in under the laws of the state in which the FHLBank is located). Any assets subject to a lien or pledge for the benefit of the holders of any issue of consolidated obligations are treated as if they were free from lien or pledge for purposes of compliance with these regulations.

Table 9.1 presents the carrying value and principal amount of consolidated discount notes outstanding and the weighted-average interest rate at December 31, 2025 and 2024.

Table 9.1 - Consolidated Discount Notes Outstanding

(dollars in millions)

	Carrying Value	Principal Amount	Weighted-Average Interest Rate ⁽¹⁾
December 31, 2025	\$ 433,247	\$ 435,779	3.74 %
December 31, 2024	\$ 326,786	\$ 329,180	4.43 %

(1) Represents yield to maturity excluding concession fees.

Table 9.2 presents consolidated bonds outstanding by contractual maturity and the weighted-average interest rate at December 31, 2025 and 2024.

Table 9.2 - Consolidated Bonds Outstanding by Contractual Maturity

(dollars in millions)

Year of Contractual Maturity	December 31,			
	2025		2024	
	Amount	Weighted-Average Interest Rate	Amount	Weighted-Average Interest Rate
Due in 1 year or less	\$ 445,409	3.39 %	\$ 532,844	4.23 %
Due after 1 year through 2 years	130,575	3.49 %	169,843	3.15 %
Due after 2 years through 3 years	34,414	3.39 %	45,471	2.95 %
Due after 3 years through 4 years	24,451	3.87 %	29,662	3.38 %
Due after 4 years through 5 years	19,983	3.80 %	29,758	4.15 %
Thereafter	61,173	3.87 %	56,211	3.60 %
Total principal amount	716,005	3.48 %	863,789	3.88 %
Net premiums	26		62	
Fair value hedging adjustments	(2,078)		(6,139)	
Fair value option valuation adjustments	97		100	
Total	\$ 714,050		\$ 857,812	

Consolidated bonds outstanding were issued with either fixed-rate coupon payment terms or variable-rate coupon payment terms that are indexed to specified indices, such as SOFR. To meet the specific needs of both the FHLBanks and certain investors in consolidated obligations, both fixed-rate and variable-rate consolidated bonds may contain features that result in complex coupon payment terms and call options. When these consolidated bonds are issued, an FHLBank may enter into derivatives containing features that offset the terms and embedded options, if any, of the consolidated bond obligations.

Table 9.3 presents consolidated bonds outstanding by call features at December 31, 2025 and 2024.

Table 9.3 - Consolidated Bonds Outstanding by Call Features

(dollars in millions)

Principal Amount of Consolidated Bonds	December 31,	
	2025	2024
Non-callable/non-putable	\$ 430,225	\$ 541,191
Callable	285,780	322,598
Total principal amount	\$ 716,005	\$ 863,789

Table 9.4 presents consolidated bonds outstanding by contractual maturity or next call date at December 31, 2025 and 2024.

Table 9.4 - Consolidated Bonds Outstanding by Contractual Maturity or Next Call Date

(dollars in millions)

Year of Contractual Maturity or Next Call Date	December 31,	
	2025	2024
Due in 1 year or less	\$ 602,653	\$ 734,422
Due after 1 year through 2 years	71,073	76,079
Due after 2 years through 3 years	22,531	21,862
Due after 3 years through 4 years	6,986	15,434
Due after 4 years through 5 years	3,713	5,681
Thereafter	9,049	10,311
Total principal amount	\$ 716,005	\$ 863,789

Consolidated bonds, beyond having fixed-rate or simple variable-rate interest-rate payment terms, may also have the following interest-rate payment types:

- Step-up bonds pay interest at increasing fixed rates and step-down bonds pay interest at decreasing fixed rates for specified intervals over the life of the consolidated bond. These consolidated bonds generally contain provisions enabling an FHLBank to call consolidated bonds at its option on the step-up or step-down dates.
- Conversion bonds have interest rates that convert from fixed to variable, or variable to fixed, or from one index to another, on predetermined dates according to the terms of the consolidated bond offerings.
- Range bonds pay interest based on the number of days a specified index is within/outside of a specified range. The computation of the variable interest rate differs for each consolidated bond issue, but the consolidated bond generally pays zero interest or a minimal rate if the specified index is outside of the specified range.

Table 9.5 presents consolidated bonds by interest-rate payment type at December 31, 2025 and 2024.

Table 9.5 - Consolidated Bonds by Interest-Rate Payment Type

(dollars in millions)

Principal Amount of Consolidated Bonds	December 31,	
	2025	2024
Fixed-rate	\$ 349,199	\$ 397,409
Simple variable-rate	343,952	436,929
Step-up	22,762	29,344
Step-down	92	107
Total principal amount	\$ 716,005	\$ 863,789

Consolidated Bonds Denominated in Foreign Currencies. Consolidated bonds issued can be denominated in foreign currencies. Concurrent with these issuances, the FHLBanks exchange the interest and principal payment obligations related to the issues for equivalent amounts denominated in U.S. dollars. There were no consolidated bonds denominated in foreign currencies outstanding at December 31, 2025 and 2024.

Note 10 - Affordable Housing Program and Voluntary Contributions

The FHLBank Act requires each FHLBank to establish an AHP. Under its AHP, each FHLBank provides direct grants or below-market interest rate subsidies on advances to members who provide the funds to assist in the purchase, construction, or rehabilitation of housing for very low- and low- or moderate-income households. Each FHLBank recognizes AHP assessment expense equal to the greater of 10% of its annual income subject to assessment, or the prorated sum required to ensure the aggregate contribution by the FHLBanks is no less than \$100 million for each year. For purposes of the statutory AHP calculation, each FHLBank's income subject to assessment is defined as the individual FHLBank's net income before AHP assessments, plus interest expense related to mandatorily redeemable capital stock. Each FHLBank accrues this expense monthly based on its income subject to assessment. An FHLBank reduces its AHP liability when it makes grant disbursements or as members use advance subsidies.

If an FHLBank experiences a net loss during a quarter, but still had income subject to AHP assessment year-to-date, the FHLBank's obligation to the AHP would be calculated based on the FHLBank's year-to-date income subject to assessment. If the FHLBank had income subject to assessment in subsequent quarters, it would be required to contribute additional amounts to meet its calculated annual obligation. If an FHLBank experiences a net loss for a full year, the FHLBank would have no obligation to the AHP for the year, because each FHLBank's required annual AHP contribution is limited to its annual income subject to assessment. If the aggregate 10% calculation was less than \$100 million for the FHLBanks, each FHLBank would be required to contribute a prorated sum to ensure that the aggregate contribution by the FHLBanks equals \$100 million. The proration would be made on the basis of an FHLBank's income in relation to the income of all FHLBanks for the previous year, subject to the annual income limitation. There was no shortfall in assessments below the \$100 million minimum amount in the years ended December 31, 2025, 2024, or 2023. If an FHLBank finds that its required contributions are contributing to the financial instability of that FHLBank, it may apply to the FHFA for a temporary suspension of its contributions under the FHLBank Act. The FHLBanks did not make any such applications in the years ended December 31, 2025, 2024, or 2023.

In addition to the statutory AHP assessment, an FHLBank may make voluntary contributions to the AHP or other housing and community investment initiatives. The income statement effects of the FHLBank's voluntary contributions reduce net income before assessments which, in turn, reduces the statutory AHP assessment each year. As such, each FHLBank has committed to make supplemental voluntary contributions to the AHP by an amount that restores the statutory AHP assessment amount to what it otherwise would have been in the absence of these effects. Statutory AHP assessments and all voluntary contributions to the AHP are recorded in the AHP liability on the Combined Statements of Condition. Statutory AHP assessments and supplemental voluntary AHP contributions recorded as expense in the current year are generally awarded in the subsequent year and may be disbursed over several years.

Table 10.1 presents a rollforward of the AHP liability balance for the years ended December 31, 2025, 2024, and 2023.

Table 10.1 - Rollforward of the AHP Liability

(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
AHP liability balance, at beginning of year	\$ 1,781	\$ 1,405	\$ 944
Statutory AHP assessment	632	718	752
Voluntary AHP expense	53	89	38
Supplemental voluntary AHP expense	51	49	2
Direct grant subsidy disbursements	(561)	(484)	(331)
Advance subsidies	—	(1)	(4)
Recaptured amounts and other	5	5	4
AHP liability balance, at end of year	\$ 1,961	\$ 1,781	\$ 1,405

Other voluntary housing and community investment initiatives primarily consist of grants and donations and subsidized advances. Due to the varying nature of these initiatives, voluntary contributions to support other housing and community investments (non-AHP) are primarily recorded within Other Liabilities on the Combined Statements of Condition. Table 10.2 presents a rollforward of the voluntary contribution liability balance (non-AHP) for the years ended December 31, 2025, 2024, and 2023.

Table 10.2 - Rollforward of the Voluntary Contribution Liability (Non-AHP)

(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Voluntary contribution liability balance, at beginning of year	\$ 62	\$ 58	\$ 18
Voluntary other housing and community investment expenses (non-AHP)	384	343	145
Voluntary grants and donations	(276)	(247)	(100)
Loan subsidies ⁽¹⁾	(75)	(91)	(5)
Recaptured amounts and other	—	(1)	—
Voluntary contribution liability balance, at end of year	\$ 95	\$ 62	\$ 58

(1) Includes subsidies associated with advances and other loans.

Note 11 - Capital

Each FHLBank is subject to three capital requirements under its capital plan and the FHFA rules and regulations. Regulatory capital does not include AOCI, but does include mandatorily redeemable capital stock.

1. **Risk-based capital.** Each FHLBank must maintain at all times permanent capital, defined as the amounts paid-in for Class B stock and retained earnings, in an amount at least equal to the sum of its credit risk, market risk, and operational risk capital requirements, all of which are calculated in accordance with the rules and regulations of the FHFA.
2. **Regulatory capital.** Each FHLBank must maintain at all times a total capital-to-assets ratio of at least four percent. Regulatory capital is the sum of permanent capital, the amounts paid-in for Class A stock, any general loss allowance, if consistent with GAAP and not established for specific assets, and other amounts from sources determined by the FHFA as available to absorb losses.

3. *Leverage capital.* Each FHLBank must maintain at all times a leverage capital-to-assets ratio of at least five percent. Leverage capital is defined as the sum of permanent capital weighted 1.5 times and all other components of total capital.

The FHFA may require an FHLBank to maintain greater minimum capital levels than are required based on FHFA rules and regulation. At December 31, 2025, each FHLBank was in compliance with FHFA regulatory capital requirements.

Table 11.1 presents the risk-based capital requirements for each FHLBank at December 31, 2025.

Table 11.1 - Risk-Based Capital Requirements at December 31, 2025

(dollars in millions)

FHLBank	Risk-Based Capital	
	Minimum Requirement	Actual
Boston	\$ 637	\$ 3,917
New York	1,109	8,034
Pittsburgh	857	4,550
Atlanta	1,417	8,602
Cincinnati	1,015	6,554
Indianapolis	1,140	4,776
Chicago	1,948	9,267
Des Moines	1,878	10,336
Dallas	1,231	6,573
Topeka	833	4,019
San Francisco	1,004	7,321

Table 11.2 presents the regulatory capital requirements for each FHLBank at December 31, 2025.

Table 11.2 - Regulatory Capital Requirements at December 31, 2025

(dollars in millions)

FHLBank	Regulatory Capital Ratio		Regulatory Capital	
	Minimum Requirement	Actual	Minimum Requirement	Actual
Boston	4.00 %	5.69 %	\$ 2,753	\$ 3,917
New York	4.00 %	5.13 %	6,262	8,034
Pittsburgh	4.00 %	6.21 %	2,933	4,550
Atlanta	4.00 %	5.88 %	5,849	8,602
Cincinnati	4.00 %	5.06 %	5,176	6,554
Indianapolis	4.00 %	5.54 %	3,450	4,776
Chicago	4.00 %	6.56 %	5,648	9,267
Des Moines	4.00 %	5.54 %	7,460	10,336
Dallas	4.00 %	6.06 %	4,340	6,573
Topeka	4.00 %	5.52 %	3,100	4,280
San Francisco	4.00 %	9.98 %	2,933	7,321

Table 11.3 presents the leverage capital requirements for each FHLBank at December 31, 2025.

Table 11.3 - Leverage Capital Requirements at December 31, 2025

(dollars in millions)

FHLBank	Leverage Capital Ratio		Leverage Capital	
	Minimum Requirement	Actual	Minimum Requirement	Actual
Boston	5.00 %	8.54 %	\$ 3,441	\$ 5,875
New York	5.00 %	7.70 %	7,827	12,051
Pittsburgh	5.00 %	9.31 %	3,666	6,825
Atlanta	5.00 %	8.82 %	7,312	12,904
Cincinnati	5.00 %	7.60 %	6,470	9,830
Indianapolis	5.00 %	8.31 %	4,313	7,164
Chicago	5.00 %	9.84 %	7,060	13,899
Des Moines	5.00 %	8.31 %	9,325	15,504
Dallas	5.00 %	9.09 %	5,426	9,860
Topeka	5.00 %	8.11 %	3,875	6,289
San Francisco	5.00 %	14.97 %	3,666	10,981

Capital Stock

Each FHLBank is a cooperative whose member financial institutions own most of the FHLBank's capital stock. Former members (including certain non-members that own FHLBank capital stock as a result of merger or acquisition, relocation, charter termination, voluntary termination, or involuntary termination of an FHLBank member) own the remaining capital stock to support business transactions still carried on an FHLBank's statement of condition. Shares of capital stock cannot be purchased or sold except between an FHLBank and its members at its \$100 per share par value, as mandated by each FHLBank's capital plan.

Members can redeem Class A stock by giving six-months' written notice, and members can redeem Class B stock by giving five-years' written notice, subject to certain restrictions. Any member that withdraws from membership, or otherwise has had its membership terminated, may not be readmitted to membership in any FHLBank until five years from the divestiture date for all capital stock that is held as a condition of membership, as that requirement is set out in an FHLBank's capital plan, unless the institution has canceled its notice of withdrawal prior to that date. This restriction does not apply if the member is transferring its membership from one FHLBank to another on an uninterrupted basis.

Each class of FHLBank stock is considered putable by the member and an FHLBank may repurchase, at its sole discretion, any member's stock investments that exceed the required minimum amount. However, there are significant statutory and regulatory restrictions on the obligation to redeem, or right to repurchase, the outstanding stock. As a result, whether or not a member may have its capital stock in an FHLBank repurchased (at an FHLBank's discretion at any time before the end of the redemption period) or redeemed (at a member's request, completed at the end of a redemption period) will depend in part on whether the FHLBank is in compliance with those restrictions.

An FHLBank's board of directors may declare and pay dividends in either cash or capital stock, assuming the FHLBank is in compliance with FHFA rules.

Restricted Retained Earnings

The Joint Capital Enhancement Agreement, as amended by and among the FHLBanks (Capital Agreement), is intended to enhance the capital position of each FHLBank. The Capital Agreement provides that each FHLBank will, on a quarterly basis, allocate 20% of its net income to a separate restricted retained earnings account until the balance of that account, calculated as of the last day of each calendar quarter, equals at least one percent of that FHLBank's average balance of outstanding consolidated obligations for the calendar quarter. These restricted retained earnings are not available to pay dividends. Additionally, the Capital Agreement provides that amounts in restricted retained earnings in excess of 150% of an FHLBank's restricted retained earnings minimum (i.e., one percent of that FHLBank's average balance of outstanding consolidated obligations calculated as of the last day of each calendar quarter) may be released from restricted retained earnings.

Mandatorily Redeemable Capital Stock

An FHLBank generally reclassifies capital stock subject to redemption from capital to the mandatorily redeemable capital stock liability upon expiration of a grace period, if applicable, after a member exercises a written redemption right, or gives notice of intent to withdraw from membership, or attains non-member status by merger or acquisition, relocation, charter termination, or involuntary termination from membership. Shares of capital stock meeting these definitions are reclassified to mandatorily redeemable capital stock at fair value. Dividends related to capital stock classified as mandatorily redeemable capital stock are accrued at the expected dividend rate and reported as interest expense on the Combined Statements of Income. For the years ended December 31, 2025, 2024, and 2023, dividends on mandatorily redeemable capital stock of \$40 million, \$99 million, and \$74 million were recorded as interest expense.

A member may cancel or revoke its written notice of redemption or its notice of withdrawal from membership prior to the end of the applicable redemption period. Each FHLBank's capital plan provides the terms for cancellation fees that may be incurred by the member upon cancellation.

Table 11.4 presents a rollforward of capital stock subject to mandatory redemption for the years ended December 31, 2025, 2024, and 2023. Payment is contingent on, among other things, each FHLBank's waiting period and the FHLBank's ability to meet its minimum regulatory capital requirements. These amounts have been classified as a liability on the Combined Statements of Condition. The number of stockholders holding mandatorily redeemable capital stock was 99, 92, and 92 at December 31, 2025, 2024, and 2023.

Table 11.4 - Rollforward of Mandatorily Redeemable Capital Stock

(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Balance, at beginning of period	\$ 743	\$ 1,230	\$ 708
Capital stock subject to mandatory redemption reclassified from capital	916	425	2,640
Capital stock previously subject to mandatory redemption reclassified to capital	—	—	(1)
Redemption/repurchase of mandatorily redeemable capital stock	(1,152)	(912)	(2,117)
Other ⁽¹⁾	1	—	—
Balance, at end of period	\$ 508	\$ 743	\$ 1,230

(1) Represents a direct purchase of mandatorily redeemable capital stock by a member.

Table 11.5 presents the amount of mandatorily redeemable capital stock by contractual year of redemption at December 31, 2025 and 2024. The year of redemption in the table is the end of the appropriate redemption period applicable to each FHLBank's capital plan. An FHLBank is not required to redeem membership stock until either five years or six months, depending on the type of capital stock issuable under its capital plan, after the membership is terminated or the FHLBank receives notice of withdrawal. However, for certain membership terminations such as mergers, consolidations, terminations related to insolvency, or out-of-district relocations, the FHLBank may recalculate the former member's stock requirement following that termination and the stock may be deemed excess stock subject to repurchase at the FHLBank's discretion. An FHLBank is not required to redeem activity-based stock until the later of the expiration of the notice of redemption or until the activity to which the capital stock relates no longer remains outstanding. If activity-based stock becomes excess stock as a result of an activity no longer remaining outstanding, an FHLBank may repurchase those shares, at its sole discretion, subject to the statutory and regulatory restrictions on excess capital stock redemption.

Table 11.5 - Mandatorily Redeemable Capital Stock by Contractual Year of Redemption

(dollars in millions)

	December 31,	
	2025	2024
Year 1	\$ 9	\$ 20
Year 2	261	15
Year 3	107	341
Year 4	11	314
Year 5	105	27
Past contractual redemption date due to remaining activity ⁽¹⁾	15	26
Total	\$ 508	\$ 743

(1) Represents mandatorily redeemable capital stock that is past the end of the contractual redemption period because there is activity outstanding to which the mandatorily redeemable capital stock relates.

Excess Capital Stock

The FHLBanks define excess capital stock as the amount of stock held by a member (or former member) in excess of that institution's minimum stock ownership requirement. FHFA rules limit the ability of an FHLBank to create member excess capital stock under certain circumstances. An FHLBank may not pay dividends in the form of capital stock or issue new excess capital stock to members if that FHLBank's excess capital stock exceeds one percent of its total assets or if the issuance of excess capital stock would cause that FHLBank's excess capital stock to exceed one percent of its total assets. At December 31, 2025, none of the FHLBanks had excess capital stock outstanding totaling more than one percent of its total assets.

Capital Classification Determination

The FHFA determines each FHLBank's capital classification on at least a quarterly basis. If an FHLBank is determined to be other than adequately capitalized, that FHLBank becomes subject to additional supervisory authority by the FHFA. Before implementing a reclassification, the Director of the FHFA is required to provide that FHLBank with written notice of the proposed action and an opportunity to submit a response. Each FHLBank was classified by the FHFA as adequately capitalized as of the date of the FHFA's most recent notification to each FHLBank.

Note 12 - Accumulated Other Comprehensive Income (Loss)

Table 12.1 presents a summary of changes in accumulated other comprehensive income (loss) for the years ended December 31, 2025, 2024, and 2023.

Table 12.1 - Accumulated Other Comprehensive Income (Loss)

(dollars in millions)

	Net Change in Fair Value of AFS Securities (Note 4)	Net Non-Credit Portion of OTTI Gains (Losses) on HTM Securities (Note 4)	Net Change Relating to Hedging Activities (Note 7)	Pension and Postretirement Benefits (Note 13)	Total Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2022	\$ (1,027)	\$ (4)	\$ 325	\$ (47)	\$ (753)
Other comprehensive income before reclassifications					
Unrealized gains (losses)	(247)	—	(9)	—	(256)
Non-credit losses included in basis of HTM securities sold	—	3	—	—	3
Reclassifications from accumulated other comprehensive income (loss) to net income					
Reclassification of realized net (gains) losses included in net income	6	—	—	—	6
Amortization on hedging activities	—	—	(65)	—	(65)
Pension and postretirement benefits	—	—	—	21	21
Net current period other comprehensive income (loss)	(241)	3	(74)	21	(291)
Balance, December 31, 2023	(1,268)	(1)	251	(26)	(1,044)
Other comprehensive income before reclassifications					
Unrealized gains (losses)	719	—	124	—	843
Reclassifications from accumulated other comprehensive income (loss) to net income					
Reclassification of realized net (gains) losses included in net income	(3)	—	—	—	(3)
Amortization on hedging activities	—	—	(122)	—	(122)
Pension and postretirement benefits	—	—	—	10	10
Net current period other comprehensive income (loss)	716	—	2	10	728
Balance, December 31, 2024	(552)	(1)	253	(16)	(316)
Other comprehensive income before reclassifications					
Unrealized gains (losses)	1,082	—	(44)	—	1,038
Non-credit losses included in basis of HTM securities sold	—	107	—	—	107
Accretion of non-credit loss	—	(106)	—	—	(106)
Reclassifications from accumulated other comprehensive income (loss) to net income					
Reclassification of realized net (gains) losses included in net income	(5)	—	—	—	(5)
Amortization on hedging activities	—	—	(85)	—	(85)
Pension and postretirement benefits	—	—	—	7	7
Net current period other comprehensive income (loss)	1,077	1	(129)	7	956
Balance, December 31, 2025	\$ 525	\$ —	\$ 124	\$ (9)	\$ 640

Note 13 - Pension and Postretirement Benefit Plans

Qualified Defined Benefit Multiemployer Plan

Certain FHLBanks participated in the Pentegra Defined Benefit Plan for Financial Institutions (Pentegra DB Plan) during 2025, which is a tax-qualified, defined-benefit pension plan and covers officers and employees that meet certain eligibility requirements. Several of the FHLBanks have discontinued participation in the Pentegra DB Plan for newly-hired employees and/or have frozen existing participant benefits in prior periods. The Pentegra DB Plan is treated as a multiemployer plan for accounting purposes, but operates as a multiple-employer plan under the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. As a result, certain

multiemployer plan disclosures are not applicable to the Pentegra DB Plan. Under the Pentegra DB Plan, contributions made by a participating employer may be used to provide benefits to employees of other participating employers because assets contributed by an employer are not segregated in a separate account or restricted to provide benefits only to employees of that employer. Also, in the event a participating employer is unable to meet its contribution requirements, the required contributions for the other participating employers could increase proportionately.

The Pentegra DB Plan operates on a fiscal year from July 1 through June 30. The Pentegra DB Plan files one Form 5500 on behalf of all employers who participate in the plan. The Employer Identification Number is 13-5645888 and the three-digit plan number is 333. There are no collective bargaining agreements in place at any FHLBank.

The Pentegra DB Plan's annual valuation process includes calculating the plan's funded status and separately calculating the funded status of each participating employer. The funded status is defined as the market value of assets divided by the funding target (100% of the present value of all benefit liabilities accrued at that date). As permitted by ERISA, the Pentegra DB Plan accepts contributions for the prior plan year up to eight and a half months after the asset valuation date. As a result, the market value of assets at the valuation date (July 1) will increase by any subsequent contributions designated for the immediately preceding plan year ended June 30.

The most recent Form 5500 available for the Pentegra DB Plan is for the plan year ended June 30, 2024. The contributions made by each of the FHLBanks of New York and Indianapolis during 2025 were more than 5% of the total contributions to the Pentegra DB Plan for the plan year ended June 30, 2024. The contributions made by the FHLBank of New York during 2024 were more than 5% of the total contributions to the Pentegra DB Plan for the plan year ended June 30, 2023.

Table 13.1 presents the Pentegra DB Plan net pension cost and funded status.

Table 13.1 - Pentegra DB Plan Net Pension Cost and Funded Status

(dollars in millions)

	2025	2024	2023
Net pension cost charged to compensation and benefit expense for the year ended December 31	\$ 28	\$ 29	\$ 50
Pentegra DB Plan funded status as of July 1	113.8 % ^(a)	112.2 % ^(b)	114.0 %
Range of the FHLBanks' funded status as of July 1	103.4%-134.3%	104.4%-137.4%	103.4%-145.8%

(a) The Pentegra DB Plan's funded status as of July 1, 2025, is preliminary and may increase because the plan's participants were permitted to make contributions for the plan year ended June 30, 2025 through March 15, 2026. Contributions made on or before March 15, 2026, and designated for the plan year ended June 30, 2025, will be included in the final valuation as of July 1, 2025. The final funded status as of July 1, 2025, will not be available until the Form 5500 for the plan year July 1, 2025 through June 30, 2026, is filed (this Form 5500 is due to be filed no later than April 2027).

(b) The Pentegra DB Plan's funded status as of July 1, 2024, is preliminary and may increase because the plan's participants were permitted to make contributions for the plan year ended June 30, 2024 through March 15, 2025. Contributions made on or before March 15, 2025, and designated for the plan year ended June 30, 2024, will be included in the final valuation as of July 1, 2024. The final funded status as of July 1, 2024, will not be available until the Form 5500 for the plan year July 1, 2024 through June 30, 2025, is filed (this Form 5500 is due to be filed no later than April 2026).

Defined Benefit Retirement Plans

Nonqualified Supplemental Defined Benefit Retirement Plans. Certain FHLBanks maintain one or more nonqualified, unfunded supplemental defined benefit plans for its employees. These plans ensure that participants receive the full amount of benefits to which they would have been entitled under the qualified defined benefit plan in the absence of limits on benefit levels imposed by the IRS. Certain of these FHLBanks have established a grantor/rabbi trust to meet future benefit obligations and current payments to the beneficiaries. There are no funded plan assets that have been designated to provide supplemental retirement benefits.

FHLBank of San Francisco Cash Balance Plan. The FHLBank of San Francisco provides retirement benefits through its cash balance plan, a qualified defined benefit plan. The cash balance plan is provided to all employees who have completed six months of FHLBank of San Francisco service. Under the plan, each eligible FHLBank of San Francisco employee accrues benefits annually equal to six percent of the employee's annual compensation, plus

six percent interest on the benefits accrued to the employee through the prior year-end. The cash balance plan is funded through a qualified trust established by the FHLBank of San Francisco.

Amounts recognized in other liabilities on the Combined Statements of Condition for the FHLBanks' nonqualified supplemental defined benefit retirement plans and the FHLBank of San Francisco's cash balance plan (collectively referred to as "Defined Benefit Retirement Plans") at December 31, 2025 and 2024, were \$235 million and \$266 million. The accumulated benefit obligation for the Defined Benefit Retirement Plans was \$295 million and \$342 million at December 31, 2025 and 2024.

In addition, each FHLBank has a tax-qualified, defined contribution plan and certain FHLBanks offer a nonqualified, unfunded supplemental defined contribution plan. Certain FHLBanks also offer unfunded postretirement benefit plans that may include health care and/or life insurance benefits for eligible retirees. The financial amounts related to these additional plans are immaterial to the FHLBanks' combined financial condition, combined results of operations, and combined cash flows.

Note 14 - Fair Value

The fair value amounts recorded on the Combined Statements of Condition and presented in the note disclosures for the periods presented have been determined by the FHLBanks using available market and other pertinent information and reflect each FHLBank's best judgment of appropriate valuation methods. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Although each FHLBank uses its best judgment in estimating the fair value of its financial instruments, there are inherent limitations in any valuation technique. Therefore, the fair values may not be indicative of the amounts that would have been realized in market transactions at December 31, 2025 and 2024. Additionally, these values do not represent an estimate of the overall market value of the FHLBanks as going concerns, which would take into account future business opportunities and the net profitability of assets and liabilities.

Fair Value Hierarchy

GAAP establishes a fair value hierarchy and requires an entity to maximize the use of significant observable inputs and minimize the use of significant unobservable inputs when measuring fair value. The inputs are evaluated and an overall level for the fair value measurement is determined. This overall level is an indication of market observability of the fair value measurement for the asset or liability. An entity must disclose the level within the fair value hierarchy in which the measurements are classified.

The fair value hierarchy prioritizes the inputs used to measure fair value into three broad levels:

- **Level 1 Inputs.** Quoted prices (unadjusted) for identical assets or liabilities in an active market that the reporting entity can access on the measurement date. An active market for the asset or liability is a market in which the transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- **Level 2 Inputs.** Inputs other than quoted prices within Level 1, that are observable inputs for the asset or liability, either directly or indirectly. If the asset or liability has a specified or contractual term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in markets that are not active; (3) inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates and yield curves that are observable at commonly quoted intervals, and implied volatilities); and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- **Level 3 Inputs.** Unobservable inputs for the asset or liability. Valuations are derived from techniques that use significant assumptions not observable in the market, which include pricing models, discounted cash flow models, or similar techniques.

Each FHLBank reviews its fair value hierarchy classifications on a quarterly basis. Changes in the observability of the valuation inputs may result in a reclassification between fair value hierarchy levels of certain assets or liabilities. The FHLBanks had no transfers of assets or liabilities into or out of Level 3 of the fair value hierarchy during the years ended December 31, 2025, 2024, or 2023.

Table 14.1 presents the carrying value, fair value, and fair value hierarchy of financial assets and liabilities of the FHLBanks at December 31, 2025 and 2024. The FHLBanks record trading securities, AFS securities, derivative assets, derivative liabilities, certain advances, certain consolidated obligations, and certain other assets at fair value on a recurring basis, and on occasion certain mortgage loans held for portfolio and certain other assets at fair value on a non-recurring basis. The FHLBanks record all other financial assets and liabilities at amortized cost. Refer to Table 14.2 for further details about the financial assets and liabilities held at fair value on either a recurring or non-recurring basis.

Table 14.1 - Fair Value Summary

(dollars in millions)

	December 31, 2025					
		Fair Value				
Financial Instruments	Carrying Value ⁽¹⁾	Total	Level 1	Level 2	Level 3	Netting Adjustment and Cash Collateral ⁽²⁾
Assets						
Cash and due from banks	\$ 373	\$ 373	\$ 373	\$ —	\$ —	\$ —
Interest-bearing deposits	27,926	27,926	11,664	16,262	—	—
Securities purchased under agreements to resell	105,345	105,345	—	105,345	—	—
Federal funds sold	72,066	72,066	—	72,066	—	—
Trading securities	26,019	26,019	7,387	18,632	—	—
Available-for-sale securities	191,045	191,045	560	187,776	2,709	—
Held-to-maturity securities	61,381	60,956	—	60,674	282	—
Advances ⁽³⁾	676,711	677,680	—	677,680	—	—
Mortgage loans held for portfolio	79,169	75,284	—	75,189	95	—
Mortgage loans held for sale ⁽⁴⁾	6	6	—	6	—	—
Accrued interest receivable	3,729	3,729	—	3,729	—	—
Derivative assets, net	2,164	2,164	—	4,456	—	(2,292)
Other assets	441	440	302	93	45	—
Liabilities						
Deposits	15,248	15,248	—	15,248	—	—
Consolidated obligations						
Discount notes ⁽⁵⁾	433,247	433,274	—	433,274	—	—
Bonds ⁽⁶⁾	714,050	710,826	—	710,826	—	—
Total consolidated obligations	1,147,297	1,144,100	—	1,144,100	—	—
Mandatorily redeemable capital stock	508	508	508	—	—	—
Accrued interest payable	4,425	4,425	—	4,425	—	—
Derivative liabilities, net	28	28	—	4,716	—	(4,688)
Other liabilities	35	34	—	34	—	—

	December 31, 2024					
		Fair Value				
Financial Instruments	Carrying Value ⁽¹⁾	Total	Level 1	Level 2	Level 3	Netting Adjustment and Cash Collateral ⁽²⁾
Assets						
Cash and due from banks	\$ 298	\$ 298	\$ 298	\$ —	\$ —	\$ —
Interest-bearing deposits	27,246	27,246	11,877	15,369	—	—
Securities purchased under agreements to resell	127,689	127,689	—	127,689	—	—
Federal funds sold	51,590	51,590	—	51,590	—	—
Trading securities	22,811	22,811	7,238	15,573	—	—
Available-for-sale securities	175,178	175,178	—	172,780	2,398	—
Held-to-maturity securities	63,241	62,232	—	61,885	347	—
Advances ⁽³⁾	736,713	737,033	—	737,033	—	—
Mortgage loans held for portfolio	69,593	63,017	—	62,939	78	—
Mortgage loans held for sale ⁽⁴⁾	11	11	—	11	—	—
Accrued interest receivable	4,031	4,031	—	4,031	—	—
Derivative assets, net	2,968	2,968	—	6,362	—	(3,394)
Other assets	432	430	314	92	24	—
Liabilities						
Deposits	14,330	14,330	—	14,330	—	—
Consolidated obligations						
Discount notes ⁽⁵⁾	326,786	326,815	—	326,815	—	—
Bonds ⁽⁶⁾	857,812	851,327	—	851,327	—	—
Total consolidated obligations	1,184,598	1,178,142	—	1,178,142	—	—
Mandatorily redeemable capital stock	743	743	743	—	—	—
Accrued interest payable	5,737	5,737	—	5,737	—	—
Derivative liabilities, net	118	118	—	8,905	—	(8,787)
Other liabilities	35	33	—	33	—	—

(1) For certain financial instruments, the amounts represent net carrying value, which includes an allowance for credit losses.

(2) Amounts represent the application of the netting requirements that allow an FHLBank to settle positive and negative positions, and also cash collateral and related accrued interest held or placed by that FHLBank with the same clearing agent and/or counterparty.

(3) Includes \$5,888 million and \$5,697 million of advances recorded under fair value option at December 31, 2025 and 2024.

(4) Represents mortgage loans held for sale recorded under fair value option, included in other assets, net on the Combined Statements of Condition.

(5) Includes \$81,144 million and \$61,019 million of consolidated discount notes recorded under fair value option at December 31, 2025 and 2024.

(6) Includes \$14,692 million and \$17,855 million of consolidated bonds recorded under fair value option at December 31, 2025 and 2024.

Summary of Valuation Methodologies and Primary Inputs

The valuation methodologies and primary inputs used to develop the measurement of fair value for assets and liabilities that are measured at fair value on a recurring or nonrecurring basis in the Combined Statements of Condition are listed below. The fair values and level within the fair value hierarchy of these assets and liabilities are reported in Table 14.2.

Investment securities-MBS. Each FHLBank's valuation technique incorporates prices from multiple designated third-party pricing vendors, when available. The third-party pricing vendors use various proprietary models to price MBS. The inputs to those models are derived from various sources, including, but not limited to, benchmark yields, reported trades, dealer estimates, issuer spreads, benchmark securities, bids, offers, and other market-related data. As many MBS do not trade on a daily basis, the pricing vendors use applicable, available information, such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing, to determine the prices for individual securities. Each pricing vendor has an established challenge process in place for all MBS valuations, which facilitates resolution of potentially erroneous prices identified by the FHLBanks. Periodically, each FHLBank conducts reviews of multiple pricing vendors to confirm and further augment its understanding of the vendors' pricing processes, methodologies, and control procedures for specific instruments.

The FHLBanks' valuation technique for estimating the fair values of MBS first requires the establishment of a median price for each security. All prices that are within a specified tolerance threshold of the median price are included in the cluster of prices that are averaged to compute a default price. All prices that are outside the threshold (outliers) are subject to further analysis to determine if an outlier is a better estimate of fair value. These steps include, but are not limited to, comparison to prices provided by an additional third-party valuation service, prices for similar securities, and/or non-binding dealer estimates. If an outlier or some other price identified in the analysis is determined to be a better estimate of fair value, then the outlier or the other price as appropriate is used as the final price rather than the default price. Alternatively, if the analysis confirms that an outlier (or outliers) is (are) in fact not representative of fair value and the default price is the best estimate, then the default price is used as the final price. In all cases, the final price is used to determine the fair value of the security.

As of December 31, 2025 and 2024, multiple prices were received for substantially all of the FHLBanks' MBS holdings and the final prices for those securities were computed by averaging the prices received. Based on each FHLBank's review of the pricing methods employed by the third-party pricing vendors and the relative lack of dispersion among the vendor prices (or, in those instances in which there were outliers or significant yield variances, the FHLBanks' additional analyses), each FHLBank believes its final prices result in reasonable estimates of fair value and that the fair value measurements are classified appropriately in the fair value hierarchy. Based on the lack of significant market activity for private-label MBS, the recurring and non-recurring fair value measurements for those securities were classified as Level 3 within the fair value hierarchy as of December 31, 2025 and 2024.

Investment securities-Non-MBS. To determine the estimated fair values of non-MBS investment securities, each FHLBank uses either a market approach using prices from third-party pricing vendors, generally consistent with the methodologies for MBS, or an income approach based on a market-observable interest rate curve adjusted for a spread, which may be based on unobservable information. Differing spreads may be applied to distinct term points along the discount curve in determining the fair values of instruments with varying maturities. Each FHLBank believes that its methodologies result in fair values that are reasonable and similar in all material respects based on the nature of the financial instruments being measured. The market-observable interest rate curves used by the FHLBanks and the related financial instrument they measure are as follows:

- *Treasury Curve.* U.S. Treasury obligations.
- *U.S. Government Agency Fair Value Curve.* Government-sponsored enterprises and Tennessee Valley Authority obligations.

Based on the lack of significant market activity for state or local housing agency obligations, the recurring fair value measurements for those securities were classified as Level 3 within the fair value hierarchy as of December 31, 2025 and 2024.

Advances recorded under fair value option. Each FHLBank generally determines the fair values of its advances recorded under fair value option by calculating the present value of expected future cash flows from the advances, excluding the amount of the accrued interest receivable. The discount rates used in these calculations are equivalent to the replacement advance rates for advances with similar terms. Each FHLBank calculates its replacement advance rates at a spread to its cost of funds. Each FHLBank's cost of funds approximates the consolidated obligation (CO) curve. (See *Summary of Valuation Methodologies and Primary Inputs - Consolidated obligations recorded under fair value option* within this note for a discussion of the CO curve.) To estimate the fair values of advances with optionality, market-based expectations of future interest rate volatility implied from current market prices for similar options are also used. In accordance with the FHFA's advances regulations, an advance with a maturity or repricing period greater than six months requires a prepayment fee sufficient to make an FHLBank financially indifferent to the borrower's decision to prepay the advances. Therefore, the fair values of advances do not assume prepayment risk.

The FHLBanks did not adjust their fair value measurement of advances recorded under fair value option for creditworthiness primarily because advances were fully collateralized. (See [Note 5 - Advances](#) for additional information.)

Mortgage loans held for sale. The fair value of mortgage loans held for sale is based on to-be-announced (TBA) securities, which represent quoted market prices for new mortgage-backed securities issued by U.S. government-sponsored enterprises.

Impaired mortgage loans held for portfolio and real estate owned. The estimated fair values of impaired mortgage loans held for portfolio and real estate owned on a non-recurring basis are generally based on broker prices, property values obtained from a third-party pricing vendor, or current actual loss severity rates that the FHLBanks have incurred on sales. All estimated fair values of impaired mortgage loans held for portfolio and real estate owned are net of any estimated selling costs.

Derivative assets/liabilities. Each FHLBank bases the fair values of derivatives with similar terms on market prices, when available. However, active markets do not exist for many of the FHLBanks' derivatives. Consequently, fair values for these instruments are generally estimated using standard valuation techniques such as discounted cash flow analysis. In limited instances, fair value estimates for derivatives are obtained from dealers and are corroborated by an FHLBank using a pricing model and observable market data. Each FHLBank is subject to credit risk due to the risk of nonperformance by counterparties to its derivative transactions. For uncleared derivatives, the degree of credit risk depends on the extent to which master netting arrangements are included in these contracts to mitigate the risk. In addition, each FHLBank requires collateral agreements with collateral delivery thresholds on the majority of its uncleared derivatives. The use of cleared derivatives is intended to mitigate credit risk exposure because a central counterparty is substituted for individual counterparties and collateral is posted daily, through a clearing agent, for changes in the value of cleared derivatives. Each FHLBank has evaluated the potential for the fair value of the instruments to be affected by counterparty credit risk and its own credit risk and has determined that no adjustments were significant to the overall fair value measurements.

The fair values of each FHLBank's derivative assets and liabilities include accrued interest receivable/payable and related cash collateral. The estimated fair values of the accrued interest receivable/payable and cash collateral approximate their carrying values due to their short-term nature. Derivatives are presented on a net basis by clearing agent and/or by counterparty when it has met the netting requirements. If these netted amounts are positive, they are classified as an asset and, if negative, they are classified as a liability.

Each FHLBank's discounted cash flow analysis uses market-observable inputs. Inputs by class of derivative are as follows:

Interest-rate related:

- *Discount rate assumption.* The FHLBanks used the OIS or the SOFR swap curve depending on the terms of the derivative.
- *Forward interest rate assumption.* The swap curve of the instrument's index rate.
- *Volatility assumption.* Market-based expectations of future interest rate volatility implied from current market prices for similar options.
- *Prepayment assumption* (if applicable).
- *TBA securities prices.* Market-based prices of TBAs are determined by coupon class and expected term until settlement.
- *TBA "drops."* TBA price "drops" are used to adjust base TBA prices and are a function of current short-term interest rates, prepayment estimates, and the supply and demand for pass-throughs in the current delivery month. TBA drops are obtained from a market-observable source.

Mortgage delivery commitments:

- **TBA securities prices.** TBA security prices are generally adjusted for differences in coupon, average loan rate, and seasoning.

Consolidated obligations recorded under fair value option. Each FHLBank estimates the fair values of consolidated obligations recorded under fair value option based on prices received from pricing vendors, consistent with the methodology for MBS previously discussed, or by using standard valuation techniques and inputs based on the cost of raising comparable term debt.

The inputs used to determine the fair values of consolidated obligations are as follows:

- **CO Curve and SOFR Swap Curve.** The Office of Finance constructs an internal curve, referred to as the CO curve, using the U.S. Treasury curve as a base curve that is then adjusted by adding indicative spreads obtained from market observable sources. These market indications are generally derived from pricing indications from dealers of consolidated obligations, historical pricing relationships, recent GSE trades, and secondary market activity. The FHLBanks construct a SOFR swap curve using available SOFR market data, including futures prices and SOFR swap rates, to determine fair value for SOFR-indexed consolidated obligations.
- **Volatility assumption.** To estimate the fair values of consolidated obligations with optionality the FHLBanks use market-based expectations of future interest rate volatility implied from current market prices for similar options.
- **Spread adjustment.** The FHLBanks may apply an adjustment to the curve.

The FHLBanks monitor their own creditworthiness and determine if any credit risk adjustments are necessary in their fair value measurement of consolidated obligations.

Subjectivity of estimates. Estimates of the fair value of financial assets and liabilities using the methodologies described above are highly subjective and require judgments regarding significant matters such as the amount and timing of future cash flows, prepayment speed assumptions, expected interest rate volatility, possible distributions of future interest rates used to value options, and the selection of discount rates that appropriately reflect market and credit risks. The use of different assumptions could have a material effect on the fair value estimates.

Fair Value Measurements

Table 14.2 presents the fair value of assets and liabilities that are recorded on a recurring or non-recurring basis at December 31, 2025 and 2024, by level within the fair value hierarchy. The FHLBanks measure certain mortgage loans at fair value on a non-recurring basis due to the recognition of a credit loss. Real estate owned is measured using fair value when the asset's fair value less costs to sell is lower than its carrying amount.

Table 14.2 - Fair Value Measurements

(dollars in millions)

	December 31, 2025				
	Total	Level 1	Level 2	Level 3	Netting Adjustment and Cash Collateral ⁽¹⁾
Recurring fair value measurements - Assets					
Trading securities					
U.S. Treasury obligations	\$ 24,143	\$ 7,387	\$ 16,756	\$ —	\$ —
Other U.S. obligations	57	—	57	—	—
GSE and Tennessee Valley Authority obligations	1,642	—	1,642	—	—
Other non-MBS	95	—	95	—	—
GSE single-family MBS	9	—	9	—	—
GSE multifamily MBS	73	—	73	—	—
Total trading securities	26,019	7,387	18,632	—	—
Available-for-sale securities					
U.S. Treasury obligations	37,754	560	37,194	—	—
Other U.S. obligations	1,861	—	1,861	—	—
GSE and Tennessee Valley Authority obligations	4,622	—	4,622	—	—
State or local housing agency obligations	2,377	—	650	1,727	—
Federal Family Education Loan Program ABS	1,236	—	1,236	—	—
Other non-MBS	263	—	263	—	—
U.S. obligations single-family MBS	7,960	—	7,960	—	—
U.S. obligations multifamily MBS	453	—	453	—	—
GSE single-family MBS	10,300	—	10,300	—	—
GSE multifamily MBS	123,237	—	123,237	—	—
Private-label MBS	982	—	—	982	—
Total available-for-sale securities	191,045	560	187,776	2,709	—
Advances ⁽²⁾	5,888	—	5,888	—	—
Mortgage loans held for sale ⁽²⁾	6	—	6	—	—
Derivative assets, net					
Interest-rate related	2,162	—	4,454	—	(2,292)
Mortgage delivery commitments	2	—	2	—	—
Total derivative assets, net	2,164	—	4,456	—	(2,292)
Other assets	361	302	59	—	—
Total recurring assets at fair value	\$ 225,483	\$ 8,249	\$ 216,817	\$ 2,709	\$ (2,292)
Recurring fair value measurements - Liabilities					
Consolidated Obligations					
Discount notes ⁽²⁾	\$ 81,144	\$ —	\$ 81,144	\$ —	\$ —
Bonds ⁽²⁾	14,692	—	14,692	—	—
Total consolidated obligations	95,836	—	95,836	—	—
Derivative liabilities, net					
Interest-rate related	27	—	4,715	—	(4,688)
Mortgage delivery commitments	1	—	1	—	—
Total derivative liabilities, net	28	—	4,716	—	(4,688)
Total recurring liabilities at fair value	\$ 95,864	\$ —	\$ 100,552	\$ —	\$ (4,688)
Non-recurring fair value measurements - Assets ⁽³⁾					
Mortgage loans held for portfolio	\$ 34	\$ —	\$ —	\$ 34	
Real estate owned	1	—	—	1	
Total non-recurring assets at fair value	\$ 35	\$ —	\$ —	\$ 35	

	December 31, 2024				Netting Adjustment and Cash Collateral ⁽¹⁾
	Total	Level 1	Level 2	Level 3	
Recurring fair value measurements - Assets					
Trading securities					
U.S. Treasury obligations	\$ 20,548	\$ 7,238	\$ 13,310	\$ —	\$ —
Other U.S. obligations	59	—	59	—	—
GSE and Tennessee Valley Authority obligations	1,671	—	1,671	—	—
Other non-MBS	108	—	108	—	—
U.S. obligations single-family MBS	—	—	—	—	—
GSE single-family MBS	12	—	12	—	—
GSE multifamily MBS	413	—	413	—	—
Total trading securities	22,811	7,238	15,573	—	—
Available-for-sale securities					
U.S. Treasury obligations	35,977	—	35,977	—	—
Other U.S. obligations	1,674	—	1,674	—	—
GSE and Tennessee Valley Authority obligations	5,361	—	5,361	—	—
State or local housing agency obligations	2,002	—	673	1,329	—
Federal Family Education Loan Program ABS	1,553	—	1,553	—	—
Other non-MBS	380	—	380	—	—
U.S. obligations single-family MBS	7,250	—	7,250	—	—
U.S. obligations multifamily MBS	465	—	465	—	—
GSE single-family MBS	10,248	—	10,248	—	—
GSE multifamily MBS	109,199	—	109,199	—	—
Private-label MBS	1,069	—	—	1,069	—
Total available-for-sale securities	175,178	—	172,780	2,398	—
Advances ⁽²⁾	5,697	—	5,697	—	—
Mortgage loans held for sale ⁽²⁾	11	—	11	—	—
Derivative assets, net					
Interest-rate related	2,968	—	6,362	—	(3,394)
Mortgage delivery commitments	—	—	—	—	—
Total derivative assets, net	2,968	—	6,362	—	(3,394)
Other assets	373	314	59	—	—
Total recurring assets at fair value	\$ 207,038	\$ 7,552	\$ 200,482	\$ 2,398	\$ (3,394)
Recurring fair value measurements - Liabilities					
Consolidated Obligations					
Discount notes ⁽²⁾	\$ 61,019	\$ —	\$ 61,019	\$ —	\$ —
Bonds ⁽²⁾	17,855	—	17,855	—	—
Total consolidated obligations	78,874	—	78,874	—	—
Derivative liabilities, net					
Interest-rate related	116	—	8,903	—	(8,787)
Mortgage delivery commitments	2	—	2	—	—
Total derivative liabilities, net	118	—	8,905	—	(8,787)
Total recurring liabilities at fair value	\$ 78,992	\$ —	\$ 87,779	\$ —	\$ (8,787)
Non-recurring fair value measurements - Assets ⁽³⁾					
Mortgage loans held for portfolio	\$ 27	\$ —	\$ —	\$ 27	
Real estate owned	1	—	—	1	
Total non-recurring assets at fair value	\$ 28	\$ —	\$ —	\$ 28	

(1) Amounts represent the application of the netting requirements that allow an FHLBank to settle positive and negative positions, and also cash collateral and related accrued interest held or placed by that FHLBank with the same clearing agent and/or counterparty.

(2) Represents financial instruments recorded under fair value option at December 31, 2025 and 2024.

(3) The fair value information presented is as of the date the fair value adjustment was recorded during the period.

Level 3 Disclosures for All Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Table 14.3 presents a rollforward of assets and liabilities measured at fair value on a recurring basis and classified as Level 3 during the years ended December 31, 2025, 2024, and 2023.

Table 14.3 - Rollforward of Level 3 Assets and Liabilities

(dollars in millions)

	Year Ended December 31,					
	2025		2024		2023	
	State and Local Housing Agency Obligations	Private-Label MBS	State and Local Housing Agency Obligations	Private-Label MBS	State and Local Housing Agency Obligations	Private-Label MBS
Balance, at beginning of period	\$ 1,329	\$ 1,069	\$ 1,250	\$ 1,185	\$ 1,141	\$ 1,325
Total gains (losses) included in earnings						
Interest income	—	18	—	17	—	41
(Provision) reversal for credit losses on available-for-sale securities	—	(5)	—	(2)	—	(8)
Total gains (losses) included in other comprehensive income						
Net unrealized gains (losses) on available-for-sale securities	—	5	1	(6)	1	(22)
Purchases, issuances, sales, and settlements						
Purchases	409	—	99	—	125	—
Sales and maturities	—	—	—	—	(10)	—
Settlements	(11)	(105)	(21)	(125)	(7)	(153)
Transfers from held-to-maturity securities to available-for-sale securities	—	—	—	—	—	2
Balance, at end of period	\$ 1,727	\$ 982	\$ 1,329	\$ 1,069	\$ 1,250	\$ 1,185
Total amount of unrealized gains (losses) for the period included in OCI relating to assets held at the end of the period	\$ —	\$ 5	\$ —	\$ (6)	\$ —	\$ (22)
Total amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains/losses relating to assets held at the end of period	\$ —	\$ 13	\$ —	\$ 15	\$ —	\$ 33

Fair Value Option

The fair value option provides an irrevocable option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, unrecognized firm commitments, and written loan commitments not previously carried at fair value. It requires entities to display the fair value of those assets and liabilities for which the entity has chosen to use fair value on the face of the statement of condition. Fair value is used for both the initial and subsequent measurement of the designated assets, liabilities and commitments, with the changes in fair value recognized in net income. Interest income and interest expense on advances and consolidated obligations at fair value are recognized solely on the contractual amount of interest due or unpaid. Any transaction fees or costs are immediately recognized into non-interest income or non-interest expense.

The FHLBanks of New York, Cincinnati, Chicago, Des Moines, and San Francisco (Electing FHLBanks) have each elected the fair value option for certain financial instruments when a hedging relationship does not qualify for hedge accounting or may be at risk for not meeting hedge effectiveness requirements. These fair value elections were made primarily in an effort to mitigate the potential income statement volatility that can arise when an economic derivative is adjusted for changes in fair value, but the related hedged item is not.

Table 14.4 presents net gains (losses) recognized in earnings related to financial assets and liabilities for which the fair value option was elected during the years ended December 31, 2025, 2024, and 2023.

Table 14.4 - Fair Value Option - Financial Assets and Liabilities

(dollars in millions)

Net Gains (Losses) from Changes in Fair Value Recognized in Earnings	Year Ended December 31,		
	2025	2024	2023
Advances	\$ 58	1	\$ 43
Mortgage loans held for sale ⁽¹⁾	—	(1)	(1)
Consolidated discount notes	2	(33)	(102)
Consolidated bonds	(68)	(111)	(183)
Total net gains (losses)	\$ (8)	\$ (144)	\$ (243)

(1) Included in other assets, net on the Combined Statements of Condition.

For instruments for which the fair value option has been elected, the related contractual interest income, contractual interest expense, and the discount amortization on fair value option discount notes are recorded as part of net interest income on the Combined Statements of Income. The remaining changes in fair value for instruments for which the fair value option has been elected are recorded as net gains (losses) on financial instruments held under fair value option on the Combined Statements of Income, except for changes in fair value related to instrument specific credit risk, which are recorded in AOCI on the Combined Statements of Condition. Each of the Electing FHLBanks determined that none of the remaining changes in fair value were related to instrument specific credit risk during the years ended December 31, 2025, 2024, and 2023. In determining that there has been no change in instrument specific credit risk period to period, the Electing FHLBanks primarily considered the following factors:

- The FHLBanks are federally chartered GSEs, and as a result of this status, the FHLBanks' consolidated obligations have historically received the same credit ratings as the government bond credit rating of the United States, even though they are not obligations of the United States and are not guaranteed by the United States.
- Each FHLBank is jointly and severally liable with the other FHLBanks for the payment of principal and interest on all consolidated obligations of each of the FHLBanks.

Table 14.5 presents the difference between the aggregate fair value and the aggregate unpaid principal balance outstanding for advances, mortgage loans held for sale, and consolidated obligations for which the fair value option has been elected at December 31, 2025 and 2024.

Table 14.5 - Aggregate Fair Value and Aggregate Unpaid Principal Balance

(dollars in millions)

	December 31, 2025			December 31, 2024		
	Aggregate Fair Value	Aggregate Unpaid Principal Balance	Aggregate Fair Value Over/(Under) Aggregate Unpaid Principal Balance	Aggregate Fair Value	Aggregate Unpaid Principal Balance	Aggregate Fair Value Over/(Under) Aggregate Unpaid Principal Balance
Advances	\$ 5,888	\$ 5,818	\$ 70	\$ 5,697	\$ 5,688	\$ 9
Mortgage loans held for sale ⁽¹⁾	6	6	—	11	11	—
Consolidated discount notes	81,144	81,331	(187)	61,019	61,566	(547)
Consolidated bonds	14,692	14,595	97	17,855	17,755	100

(1) Included in other assets, net on the Combined Statements of Condition.

Note 15 - Commitments and Contingencies

Off-Balance Sheet Commitments

Table 15.1 represents off-balance sheet commitments at December 31, 2025 and 2024. Each FHLBank has deemed it unnecessary to record any liabilities for credit losses on these commitments at December 31, 2025 and 2024, based on each FHLBank's credit extension and collateral policies.

Table 15.1 - Off-Balance Sheet Commitments

(dollars in millions)

Notional amount	December 31, 2025			December 31, 2024
	Expire Within One Year	Expire After One Year	Total	Total
Standby letters of credit notional amount ⁽¹⁾	\$ 184,738	\$ 48,098	\$ 232,836	\$ 219,908
Unsettled consolidated bonds, principal amount	13,381	—	13,381	7,079
Unsettled consolidated discount notes, principal amount	9,671	—	9,671	782
Commitments for standby bond purchases	713	3,588	4,301	3,500
Unused lines of credit - advances	2,580	—	2,580	2,521
Commitments to fund additional advances	1,004	45	1,049	828
Commitments to purchase mortgage loans	711	—	711	461

(1) Excludes unconditional commitments to issue standby letters of credit of \$84 million and \$208 million at December 31, 2025 and 2024.

Standby Letters of Credit. An FHLBank issues standby letters of credit on behalf of its members to support certain obligations of the members to third-party beneficiaries. These standby letters of credit are generally subject to the same collateralization and borrowing limits that are applicable to advances. Standby letters of credit may be offered to assist members and non-member housing associates in facilitating residential housing finance, community lending, and asset-liability management, and to provide liquidity. In particular, members often use standby letters of credit as collateral for deposits from federal, state, and local government agencies. Standby letters of credit are executed for members for a fee. If an FHLBank is required to make payment for a beneficiary's draw, the member either reimburses the FHLBank for the amount drawn or, subject to the applicable FHLBank's discretion, the amount drawn may be converted into a collateralized advance to the member. However, standby letters of credit usually expire without being drawn upon. At December 31, 2025, the outstanding standby letters of credits issued by the FHLBanks expire no later than 2046. The carrying value of guarantees related to standby letters of credit is recorded in other liabilities and was \$265 million and \$130 million at December 31, 2025 and 2024.

Each FHLBank monitors the creditworthiness of its members that have standby letters of credit. In addition, standby letters of credit are subject to the same collateralization and borrowing limits that apply to advances and are fully collateralized at the time of issuance.

Standby Bond-Purchase Agreements. Certain FHLBanks have entered into standby bond-purchase agreements with state housing authorities within their district whereby these FHLBanks agree to provide liquidity for a fee. If required, the affected FHLBanks will purchase and hold the state housing authority's bonds until the designated marketing agent can find a suitable investor or the state housing authority repurchases the bond according to a schedule established by the standby bond-purchase agreement. Each standby bond-purchase agreement dictates the specific terms that would require the affected FHLBank to purchase the bond and typically allows the FHLBank to terminate the agreement upon the occurrence of a default event of the issuer. At December 31, 2025, the outstanding standby bond-purchase commitments entered into by these FHLBanks expire no later than 2031, although some are renewable at the option of the affected FHLBank. At both December 31, 2025 and 2024, the FHLBanks had standby bond-purchase commitments with 14 state housing authorities. During the years ended December 31, 2025 and 2024, the FHLBanks were not required to purchase any bonds under these agreements.

Pledged Collateral

Certain FHLBanks pledged securities, as collateral, related to derivatives. (See [Note 7 - Derivatives and Hedging Activities](#) for additional information about the FHLBanks' pledged collateral and other credit-risk-related contingent features.)

Legal Proceedings

The FHLBanks are subject to legal proceedings arising in the normal course of business. The FHLBanks would record an accrual for a loss contingency when it is probable that a loss has been incurred and the amount can be reasonably estimated. After consultation with legal counsel, management of each FHLBank does not anticipate that the ultimate liability, if any, arising out of these matters will have a material effect on its FHLBank's financial condition, results of operations, or cash flows.

Note 16 - Subsequent Events

Subsequent events have been evaluated from January 1, 2026, through the time of this Combined Financial Report publication and no significant subsequent events were identified. Significant subsequent events do not include the declaration of dividends or repurchase or redemption of excess capital stock, which generally occur in the normal course of business unless there are regulatory or self-imposed restrictions.

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CONDITION

DECEMBER 31, 2025

<i>(dollars in millions, except par value)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Assets							
Cash and due from banks	\$ 373	\$ 1	\$ 1	\$ 38	\$ 33	\$ 19	\$ 5
Investments, net	483,782	(18)	25,206	60,684	30,518	50,049	50,079
Advances	676,711	(1)	38,763	92,307	36,820	94,978	70,143
Mortgage loans held for portfolio, net	79,169	2	4,286	2,644	5,220	77	8,680
Other assets, net	7,568	(4)	557	872	726	1,113	498
Total assets	\$ 1,247,603	\$ (20)	\$ 68,813	\$ 156,545	\$ 73,317	\$ 146,236	\$ 129,405
Liabilities							
Deposits	\$ 15,248	\$ (14)	\$ 915	\$ 3,090	\$ 591	\$ 2,463	\$ 1,061
Consolidated obligations							
Discount notes	433,247	3	21,196	76,019	16,697	44,390	31,145
Bonds	714,050	(1)	42,430	68,467	50,795	89,251	89,630
Total consolidated obligations	1,147,297	2	63,626	144,486	67,492	133,641	120,775
Mandatorily redeemable capital stock	508	1	4	8	12	1	20
Other liabilities	10,214	—	488	945	651	1,510	1,009
Total liabilities	1,173,267	(11)	65,033	148,529	68,746	137,615	122,865
Capital							
Capital stock							
Class B putable (\$100 par value) issued and outstanding	40,706	1	1,937	5,411	2,292	5,607	4,539
Class A putable (\$100 par value) issued and outstanding	260	—	—	—	—	—	—
Total capital stock	40,966	1	1,937	5,411	2,292	5,607	4,539
Retained earnings							
Unrestricted	22,976	(9)	1,421	1,286	1,462	1,953	1,065
Restricted	9,754	—	555	1,329	783	1,041	930
Total retained earnings	32,730	(9)	1,976	2,615	2,245	2,994	1,995
Accumulated other comprehensive income (loss)	640	(1)	(133)	(10)	34	20	6
Total capital	74,336	(9)	3,780	8,016	4,571	8,621	6,540
Total liabilities and capital	\$ 1,247,603	\$ (20)	\$ 68,813	\$ 156,545	\$ 73,317	\$ 146,236	\$ 129,405

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CONDITION (continued)

DECEMBER 31, 2025

<i>(dollars in millions, except par value)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Assets						
Cash and due from banks	\$ 52	\$ 103	\$ 44	\$ 39	\$ 22	\$ 16
Investments, net	33,377	64,504	61,015	50,656	23,744	33,968
Advances	39,611	61,145	110,230	50,820	43,668	38,227
Mortgage loans held for portfolio, net	12,444	14,731	14,540	6,555	9,351	639
Other assets, net	776	719	670	442	720	479
Total assets	\$ 86,260	\$ 141,202	\$ 186,499	\$ 108,512	\$ 77,505	\$ 73,329
Liabilities						
Deposits	\$ 739	\$ 1,279	\$ 1,147	\$ 2,196	\$ 908	\$ 873
Consolidated obligations						
Discount notes	27,430	53,179	84,620	40,185	21,309	17,074
Bonds	52,247	76,295	89,249	57,886	50,547	47,254
Total consolidated obligations	79,677	129,474	173,869	98,071	71,856	64,328
Mandatorily redeemable capital stock	282	30	30	8	6	106
Other liabilities	1,008	964	966	1,467	544	662
Total liabilities	81,706	131,747	176,012	101,742	73,314	65,969
Capital						
Capital stock						
Class B putable (\$100 par value) issued and outstanding	2,696	3,573	6,509	3,338	2,251	2,552
Class A putable (\$100 par value) issued and outstanding	—	—	—	—	260	—
Total capital stock	2,696	3,573	6,509	3,338	2,511	2,552
Retained earnings						
Unrestricted	1,267	4,491	2,543	2,460	1,190	3,847
Restricted	531	1,173	1,254	767	576	815
Total retained earnings	1,798	5,664	3,797	3,227	1,766	4,662
Accumulated other comprehensive income (loss)	60	218	181	205	(86)	146
Total capital	4,554	9,455	10,487	6,770	4,191	7,360
Total liabilities and capital	\$ 86,260	\$ 141,202	\$ 186,499	\$ 108,512	\$ 77,505	\$ 73,329

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CONDITION

DECEMBER 31, 2024

<i>(dollars in millions, except par value)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Assets							
Cash and due from banks	\$ 298	\$ —	\$ 5	\$ 26	\$ 17	\$ 35	\$ 28
Investments, net	467,755	(13)	22,499	51,173	31,282	60,084	45,139
Advances	736,713	—	45,163	105,838	69,873	85,829	79,347
Mortgage loans held for portfolio, net	69,593	1	3,679	2,345	4,817	89	7,244
Other assets, net	8,526	(3)	647	918	938	1,054	570
Total assets	\$ 1,282,885	\$ (15)	\$ 71,993	\$ 160,300	\$ 106,927	\$ 147,091	\$ 132,328
Liabilities							
Deposits	\$ 14,330	\$ (9)	\$ 877	\$ 2,429	\$ 775	\$ 2,312	\$ 1,094
Consolidated obligations							
Discount notes	326,786	—	18,547	67,859	11,685	32,152	19,509
Bonds	857,812	—	48,192	80,552	87,965	103,699	103,818
Total consolidated obligations	1,184,598	—	66,739	148,411	99,650	135,851	123,327
Mandatorily redeemable capital stock	743	1	5	5	7	1	14
Other liabilities	10,049	2	519	1,045	860	994	1,156
Total liabilities	1,209,720	(6)	68,140	151,890	101,292	139,158	125,591
Capital							
Capital stock							
Class B putable (\$100 par value) issued and outstanding	42,459	—	2,195	6,014	3,562	5,148	4,936
Class A putable (\$100 par value) issued and outstanding	465	—	—	—	—	—	—
Total capital stock	42,924	—	2,195	6,014	3,562	5,148	4,936
Retained earnings							
Unrestricted	21,819	(6)	1,403	1,287	1,370	1,865	1,024
Restricted	8,738	1	509	1,209	733	920	815
Total retained earnings	30,557	(5)	1,912	2,496	2,103	2,785	1,839
Accumulated other comprehensive income (loss)	(316)	(4)	(254)	(100)	(30)	—	(38)
Total capital	73,165	(9)	3,853	8,410	5,635	7,933	6,737
Total liabilities and capital	\$ 1,282,885	\$ (15)	\$ 71,993	\$ 160,300	\$ 106,927	\$ 147,091	\$ 132,328

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CONDITION (continued)

DECEMBER 31, 2024

<i>(dollars in millions, except par value)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Assets						
Cash and due from banks	\$ 71	\$ 32	\$ 41	\$ 15	\$ 26	\$ 2
Investments, net	33,029	59,243	52,032	53,741	24,585	34,961
Advances	39,833	55,847	99,951	67,743	41,652	45,637
Mortgage loans held for portfolio, net	10,796	13,320	11,896	5,764	8,949	693
Other assets, net	806	670	1,333	462	689	442
Total assets	\$ 84,535	\$ 129,112	\$ 165,253	\$ 127,725	\$ 75,901	\$ 81,735
Liabilities						
Deposits	\$ 913	\$ 840	\$ 1,314	\$ 1,735	\$ 989	\$ 1,061
Consolidated obligations						
Discount notes	25,183	36,739	64,680	21,637	14,417	14,378
Bonds	52,903	81,859	88,571	96,215	55,864	58,174
Total consolidated obligations	78,086	118,598	153,251	117,852	70,281	72,552
Mandatorily redeemable capital stock	363	4	9	—	3	331
Other liabilities	940	1,050	1,228	942	526	787
Total liabilities	80,302	120,492	155,802	120,529	71,799	74,731
Capital						
Capital stock						
Class B putable (\$100 par value) issued and outstanding	2,555	3,267	5,989	4,168	2,167	2,458
Class A putable (\$100 par value) issued and outstanding	—	—	—	—	465	—
Total capital stock	2,555	3,267	5,989	4,168	2,632	2,458
Retained earnings						
Unrestricted	1,217	4,269	2,413	2,199	1,110	3,668
Restricted	466	1,042	1,078	650	500	815
Total retained earnings	1,683	5,311	3,491	2,849	1,610	4,483
Accumulated other comprehensive income (loss)	(5)	42	(29)	179	(140)	63
Total capital	4,233	8,620	9,451	7,196	4,102	7,004
Total liabilities and capital	\$ 84,535	\$ 129,112	\$ 165,253	\$ 127,725	\$ 75,901	\$ 81,735

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2025 and 2024

<i>(dollars in millions)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
December 31, 2025							
Interest income							
Advances	\$ 34,400	\$ (1)	\$ 1,939	\$ 4,696	\$ 2,349	\$ 4,605	\$ 3,688
Investments	21,602	(2)	1,255	2,395	1,609	2,510	2,195
Mortgage loans held for portfolio	3,127	—	173	98	197	4	280
Other interest income	3	(1)	—	—	—	—	1
Total interest income	59,132	(4)	3,367	7,189	4,155	7,119	6,164
Interest expense							
Consolidated obligations - Discount notes	14,236	—	779	2,661	424	1,267	959
Consolidated obligations - Bonds	36,253	1	2,185	3,563	3,078	4,904	4,396
Other interest expense	649	(4)	26	115	29	91	41
Total interest expense	51,138	(3)	2,990	6,339	3,531	6,262	5,396
Net interest income	7,994	(1)	377	850	624	857	768
Provision (reversal) for credit losses	14	—	—	—	3	—	—
Net interest income after provision (reversal) for credit losses	7,980	(1)	377	850	621	857	768
Non-interest income (loss)	524	(44)	16	104	19	28	33
Non-interest expense	2,227	(43)	141	287	175	216	162
Affordable Housing Program assessments	632	—	25	67	47	67	64
Net income	\$ 5,645	\$ (2)	\$ 227	\$ 600	\$ 418	\$ 602	\$ 575
December 31, 2024							
Interest income							
Advances	\$ 43,484	\$ —	\$ 2,142	\$ 6,165	\$ 4,096	\$ 5,467	\$ 4,165
Investments	23,956	3	1,349	2,670	1,822	2,881	2,272
Mortgage loans held for portfolio	2,487	(2)	131	82	169	5	238
Other interest income	3	—	—	—	—	—	—
Total interest income	69,930	1	3,622	8,917	6,087	8,353	6,675
Interest expense							
Consolidated obligations - Discount notes	15,816	1	994	3,077	601	1,210	987
Consolidated obligations - Bonds	44,611	1	2,159	4,728	4,665	6,076	4,833
Other interest expense	795	(3)	36	127	37	101	55
Total interest expense	61,222	(1)	3,189	7,932	5,303	7,387	5,875
Net interest income	8,708	2	433	985	784	966	800
Provision (reversal) for credit losses	3	—	—	—	2	—	—
Net interest income after provision (reversal) for credit losses	8,705	2	433	985	782	966	800
Non-interest income (loss)	546	(38)	12	113	48	23	36
Non-interest expense	2,176	(34)	123	278	176	215	160
Affordable Housing Program assessments	718	—	32	82	66	77	68
Net income	\$ 6,357	\$ (2)	\$ 290	\$ 738	\$ 588	\$ 697	\$ 608

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF INCOME (continued)

YEARS ENDED DECEMBER 31, 2025 and 2024

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
December 31, 2025						
Interest income						
Advances	\$ 1,832	\$ 3,327	\$ 5,080	\$ 2,936	\$ 2,086	\$ 1,863
Investments	1,512	2,371	2,923	1,984	1,191	1,659
Mortgage loans held for portfolio	510	593	602	280	370	20
Other interest income	—	2	—	—	1	—
Total interest income	3,854	6,293	8,605	5,200	3,648	3,542
Interest expense						
Consolidated obligations - Discount notes	1,013	2,091	2,829	982	572	659
Consolidated obligations - Bonds	2,267	3,195	4,578	3,366	2,497	2,223
Other interest expense	57	53	48	84	37	72
Total interest expense	3,337	5,339	7,455	4,432	3,106	2,954
Net interest income	517	954	1,150	768	542	588
Provision (reversal) for credit losses	—	2	1	5	—	3
Net interest income after provision (reversal) for credit losses	517	952	1,149	763	542	585
Non-interest income (loss)	21	105	100	60	14	68
Non-interest expense	176	330	270	175	134	204
Affordable Housing Program assessments	38	73	98	65	42	46
Net income	\$ 324	\$ 654	\$ 881	\$ 583	\$ 380	\$ 403
December 31, 2024						
Interest income						
Advances	\$ 2,051	\$ 3,856	\$ 6,013	\$ 4,327	\$ 2,435	\$ 2,767
Investments	1,720	2,585	3,104	2,351	1,361	1,838
Mortgage loans held for portfolio	358	482	452	228	322	22
Other interest income	—	2	—	—	1	—
Total interest income	4,129	6,925	9,569	6,906	4,119	4,627
Interest expense						
Consolidated obligations - Discount notes	967	2,025	3,456	842	889	767
Consolidated obligations - Bonds	2,591	3,878	4,821	5,088	2,628	3,143
Other interest expense	64	62	56	82	41	137
Total interest expense	3,622	5,965	8,333	6,012	3,558	4,047
Net interest income	507	960	1,236	894	561	580
Provision (reversal) for credit losses	—	2	(1)	2	(2)	—
Net interest income after provision (reversal) for credit losses	507	958	1,237	892	563	580
Non-interest income (loss)	32	89	37	64	37	93
Non-interest expense	157	357	258	148	119	219
Affordable Housing Program assessments	40	70	102	81	48	52
Net income	\$ 342	\$ 620	\$ 914	\$ 727	\$ 433	\$ 402

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF INCOME

YEAR ENDED DECEMBER 31, 2023

<i>(dollars in millions)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Interest income							
Advances	\$ 48,481	\$ (1)	\$ 2,114	\$ 5,989	\$ 4,219	\$ 6,681	\$ 4,450
Investments	22,538	—	1,243	2,341	1,478	2,719	2,293
Mortgage loans held for portfolio	1,923	2	93	70	148	6	214
Other interest income	2	(7)	1	—	—	—	1
Total interest income	72,944	(6)	3,451	8,400	5,845	9,406	6,958
Interest expense							
Consolidated obligations - Discount notes	19,100	(3)	1,200	2,415	1,118	1,798	2,105
Consolidated obligations - Bonds	44,190	(2)	1,838	4,859	3,953	6,617	3,932
Other interest expense	735	(8)	38	131	35	102	57
Total interest expense	64,025	(13)	3,076	7,405	5,106	8,517	6,094
Net interest income	8,919	7	375	995	739	889	864
Provision (reversal) for credit losses	13	—	—	2	3	—	—
Net interest income after provision (reversal) for credit losses	8,906	7	375	993	736	889	864
Non-interest income (loss)	330	(36)	15	77	36	5	4
Non-interest expense	1,793	(33)	104	236	125	173	126
Affordable Housing Program assessments	752	2	29	83	65	72	74
Net income	\$ 6,691	\$ 2	\$ 257	\$ 751	\$ 582	\$ 649	\$ 668

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF INCOME (continued)

YEAR ENDED DECEMBER 31, 2023

<i>(dollars in millions)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Interest income						
Advances	\$ 1,943	\$ 4,402	\$ 6,533	\$ 5,742	\$ 2,410	\$ 3,999
Investments	1,559	2,547	2,804	2,403	1,129	2,022
Mortgage loans held for portfolio	254	353	319	177	261	26
Other interest income	—	4	1	—	2	—
Total interest income	3,756	7,306	9,657	8,322	3,802	6,047
Interest expense						
Consolidated obligations - Discount notes	1,001	2,428	2,910	1,776	1,103	1,249
Consolidated obligations - Bonds	2,204	3,837	5,392	5,453	2,206	3,901
Other interest expense	56	71	49	72	34	98
Total interest expense	3,261	6,336	8,351	7,301	3,343	5,248
Net interest income	495	970	1,306	1,021	459	799
Provision (reversal) for credit losses	—	1	1	3	(1)	4
Net interest income after provision (reversal) for credit losses	495	969	1,305	1,018	460	795
Non-interest income (loss)	46	52	(15)	91	48	7
Non-interest expense	120	286	221	138	97	200
Affordable Housing Program assessments	44	75	107	97	41	63
Net income	\$ 377	\$ 660	\$ 962	\$ 874	\$ 370	\$ 539

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

<i>(dollars in millions)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
December 31, 2025							
Net income	\$ 5,645	\$ (2)	\$ 227	\$ 600	\$ 418	\$ 602	\$ 575
Other comprehensive income							
Net change in fair value of available-for-sale securities	1,077	1	137	135	64	26	46
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	1	—	—	1	—	—	—
Net change relating to hedging activities	(129)	(1)	(15)	(39)	—	—	—
Pension and postretirement benefits	7	3	(1)	(7)	—	(6)	(2)
Total other comprehensive income (loss)	956	3	121	90	64	20	44
Comprehensive income (loss)	\$ 6,601	\$ 1	\$ 348	\$ 690	\$ 482	\$ 622	\$ 619
December 31, 2024							
Net income	\$ 6,357	\$ (2)	\$ 290	\$ 738	\$ 588	\$ 697	\$ 608
Other comprehensive income							
Net change in fair value of available-for-sale securities	716	(2)	20	42	44	4	37
Net change relating to hedging activities	2	(1)	19	(6)	—	—	—
Pension and postretirement benefits	10	(1)	1	7	(1)	1	2
Total other comprehensive income (loss)	728	(4)	40	43	43	5	39
Comprehensive income (loss)	\$ 7,085	\$ (6)	\$ 330	\$ 781	\$ 631	\$ 702	\$ 647
December 31, 2023							
Net income	\$ 6,691	\$ 2	\$ 257	\$ 751	\$ 582	\$ 649	\$ 668
Other comprehensive income							
Net change in fair value of available-for-sale securities	(241)	1	9	26	(7)	29	(27)
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	3	—	—	—	—	—	—
Net change relating to hedging activities	(74)	1	3	(28)	—	—	—
Pension and postretirement benefits	21	(3)	—	(5)	1	—	—
Total other comprehensive income (loss)	(291)	(1)	12	(7)	(6)	29	(27)
Comprehensive income (loss)	\$ 6,400	\$ 1	\$ 269	\$ 744	\$ 576	\$ 678	\$ 641

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF COMPREHENSIVE INCOME (continued)

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

<i>(dollars in millions)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
December 31, 2025						
Net income	\$ 324	\$ 654	\$ 881	\$ 583	\$ 380	\$ 403
Other comprehensive income						
Net change in fair value of available-for-sale securities	56	218	210	58	54	72
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	—	—	—	—	—	—
Net change relating to hedging activities	—	(43)	—	(31)	—	—
Pension and postretirement benefits	9	1	—	(1)	—	11
Total other comprehensive income (loss)	65	176	210	26	54	83
Comprehensive income (loss)	\$ 389	\$ 830	\$ 1,091	\$ 609	\$ 434	\$ 486
December 31, 2024						
Net income	\$ 342	\$ 620	\$ 914	\$ 727	\$ 433	\$ 402
Other comprehensive income						
Net change in fair value of available-for-sale securities	72	165	151	75	(21)	129
Net change relating to hedging activities	—	(5)	—	(5)	—	—
Pension and postretirement benefits	(3)	(2)	—	—	—	6
Total other comprehensive income (loss)	69	158	151	70	(21)	135
Comprehensive income (loss)	\$ 411	\$ 778	\$ 1,065	\$ 797	\$ 412	\$ 537
December 31, 2023						
Net income	\$ 377	\$ 660	\$ 962	\$ 874	\$ 370	\$ 539
Other comprehensive income						
Net change in fair value of available-for-sale securities	(50)	(19)	(64)	(57)	(35)	(47)
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	—	—	—	3	—	—
Net change relating to hedging activities	—	(30)	—	(20)	—	—
Pension and postretirement benefits	2	21	1	—	—	4
Total other comprehensive income (loss)	(48)	(28)	(63)	(74)	(35)	(43)
Comprehensive income (loss)	\$ 329	\$ 632	\$ 899	\$ 800	\$ 335	\$ 496

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CAPITAL

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

<i>(dollars in millions)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Balance, December 31, 2022	\$ 67,807	\$ (2)	\$ 3,415	\$ 8,347	\$ 4,897	\$ 7,646	\$ 6,502
Comprehensive income (loss)	6,400	1	269	744	576	678	641
Proceeds from issuance of capital stock	65,352	—	5,072	10,017	5,328	12,477	5,476
Repurchases/redemptions of capital stock	(62,550)	(1)	(5,059)	(10,300)	(4,821)	(12,274)	(5,207)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(2,639)	—	(2)	(54)	(14)	(3)	(574)
Dividends of capital stock	517	1	—	—	—	—	—
Dividends							
Cash	(2,834)	—	(157)	(509)	(287)	(408)	(411)
Stock	(517)	(1)	—	—	—	—	—
Balance, December 31, 2023	71,536	(2)	3,538	8,245	5,679	8,116	6,427
Comprehensive income (loss)	7,085	(6)	330	781	631	702	647
Proceeds from issuance of capital stock	41,518	—	2,761	4,984	4,075	8,790	2,733
Repurchases/redemptions of capital stock	(43,372)	—	(2,608)	(5,020)	(4,428)	(9,238)	(2,636)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(425)	—	—	—	(6)	(1)	(7)
Dividends of capital stock	517	—	—	—	—	—	—
Dividends							
Cash	(3,177)	(1)	(168)	(580)	(316)	(436)	(427)
Stock	(517)	—	—	—	—	—	—
Balance, December 31, 2024	\$ 73,165	\$ (9)	\$ 3,853	\$ 8,410	\$ 5,635	\$ 7,933	\$ 6,737
Comprehensive income (loss)	6,601	1	348	690	482	622	619
Proceeds from issuance of capital stock	51,004	—	2,216	5,523	4,047	12,125	4,458
Repurchases/redemptions of capital stock	(52,474)	1	(2,474)	(6,118)	(5,310)	(11,652)	(4,810)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(916)	—	—	(8)	(7)	(14)	(45)
Dividends of capital stock	428	—	—	—	—	—	—
Dividends							
Cash	(3,044)	(2)	(163)	(481)	(276)	(393)	(419)
Stock	(428)	—	—	—	—	—	—
Balance, December 31, 2025	\$ 74,336	\$ (9)	\$ 3,780	\$ 8,016	\$ 4,571	\$ 8,621	\$ 6,540

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CAPITAL (continued)

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

<i>(dollars in millions)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Balance, December 31, 2022	\$ 3,384	\$ 7,465	\$ 8,751	\$ 6,001	\$ 3,678	\$ 7,723
Comprehensive income (loss)	329	632	899	800	335	496
Proceeds from issuance of capital stock	363	3,803	11,087	5,445	3,123	3,161
Repurchases/redemptions of capital stock	(200)	(3,510)	(10,460)	(4,983)	(2,518)	(3,217)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(1)	(5)	(4)	(4)	(726)	(1,252)
Dividends of capital stock	—	—	—	295	221	—
Dividends						
Cash	(132)	(245)	(442)	—	—	(243)
Stock	—	—	—	(295)	(221)	—
Balance, December 31, 2023	3,743	8,140	9,831	7,259	3,892	6,668
Comprehensive income (loss)	411	778	1,065	797	412	537
Proceeds from issuance of capital stock	351	2,296	8,516	3,137	2,155	1,720
Repurchases/redemptions of capital stock	(81)	(2,302)	(9,399)	(3,996)	(1,988)	(1,676)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	(4)	(1)	(1)	(369)	(36)
Dividends of capital stock	—	—	—	291	226	—
Dividends						
Cash	(191)	(288)	(561)	—	—	(209)
Stock	—	—	—	(291)	(226)	—
Balance, December 31, 2024	4,233	8,620	9,451	7,196	4,102	7,004
Comprehensive income (loss)	389	830	1,091	609	434	486
Proceeds from issuance of capital stock	269	2,593	11,139	3,260	2,776	2,598
Repurchases/redemptions of capital stock	(103)	(2,253)	(10,476)	(4,270)	(2,522)	(2,487)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(25)	(34)	(143)	(24)	(599)	(17)
Dividends of capital stock	—	—	—	204	224	—
Dividends						
Cash	(209)	(301)	(575)	(1)	—	(224)
Stock	—	—	—	(204)	(224)	—
Balance, December 31, 2025	\$ 4,554	\$ 9,455	\$ 10,487	\$ 6,770	\$ 4,191	\$ 7,360

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

<i>(dollars in millions)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Operating activities							
Net cash provided by (used in) operating activities	\$ (2,987)	\$ 1	\$ (208)	\$ (683)	\$ 58	\$ 9	\$ (66)
Investing activities							
Net change/net proceeds and payments in							
Investments	(5,053)	5	(1,798)	(8,532)	1,363	11,258	(4,460)
Advances	63,791	—	6,492	14,083	33,185	(8,787)	9,441
Mortgage loans held for portfolio	(9,687)	3	(612)	(304)	(421)	12	(1,452)
Other investing activities	(96)	(1)	(2)	(21)	(5)	(10)	(9)
Net cash provided by (used in) investing activities	48,955	7	4,080	5,226	34,122	2,473	3,520
Financing activities							
Net change in deposits and pass-through reserves, and other financing activities	494	(6)	46	672	(176)	130	(19)
Net proceeds (payments) on derivative contracts with financing element	29	—	(11)	2	—	—	—
Net proceeds from issuance of consolidated obligations							
Discount notes	5,252,166	1	72,284	872,107	400,185	278,662	118,123
Bonds	1,000,397	(2)	52,542	70,870	94,482	187,829	140,951
Consolidated obligation discount notes transferred from other FHLBanks	—	(7)	—	1	1	—	5
Payments for maturing and retiring consolidated obligations							
Discount notes	(5,145,093)	1	(69,642)	(863,575)	(395,222)	(266,403)	(106,532)
Bonds	(1,148,220)	1	(58,668)	(83,526)	(131,892)	(202,782)	(155,195)
Consolidated obligation discount notes transferred to other FHLBanks	—	7	(5)	(1)	(1)	—	—
Proceeds from issuance of capital stock	51,004	—	2,216	5,523	4,047	12,125	4,458
Payments for repurchases/redemptions of capital stock	(52,474)	1	(2,474)	(6,118)	(5,310)	(11,652)	(4,810)
Payments for repurchases/redemptions of mandatorily redeemable capital stock	(1,152)	(1)	(1)	(5)	(2)	(14)	(39)
Cash dividends paid	(3,044)	(2)	(163)	(481)	(276)	(393)	(419)
Net cash provided by (used in) financing activities	(45,893)	(7)	(3,876)	(4,531)	(34,164)	(2,498)	(3,477)
Net increase (decrease) in cash and due from banks	75	1	(4)	12	16	(16)	(23)
Cash and due from banks at beginning of the period	298	—	5	26	17	35	28
Cash and due from banks at end of the period	\$ 373	\$ 1	\$ 1	\$ 38	\$ 33	\$ 19	\$ 5

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CASH FLOWS (continued)

YEAR ENDED DECEMBER 31, 2025

<i>(dollars in millions)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Operating activities						
Net cash provided by (used in) operating activities	\$ (246)	\$ 238	\$ (1,556)	\$ (15)	\$ (170)	\$ (349)
Investing activities						
Net change/net proceeds and payments in						
Investments	620	(4,285)	(7,125)	4,738	1,364	1,799
Advances	575	(4,891)	(9,448)	17,268	(1,796)	7,669
Mortgage loans held for portfolio	(1,655)	(1,430)	(2,661)	(804)	(413)	50
Other investing activities	(11)	(24)	(3)	(7)	(3)	—
Net cash provided by (used in) investing activities	(471)	(10,630)	(19,237)	21,195	(848)	9,518
Financing activities						
Net change in deposits and pass-through reserves, and other financing activities	(281)	439	(189)	307	(105)	(324)
Net proceeds (payments) on derivative contracts with financing element	16	(1)	2	(4)	14	11
Net proceeds from issuance of consolidated obligations						
Discount notes	838,499	368,433	1,476,108	119,431	608,905	99,428
Bonds	32,506	72,875	122,893	88,621	77,674	59,156
Consolidated obligation discount notes transferred from other FHLBanks	—	—	—	—	—	—
Payments for maturing and retiring consolidated obligations						
Discount notes	(836,248)	(352,163)	(1,455,687)	(100,909)	(602,000)	(96,713)
Bonds	(33,645)	(79,151)	(122,297)	(127,575)	(83,132)	(70,358)
Consolidated obligation discount notes transferred to other FHLBanks	—	—	—	—	—	—
Proceeds from issuance of capital stock	269	2,593	11,139	3,260	2,776	2,598
Payments for repurchases/redemptions of capital stock	(103)	(2,253)	(10,476)	(4,270)	(2,522)	(2,487)
Payments for repurchases/redemptions of mandatorily redeemable capital stock	(106)	(8)	(122)	(16)	(596)	(242)
Cash dividends paid	(209)	(301)	(575)	(1)	—	(224)
Net cash provided by (used in) financing activities	698	10,463	20,796	(21,156)	1,014	(9,155)
Net increase (decrease) in cash and due from banks	(19)	71	3	24	(4)	14
Cash and due from banks at beginning of the period	71	32	41	15	26	2
Cash and due from banks at end of the period	\$ 52	\$ 103	\$ 44	\$ 39	\$ 22	\$ 16

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

<i>(dollars in millions)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Operating activities							
Net cash provided by (used in) operating activities	\$ 8,629	\$ 4	\$ 222	\$ 1,145	\$ 583	\$ 826	\$ 896
Investing activities							
Net change/net proceeds and payments in							
Investments	(57,477)	2	(558)	(4,558)	(3,419)	(4,998)	(2,466)
Advances	72,946	—	(3,226)	3,246	8,620	10,633	(5,906)
Mortgage loans held for portfolio	(8,371)	(1)	(627)	(170)	(132)	13	(155)
Other investing activities	(104)	(2)	(2)	(15)	(24)	(8)	(8)
Net cash provided by (used in) investing activities	6,994	(1)	(4,413)	(1,497)	5,045	5,640	(8,535)
Financing activities							
Net change in deposits and pass-through reserves, and other financing activities	1,453	—	(40)	(1,054)	138	762	(78)
Net proceeds (payments) on derivative contracts with financing element	115	—	28	—	—	—	—
Net proceeds from issuance of consolidated obligations							
Discount notes	6,020,726	(2)	95,148	1,152,914	531,104	237,399	122,132
Bonds	933,674	1	40,811	71,060	118,721	160,852	127,568
Consolidated obligation discount notes transferred from other FHLBanks	—	(1,234)	614	—	3	6	1
Consolidated obligation bonds transferred from other FHLBanks	—	(5,805)	5,805	—	—	—	—
Payments for maturing and retiring consolidated obligations							
Discount notes	(5,981,515)	(2)	(98,634)	(1,133,352)	(533,054)	(231,211)	(126,240)
Bonds	(984,316)	—	(38,959)	(82,815)	(121,835)	(173,494)	(115,393)
Consolidated obligation discount notes transferred to other FHLBanks	—	1,234	(614)	—	(4)	(2)	(4)
Consolidated obligation bonds transferred to other FHLBanks	—	5,805	—	(5,805)	—	—	—
Proceeds from issuance of capital stock	41,518	—	2,761	4,984	4,075	8,790	2,733
Payments for repurchases/redemptions of capital stock	(43,372)	—	(2,608)	(5,020)	(4,428)	(9,238)	(2,636)
Payments for repurchases/redemptions of mandatorily redeemable capital stock	(912)	1	(1)	(2)	(27)	(1)	(10)
Cash dividends paid	(3,177)	(1)	(168)	(580)	(316)	(436)	(427)
Net cash provided by (used in) financing activities	(15,806)	(3)	4,143	330	(5,623)	(6,573)	7,646
Net increase (decrease) in cash and due from banks	(183)	—	(48)	(22)	5	(107)	7
Cash and due from banks at beginning of the period	481	—	53	48	12	142	21
Cash and due from banks at end of the period	\$ 298	\$ —	\$ 5	\$ 26	\$ 17	\$ 35	\$ 28

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CASH FLOWS (continued)

YEAR ENDED DECEMBER 31, 2024

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Operating activities						
Net cash provided by (used in) operating activities	\$ 544	\$ 1,654	\$ 1,615	\$ 631	\$ 261	\$ 248
Investing activities						
Net change/net proceeds and payments in						
Investments	(1,089)	(18,579)	(2,275)	(10,939)	(3,931)	(4,667)
Advances	(4,273)	9,521	22,491	12,152	3,795	15,893
Mortgage loans held for portfolio	(2,187)	(1,936)	(1,944)	(682)	(608)	58
Other investing activities	(13)	(20)	(7)	(5)	—	—
Net cash provided by (used in) investing activities	(7,562)	(11,014)	18,265	526	(744)	11,284
Financing activities						
Net change in deposits and pass-through reserves, and other financing activities	363	212	237	462	248	203
Net proceeds (payments) on derivative contracts with financing element	10	—	(2)	35	24	20
Net proceeds from issuance of consolidated obligations						
Discount notes	807,951	544,912	1,688,542	158,685	610,532	71,409
Bonds	34,158	62,156	55,883	136,530	70,220	55,714
Consolidated obligation discount notes transferred from other FHLBanks	—	—	—	—	610	—
Consolidated obligation bonds transferred from other FHLBanks	—	—	—	—	—	—
Payments for maturing and retiring consolidated obligations						
Discount notes	(805,390)	(536,178)	(1,678,826)	(145,693)	(616,771)	(76,164)
Bonds	(30,135)	(61,367)	(84,256)	(150,350)	(63,571)	(62,141)
Consolidated obligation discount notes transferred to other FHLBanks	—	—	—	—	(610)	—
Consolidated obligation bonds transferred to other FHLBanks	—	—	—	—	—	—
Proceeds from issuance of capital stock	351	2,296	8,516	3,137	2,155	1,720
Payments for repurchases/redemptions of capital stock	(81)	(2,302)	(9,399)	(3,996)	(1,988)	(1,676)
Payments for repurchases/redemptions of mandatorily redeemable capital stock	(6)	(83)	(4)	(2)	(366)	(411)
Cash dividends paid	(191)	(288)	(561)	—	—	(209)
Net cash provided by (used in) financing activities	7,030	9,358	(19,870)	(1,192)	483	(11,535)
Net increase (decrease) in cash and due from banks	12	(2)	10	(35)	—	(3)
Cash and due from banks at beginning of the period	59	34	31	50	26	5
Cash and due from banks at end of the period	\$ 71	\$ 32	\$ 41	\$ 15	\$ 26	\$ 2

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

<i>(dollars in millions)</i>	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Operating activities							
Net cash provided by (used in) operating activities	\$ 5,480	\$ (3)	\$ (3)	\$ 577	\$ 445	\$ 455	\$ 181
Investing activities							
Net change/net proceeds and payments in							
Investments	(36,700)	(110)	(2,730)	(6,145)	(5,055)	(12,406)	(8,289)
Advances	13,244	—	(236)	7,135	(9,421)	13,347	(6,210)
Mortgage loans held for portfolio	(5,406)	2	(307)	(80)	(116)	17	34
Other investing activities	(82)	3	(11)	(14)	(2)	(8)	(7)
Net cash provided by (used in) investing activities	(28,944)	(105)	(3,284)	896	(14,594)	950	(14,472)
Financing activities							
Net change in deposits and pass-through reserves, and other financing activities	3,002	(2)	271	2,452	91	(237)	172
Net proceeds (payments) on derivative contracts with financing element	85	2	1	(2)	—	—	—
Net proceeds from issuance of consolidated obligations							
Discount notes	5,823,594	—	142,079	301,997	633,148	227,122	171,458
Bonds	1,049,694	—	32,019	111,134	98,542	186,082	137,501
Consolidated obligation discount notes transferred from other FHLBanks	—	(11,157)	—	5,943	—	—	—
Consolidated obligation bonds transferred from other FHLBanks	—	(1,250)	—	—	—	—	250
Payments for maturing and retiring consolidated obligations							
Discount notes	(6,003,498)	—	(147,077)	(322,138)	(653,170)	(229,776)	(188,453)
Bonds	(847,200)	106	(23,811)	(99,994)	(64,669)	(172,979)	(105,920)
Consolidated obligation discount notes transferred to other FHLBanks	—	11,158	—	—	—	(11,158)	—
Consolidated obligation bonds transferred to other FHLBanks	—	1,250	—	—	—	(250)	—
Proceeds from issuance of capital stock	65,352	—	5,072	10,017	5,328	12,477	5,476
Payments for repurchases/redemptions of capital stock	(62,550)	(1)	(5,059)	(10,300)	(4,821)	(12,274)	(5,207)
Payments for repurchases/redemptions of mandatorily redeemable capital stock	(2,117)	2	(6)	(52)	(14)	(3)	(574)
Cash dividends paid	(2,834)	—	(157)	(509)	(287)	(408)	(411)
Net cash provided by (used in) financing activities	23,528	108	3,332	(1,452)	14,148	(1,404)	14,292
Net increase (decrease) in cash and due from banks	64	—	45	21	(1)	1	1
Cash and due from banks at beginning of the period	417	—	8	27	13	141	20
Cash and due from banks at end of the period	\$ 481	\$ —	\$ 53	\$ 48	\$ 12	\$ 142	\$ 21

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES

STATEMENTS OF CASH FLOWS (continued)

YEAR ENDED DECEMBER 31, 2023

<i>(dollars in millions)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Operating activities						
Net cash provided by (used in) operating activities	\$ 190	\$ 1,346	\$ 950	\$ 743	\$ 353	\$ 246
Investing activities						
Net change/net proceeds and payments in						
Investments	(3,729)	8,869	(6,043)	(870)	(937)	745
Advances	1,414	1,496	(10,847)	(10,824)	(1,015)	28,405
Mortgage loans held for portfolio	(939)	(1,274)	(1,637)	(704)	(461)	59
Other investing activities	(5)	(14)	(12)	(5)	(5)	(2)
Net cash provided by (used in) investing activities	(3,259)	9,077	(18,539)	(12,403)	(2,418)	29,207
Financing activities						
Net change in deposits and pass-through reserves, and other financing activities	(7)	57	42	119	18	26
Net proceeds (payments) on derivative contracts with financing element	9	—	—	32	23	20
Net proceeds from issuance of consolidated obligations						
Discount notes	808,224	892,370	1,653,546	383,751	481,241	128,658
Bonds	21,967	46,024	139,265	139,356	52,166	85,638
Consolidated obligation discount notes transferred from other FHLBanks	948	4,266	—	—	—	—
Consolidated obligation bonds transferred from other FHLBanks	—	—	—	1,000	—	—
Payments for maturing and retiring consolidated obligations						
Discount notes	(813,966)	(928,092)	(1,668,653)	(421,402)	(485,397)	(145,374)
Bonds	(14,094)	(24,927)	(106,847)	(91,625)	(44,865)	(97,575)
Consolidated obligation discount notes transferred to other FHLBanks	—	—	—	—	—	—
Consolidated obligation bonds transferred to other FHLBanks	—	—	—	—	(1,000)	—
Proceeds from issuance of capital stock	363	3,803	11,087	5,445	3,123	3,161
Payments for repurchases/redemptions of capital stock	(200)	(3,510)	(10,460)	(4,983)	(2,518)	(3,217)
Payments for repurchases/redemptions of mandatorily redeemable capital stock	(5)	(170)	(7)	(11)	(726)	(551)
Cash dividends paid	(132)	(245)	(442)	—	—	(243)
Net cash provided by (used in) financing activities	3,107	(10,424)	17,531	11,682	2,065	(29,457)
Net increase (decrease) in cash and due from banks	38	(1)	(58)	22	—	(4)
Cash and due from banks at beginning of the period	21	35	89	28	26	9
Cash and due from banks at end of the period	\$ 59	\$ 34	\$ 31	\$ 50	\$ 26	\$ 5

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SUPPLEMENTAL INFORMATION

FHLBank Management and Compensation (Unaudited)

FHLBank Directors

Each FHLBank is governed by a Board of Directors whose size is determined annually by the Federal Housing Finance Agency (FHFA). The members of each FHLBank elect all of the FHLBank's Directors, each of whom is elected for a four-year term, unless otherwise adjusted by the Director of the FHFA in order to achieve an appropriate staggering of terms (with approximately one-fourth of the Directors' terms expiring each year), except that the Board of Directors of each FHLBank may elect an individual to fill the unexpired term of office of a vacant directorship. Directors may not serve more than three consecutive full terms. An FHLBank's Board of Directors must be comprised of a majority of member Directors, who are Directors or Officers of members, and a minority of Independent Directors. Independent Directors must comprise not less than two-fifths of the members of the Board of Directors and two of these Directors must hold public interest Director positions.

To be eligible to serve as a member Director, a candidate must be a citizen of the United States and be an Officer or Director of a member institution that is located in the state to which the Director of the FHFA has allocated the directorship and that meets all of the minimum capital requirements established by its appropriate regulator. For member Directors, each eligible institution may nominate representatives from member institutions in its respective state to serve on the Board of the Directors. After the slate of nominees is finalized, each eligible institution may vote for the number of open member Director seats in the state in which its principal place of business is located.

To be eligible to serve as an Independent Director, an individual must be a citizen of the United States and a bona fide resident of that FHLBank's district. To be elected, a candidate must receive at least 20% of the votes that are eligible to be cast unless there are multiple nominees. An Independent Director may not be an officer of any FHLBank, or an Officer, Director, or employee of an FHLBank member on whose board the individual sits or of any recipient of advances from an FHLBank. Under the Federal Home Loan Bank Act of 1932, as amended (FHLBank Act), there are two types of Independent Directors:

- *Public Interest Director.* Each FHLBank is required to have at least two public interest Directors. Before names are placed on the ballot, nominee eligibility will be verified through application and eligibility certification forms prescribed by the FHFA. Public interest Directors must have more than four years' experience in representing consumer or community interests in banking services, credit needs, housing, or consumer financial protections.
- *Other Independent Directors.* Independent Directors shall have experience in, or knowledge of, one or more of the following areas: auditing and accounting, derivatives, financial management, organizational management, project development, risk management practices, and the law.

Eligible members nominate representatives from members in their state to serve as member Directors. Potential Independent Directors may express their interest in being nominated to the FHLBank, or may be recommended by a third party to be nominated, with each FHLBank's Board of Directors (after consultation with the FHLBank's Advisory Council established under the FHLBank Act) determining the slate of nominees. For the election of both member Directors and Independent Directors, each eligible institution is entitled to cast one vote for each share of stock that it was required to hold as of December 31 of the calendar year immediately preceding the election year (record date). The number of votes that any member may cast for any one directorship shall not exceed the average number of shares of stock required to be held as of the record date by all member institutions located in the member's state as of the record date.

The Board of Directors of each FHLBank has the responsibility to establish policies and programs that carry out the FHLBank's housing finance mission. Each Board of Directors adopts and reviews policies governing the FHLBank's credit, investment, and funding activities, and oversees the implementation of these policies. The Directors also must adopt policies to manage the FHLBank's exposure to credit, liquidity, and interest-rate risk. In addition, each Board of Directors is responsible for monitoring that FHLBank's compliance with FHFA regulations.

The following persons are currently serving as Chair or Vice-Chair of an FHLBank and the following information has been provided for each FHLBank primarily based on the information disclosed in its annual report on SEC Form 10-K for the year ended December 31, 2025:

Eric L. Chatman, 65, is serving as Chair of the Board of Directors of the FHLBank of Boston. Mr. Chatman has served as the Executive Vice President and Chief Financial Officer of Housing Partnership Network, a network of affordable housing and community development nonprofits, since 2017. Mr. Chatman founded and was President of The Chatman Group, LLC, a consulting and advisory firm focused on affordable housing and financial advisory services for non-profits, housing finance authorities, and financial institutions from 2015 to 2017. Mr. Chatman served as President and Executive Director of the Connecticut Housing Finance Authority from 2012 until 2015 and, in that capacity, was responsible for the policy development, strategic planning and execution of the Connecticut Housing Finance Authority affordable housing finance mission. Prior to serving in that role, Mr. Chatman served as Deputy Director and Chief Financial Officer of the Iowa Finance Authority from 2008 to 2012. Mr. Chatman has also held various corporate finance, treasury, and capital markets roles, both domestic and international, including Treasurer of the FHLBank of Des Moines and Division Manager, Treasury Department, at the African Development Bank. Mr. Chatman has served as a Director of the FHLBank of Boston since June 16, 2014, and his current term will conclude on December 31, 2027.

John C. Witherspoon, 69, is serving as Vice-Chair of the Board of Directors of the FHLBank of Boston. Mr. Witherspoon has served as a Director of Skowhegan Savings Bank in Skowhegan, Maine, since November 2007 and served there also as President and Chief Executive Officer from November 2007 until December 2019. Prior positions included serving as Chief Executive Officer of the Finance Authority of Maine between 2004 and 2007, and as President and Chief Executive Officer of United Kingfield Bank and its predecessor, Kingfield Savings Bank, from 1984 until 2004. Mr. Witherspoon has served as a Director of the FHLBank of Boston since January 1, 2016, and his current term will conclude on December 31, 2027.

Christopher P. Martin, 69, is Chair of the Board of Directors of the FHLBank of New York. Since January 1, 2022, he has served as Executive Chairman of Provident Financial Services, Inc. and of its subsidiary and FHLBank of New York member Provident Bank, New Jersey's oldest state-chartered bank. He was first elected as Chairman in 2010, served as Chief Executive Officer from 2009 until December 31, 2021, and served as President from 2004 through mid-2020. He has been in the banking industry for over 40 years. Mr. Martin previously served as President and Chief Executive Officer of First Sentinel Bancorp, Inc., which was acquired by Provident Financial Services, Inc. in July 2004. Prior to his banking career, Mr. Martin worked for Johnson & Johnson in inventory control and as a financial analyst. Mr. Martin previously served on the Board of Directors of the New Jersey Bankers Association. In addition, he served on the Federal Reserve Community Depository Institutions Advisory Council. He was a member of the Government Relations Council of the American Bankers Association. He also dedicates much of his spare time helping to improve the community. Mr. Martin is a vice president of The 200 Club of Middlesex County, which provides financial assistance and scholarships to families of law enforcement, fire and public safety officials. He serves on the Board of Trustees and the executive, advancement and investment committees of Elon University, and is a past president of the alumni board. Mr. Martin volunteers at local food pantries and Habitat for Humanity build sites. He also spends time teaching financial literacy to high school students at inner city schools. Mr. Martin is President of The Provident Bank Foundation, which, since its founding in 2003, has provided more than \$32 million in grants for programs focusing on community enrichment, education, and health, youth and families in New Jersey and Pennsylvania. Mr. Martin has been honored for his philanthropic endeavors as a recipient of the New Jersey State Governor's Jefferson Awards for Public Service, has been honored by the National MS Society,

the American Jewish Committee, The Scholarship Fund for Inner-City Children, Habitat for Humanity, Boys and Girls Club of America, and Project Live. Mr. Martin received a bachelor's degree in accounting and business from Elon University and holds an MBA from Monmouth University.

Stephen S. Romaine, 61, is Vice Chair of the FHLBank of New York. He currently serves as Chair and Chief Executive Officer of Tompkins Community Bank ("TCB"), a FHLBank of New York member, and has served as Director, President and Chief Executive Officer of TCB's holding company, Tompkins Financial Corporation ("TFC"), since January 2007. TCB retained the charter of member Tompkins Trust Company ("TTC") and consolidated former members Tompkins Mahopac Bank ("TMB") and Tompkins Bank of Castile ("TBOC") in January 2022, each of what was wholly owned by TFC. At that time, he assumed the role of Chief Executive Officer of TCB and remained a Director, later becoming Chair of TCB in April 2024. He also served as a Director of TMB from January 2003 and TTC and TBOC from January 2007, until their consolidation. He also chaired TTC from May 2014 until December 2021. Mr. Romaine currently serves on the Board of the New York Bankers Association and served as its Chairman from March 2016 through March 2017. His current civic involvement includes service as a member of the Board of Directors of the Legacy Foundation of Tompkins County, with recent involvement on the boards of local Ithaca, NY educational and historical institutions.

Brendan J. McGill, 57, is serving as Chair of the Board of Directors of the FHLBank of Pittsburgh. Mr. McGill joined the Board of Directors of the FHLBank of Pittsburgh in January 2017. Mr. McGill is President and Chief Executive Officer of Harleysville Bank. Mr. McGill has served as a Director and President of Harleysville Financial Corporation since September 2014 and as Chief Operating Officer since June 2010. Previously, Mr. McGill served as Executive Vice President and Chief Financial Officer from May 2009 until September 2014. Mr. McGill joined the Harleysville Bank in September 1999, and from February 2000 until May 2009, he served as the company's Senior Vice President, Treasurer, and Chief Financial Officer. Mr. McGill is a voting member of the Executive Committee and the Enterprise Risk Management Committee and serves as a non-voting ex officio member of the other standing Board Committees of the FHLBank of Pittsburgh's Board of Directors. Mr. McGill serves as an FHLBank of Pittsburgh representative on the Council of Federal Home Loan Banks.

Louise M. Herrle, 68, is serving as Vice-Chair of the Board of Directors of the FHLBank of Pittsburgh. Ms. Herrle joined the Board of Directors of the FHLBank of Pittsburgh in September 2018. Ms. Herrle is a senior corporate finance executive with extensive experience in developing and leading innovative global debt finance programs and in capital market risk management. Effective April 1, 2023, Ms. Herrle joined the boards of the following three Mizuho entities: Mizuho Americas LLC; Mizuho Securities USA LLC; and Mizuho Bank (USA). Ms. Herrle was the Managing Director of Capital Markets for Incapital, LLC and retired from that position in 2019. In addition, she has provided financial advisory services to Fortune 100 companies and was the leading architect of a financing platform for social impact investments. Ms. Herrle has received multiple awards for excellence in corporate financing and was a featured speaker for industry events and conferences throughout her career. She is the former Executive Board Chair of Strong Women, Strong Girls, Inc. (the organization now known, as of October 2024, as Girls Inc. of Greater Pittsburgh), continues to serve on its Finance Committee, and is a member of its Emeritus Board. Other board positions include serving on the Advisory Board of Power Forward Inc. and as a Cabinet Member of the Capital Campaign for Light of Life Rescue Mission. Ms. Herrle received her BSBA degree from Robert Morris University, and in 2020 became NACD (National Association of Corporate Directors) Directorship Certified. Ms. Herrle is a voting member of the Executive Committee and the Enterprise Risk Management Committee and serves as a non-voting ex officio member of the other standing Board Committees of the FHLBank of Pittsburgh's Board of Directors. Ms. Herrle serves as an FHLBank of Pittsburgh representative on the Council of Federal Home Loan Banks.

R. Thornwell Dunlap III, 68, became Chair of the Board of Directors of the FHLBank of Atlanta on January 1, 2023. He has served as President, Chief Executive Officer of Countybank since 1995 and Chair of its holding company, TCB Corporation (TCB), since 2001. In his capacity as Chair of TCB, Mr. Dunlap is a director of Greenwood Capital Associates, LLC, a registered investment advisory firm, owned by the TCB. He is a past Chair of the South Carolina

Bankers Association (2017 to 2018) and is a past Chair of the Independent Banks of South Carolina (2011 to 2012). Mr. Dunlap is the past Chair of the Greenwood Partnership Alliance and served on the Piedmont Technical College Foundation Board of Directors. He has served on the Ten at the Top Board of Directors since 2009 and is a founding director. Mr. Dunlap is a member and past Chair of the Greenwood Rotary Club. He currently serves as Chair of the Executive Committee and ex officio member of the other committees of the FHLBank of Atlanta's Board. Mr. Dunlap serves as an FHLBank of Atlanta representative on the Council of Federal Home Loan Banks.

Suzanne S. DeFerie, 69, became Vice-Chair of the Board of Directors of the FHLBank of Atlanta on January 1, 2023. She has served as a member of the Board of Directors of First Bank, a subsidiary of First Bancorp in Southern Pines, North Carolina (NASDAQ: FBNC) since October 1, 2017. She served as President and Chief Executive Officer of Asheville Savings Bank, S.S.B. in Asheville, North Carolina, from 2008 and its holding company, ASB Bancorp, Inc. (NASDAQ: ASBB), from 2011 until October 1, 2017, when the bank and holding company were acquired by First Bancorp. Ms. DeFerie also serves as a member of the Board of Directors for First Bancorp and was named Audit Committee Chair in 2023. She formerly served as Senior Audit Manager with Deloitte. Ms. DeFerie is a past member of the Community Depository Advisory Council of the Federal Reserve Bank of Richmond, past Chair of the Asheville Area Chamber of Commerce and United Way of Asheville and Buncombe County, as well as past Board Member for the Economic Development Coalition of Asheville-Buncombe County, Mission Health System and Asheville Area Habitat for Humanity, and the Asheville Merchant's Fund. Ms. DeFerie currently serves the Asheville, NC community on the boards of the Community Betterment Foundation and ANC Health Care. Ms. DeFerie is a Certified Public Accountant. She currently serves as Vice-Chair of the Executive Committee, Vice-Chair of the Audit Committee, and ex officio member of the other committees of the FHLBank of Atlanta's Board. Ms. DeFerie serves as an FHLBank of Atlanta representative on the Council of Federal Home Loan Banks.

Michael P. Pell, 62, has served as Chair of the Board of Directors of the FHLBank of Cincinnati since January 2026. Mr. Pell has 40 years of banking experience and has been the President and Chief Executive Officer of First State Bank, Winchester, Ohio since March 2006. In 2018, he was Chair of the Ohio Bankers League (OBL) which serves 200 member banks across Ohio. In 2022, Governor Mike DeWine appointed Mr. Pell to serve on the Ohio Banking Commission. Mr. Pell received his Bachelor of Business Administration from Morehead State University.

Lewis Diaz, 47, has served as Vice-Chair of the Board of Directors of the FHLBank of Cincinnati since January 2026. Mr. Diaz has been a Partner at the law firm of Dinsmore & Shohl, LLP since April 2014 where he leads the firm's national public finance practice and concentrates on affordable housing and traditional governmental finance. Mr. Diaz also served from 2002 to 2008 in multiple capacities, including Program Counsel and Interim Chief Council, at the Kentucky Housing Corporation, the state's housing finance agency. Mr. Diaz earned a Bachelor of Arts from Eastern Kentucky University, and a Master of Public Administration degree in community development from Eastern Kentucky University. Mr. Diaz also holds a J.D. degree in law from Northern Kentucky University. Mr. Diaz contributes an extensive skill set to the FHLBank of Cincinnati's Board including public interest representation, public and private housing development, legal expertise and complex financing structures to support affordable housing.

Robert M. Fisher, 65, joined the Board of Directors of the FHLBank of Indianapolis in 2019 and currently serves as Chair. He is Vice Chair of the Board of Directors of Lake-Osceola State Bank in Baldwin, Michigan. Mr. Fisher previously served as President and Chief Executive Officer ("CEO") of Lake-Osceola State Bank and Secretary of its Board of Directors from 2018 through January 2024. He also served as President and Secretary of Lake Financial Holding Company, Lake-Osceola State Bank's holding company, from 2018 until February 2024. Due to his role as Chair of the Board of Directors of the FHLBank of Indianapolis, Mr. Fisher serves on the Council of Federal Home Loan Banks and was Chair of its Nominating Committee in 2024. Mr. Fisher holds a bachelor of business leadership degree from Baker College.

Larry W. Myers, 67, joined the Board of Directors of the FHLBank of Indianapolis in 2018 and currently serves as Vice-Chair. Mr. Myers is a Director with First Merchants Corporation in Muncie, Indiana. He previously served as

President, CEO, and a Director of First Savings Bank in Jeffersonville, Indiana, before its merger with First Merchants, a position he previously held beginning in 2005. By virtue of serving as Vice Chair of the Board of Directors of the FHLBank of Indianapolis, Mr. Myers also serves on the Council of Federal Home Loan Banks, where he is Treasurer. Mr. Myers has served as Chair of the Indiana Bankers Association and currently serves on the FHLBank Committee of the American Bankers Association. Mr. Myers holds a Bachelor of Science degree in Agriculture and a Master of Business Administration degree, from the University of Kentucky and a Certificate from the Graduate School of Banking Louisiana State University in Baton Rouge, Louisiana. The Board of Directors of the FHLBank of Indianapolis has determined that Mr. Myers is an Audit Committee Financial Expert due primarily to his extensive experience as a Director, CEO, and Chief Operations Officer of a commercial bank.

Michelle L. Gross, 55, became Chair of the Board of Directors of the FHLBank of Chicago on January 1, 2026. Ms. Gross has served as Executive Vice President/Chief Operating Officer, Information Systems Officer, and Director of the State Bank of Bement in Bement, Illinois since 2012, and in 2025, she was named Chairman of the Board. In addition, she serves as Community Bank President of the State Bank of Bement – Monticello facility. She has worked at the State Bank of Bement since 1996 in roles with increasing responsibilities, including as Vice President & Information Systems Officer from 2008 to 2012. Ms. Gross currently serves as Chairman of the Board and President of Bement Bancshares, Inc. in Bement, Illinois. She is a former director at the State Bank of Cerro Gordo in Cerro Gordo, Illinois and The First National Bank of Ivesdale in Ivesdale, Illinois. Ms. Gross is active in a variety of community service organizations and with the Illinois Bankers Association. Through the Illinois Bankers Association, Ms. Gross has served on a number of committees and is a past chairperson. Ms. Gross is also active in the Community Bankers Association of Illinois. She serves on the Board of Directors of Kirby Medical Center and is a member of its Executive Committee as well as serving as Treasurer. She also serves on the Board of the Heart of Illinois Community Foundation and is President of the State Bank of Bement Foundation. Ms. Gross is a graduate of the Graduate School of Banking in Madison, Wisconsin, and earned a Bachelor of Science from Western Illinois University. Ms. Gross serves as an FHLBank of Chicago representative on the Council of Federal Home Loan Banks.

Daniel G. Watts, 66, became Vice-Chair of the Board of Directors of the FHLBank of Chicago on January 1, 2026. Mr. Watts is a Director and the President of Forest Park National Bank and Trust Company, which he joined in January 2010. Mr. Watts has been an executive banking professional for over 25 years. He began his career at The American National Bank and Trust Company of Chicago, after which he became an Executive Officer and Director at Cosmopolitan Bank and Trust, Pullman Bank and Trust and Park National Bank (all subsidiaries of the former FBOP Corporation). Mr. Watts currently serves as a board member of Community Investment Corporation and Chicago Neighborhood Initiatives. Previously, he served as a director of Neighborhood Housing Services. Mr. Watts is the past Board Chairman of the Illinois Bankers Association and past President of The Bankers Club of Chicago. Mr. Watts earned an undergraduate degree in Economics from Northwestern University, a law degree from Loyola University of Chicago School of Law, and an MBA from the University of Chicago Booth School of Business. Mr. Watts serves as an FHLBank of Chicago representative on the Council of Federal Home Loan Banks.

Karl A. Bollingberg, 63, has served as the Chair of the Board of Directors of the FHLBank of Des Moines since January 2024. Mr. Bollingberg has served as a Director for Cornerstone Bank in Fargo, North Dakota since June 2022. Mr. Bollingberg retired from Alerus Financial in July 2022. While at Alerus Financial, Mr. Bollingberg served as Loan Participation Advisor from 2018 to 2022, and in various other roles, including Director of Lending, Director of Banking Services, and Regional President since 1987. Mr. Bollingberg is active in a number of civic organizations including Advisory Board Member and Chair for the Bank of North Dakota. In addition, he previously served as a Member and Chair for the Regional Economic Development Corporation, Member and past Chair of the Regional Airport Authority, and was Campaign Chairperson for the Community Violence and Intervention Center Shelter Project. He earned his bachelor's degree in agricultural economics from North Dakota State University and completed Louisiana State University School of Banking in 2000. He currently serves as the Chair of the Executive and Governance Committee of the FHLBank of Des Moines' Board of Directors. Mr. Bollingberg serves as an FHLBank of Des Moines representative on the Council of Federal Home Loan Banks.

John A. Klebba, 69, has served as the Vice-Chair of the Board of Directors of the FHLBank of Des Moines since January 2024. Mr. Klebba has served as CEO and Chair of the Board of Legends Bank in Linn, Missouri, and its holding company, Linn Holding Company, since April 2018. He previously served as the President, CEO, and Chair of the Board of Legends Bank and its holding company, Linn Holding Company, since February 2004. Mr. Klebba has been with Legends Bank since 1991. Prior to that, he was a partner in the Kansas City office of the law firm of Lewis Rice and Fingersh, where his practice concentrated on corporate and banking law. Mr. Klebba is a former member of the Board of the American Bankers Association and a former Chair of the Missouri Bankers Association. He is currently the Chair of the Board of Regents of the State Technical College of Missouri, a member of the Board of the Missouri Higher Education Savings Program, as well as a board member of a number of charitable organizations. Mr. Klebba holds both a Juris Doctor degree and MBA degree from the University of Notre Dame. He currently serves as the Vice-Chair of the Executive and Governance Committee of the FHLBank of Des Moines' Board of Directors. Mr. Klebba serves as an FHLBank of Des Moines representative on the Council of Federal Home Loan Banks.

A. Fred Miller, Jr., 76, is Chair of the Board of Directors of the FHLBank of Dallas and has served in that capacity since January 1, 2024. He has served as a Director of the FHLBank of Dallas continuously since 2015 and he previously served as a Director of the FHLBank of Dallas from 1997 to 2004. In 2002 and 2003, Mr. Miller served as Vice-Chair of the FHLBank of Dallas Board of Directors and in 2004 he served as Chair of the FHLBank of Dallas Board of Directors. Mr. Miller serves as a Director of Hope Enterprise Corporation ("HEC"), a non-depository CDFI that became a member of the FHLBank of Dallas in September 2024. Located in Jackson, Mississippi, HEC is the primary sponsor of Hope Federal Credit Union, which has been a member of the FHLBank of Dallas since 2005. Mr. Miller has served as a director of HEC since January 2000. From 1986 to January 2025, Mr. Miller served as a Director of Bank of Anguilla in Anguilla, Mississippi. He joined Bank of Anguilla, a member of the FHLBank of Dallas in 1971 and served as Chair from January 2015 to January 2021. Since stepping down as Chair, Mr. Miller has served (and continues to serve) as a consultant to Bank of Anguilla. From 1986 to January 2015, Mr. Miller served as President and Chief Executive Officer of Bank of Anguilla. From 2008 to January 2015, Mr. Miller also served as President and Chief Executive Officer of Pyramid Financial Corporation, Bank of Anguilla's privately held holding company. In addition, from 2008 to January 2025, Mr. Miller served as a Director of Pyramid Financial Corporation and, from January 2014 to January 2021, he served as Chair of Pyramid Financial Corporation. Mr. Miller currently serves on the Council of Federal Home Loan Banks and is a Member of the FHLBank Directors' Committee of the Council of Federal Home Loan Banks. He also serves as Chair of the Executive and Governance Committee of the FHLBank of Dallas' Board of Directors.

Stephen Panepinto, 73, is Vice-Chair of the Board of Directors of the FHLBank of Dallas and has served in that capacity since January 1, 2026. Mr. Panepinto serves as Chairman, President and Chief Executive Officer of Plaquemine Bank and Trust Company in Plaquemine, Louisiana. He joined Plaquemine Bank and Trust Company, a member of the FHLBank of Dallas, in 1983 and has served as Chairman since 2004, as Chief Executive Officer since 1997 and as President since September 2024. Mr. Panepinto also served as President of Plaquemine Bank and Trust Company from 1995 to July 2023. Since 2012, he has served as Chairman of the Civil Service Board representing the Police and Fire Departments for the City of Plaquemine. For over 35 years, Mr. Panepinto has served as a Board and Executive Committee member of the Capital Regional Planning Committee, a council of governments that provides transportation and economic development services to 11 parishes in Louisiana. He previously served as a Director of the Louisiana Bankers Association and as a Director of the Community Bankers of Louisiana and he is a past Chairman of the Iberville Chamber of Commerce. Mr. Panepinto currently serves on the Council of Federal Home Loan Banks and is a member of the FHLBank Directors' Committee of the Council of Federal Home Loan Banks. He also serves as Vice-Chair of the Executive and Governance Committee of the FHLBank of Dallas' Board of Directors.

Barry J. Lockard, 60, is the Chair of the Board of Directors of the FHLBank of Topeka and he has served as President and CEO of Cornhusker Bank, Lincoln, Nebraska, since 2007. Mr. Lockard previously held senior leadership roles at Black and Decker, Cincinnati Bell, and First National Bank of Omaha. He also served eight years in the Nebraska Army National Guard. He has served on the Boards of Directors of the Nebraska Bankers Association, the American Bankers Association Community Bankers Council, and is a trustee for the Graduate School of Banking at Colorado, where he has also served as a member of the faculty. Although the Board of Directors of the FHLBank of Topeka did not participate in Mr. Lockard's nomination since he is a Member Director, Mr. Lockard possesses a bachelor's degree in business administration, is a graduate of the Colorado Graduate School of Banking, and has more than 15 years as a bank CEO, that assists in his service as a Director of the FHLBank of Topeka. Mr. Lockard serves as an FHLBank of Topeka representative on the Council of Federal Home Loan Banks.

Milroy A. Alexander, 76, is the Vice-Chair of the Board of Directors of the FHLBank of Topeka and he has been a housing, financial, and business consultant since 2010, serving non-profit housing organizations and a residential and commercial redevelopment authority for a former air force base. He has been board chair of Northeast Denver Housing Center for the last 25 years. He is the former board chair of the Lowry Redevelopment Authority and a former board member of the National Council of State Housing Agencies, the Municipal Securities Rulemaking Board, Rose Community Foundation, and numerous other organizations. Mr. Alexander previously served as Executive Director and CEO of the Colorado Housing and Finance Authority in Denver, Colorado. The FHLBank of Topeka's Board of Directors considered Mr. Alexander's qualifications, skills and attributes, including his more than 21 years of service at a state HFA, including nine years as Executive Director and CEO and 12 years as CFO; his certification as a certified public accountant (CPA); his more than 11 years as an auditor with Touche Ross & Co. (now Deloitte); his past service on the audit committees of many organizations, his experience in and knowledge of auditing and accounting, financial management, organizational management, project development, and risk management practices when making his nomination. Mr. Alexander serves as an FHLBank of Topeka representative on the Council of Federal Home Loan Banks.

Joan C. Opp, 59, is Chair of the FHLBank of San Francisco. Ms. Opp has been the President and Chief Executive Officer of Stanford Federal Credit Union, Palo Alto, California, since May 2010. From February 2002 to April 2010, she was Executive Vice President and Chief Financial Officer for Texas Trust Credit Union overseeing accounting, information technology, marketing and business services, as well as three credit union service organizations. Prior to that, Ms. Opp was a partner with the CPA firm of Clifton Gunderson, LLP, and is a Certified Public Accountant. Ms. Opp serves on the Board of Directors of Velera. Ms. Opp's current position as the Principal Executive Officer of an FHLBank of San Francisco member, her previous executive positions with other financial institutions, and her involvement in and knowledge of corporate governance, finance, auditing, accounting, internal controls, risk management, financial reporting, and financial management, as indicated by her background, support Ms. Opp's qualifications to serve on the FHLBank of San Francisco's Board.

Banafsheh Akhlaghi, 57, is Vice-Chair of the FHLBank of San Francisco. Ms. Akhlaghi is Principal of Akhlaghi Law, Mill Valley, California, an international private law practice founded in 2010. She has over 20 years of experience in private law practice and as consultant to the United Nations. Her expertise includes compliance & complex regulatory Industries, risk management, housing, public policy, and artificial intelligence ("AI") ethics. She is a member of the Board of Advisors for Entefy, a Silicon Valley-based advanced AI and process automation company and former Chair of the Legal Services Trust Fund Commission of the State Bar of California, administering over \$200 million to grantees for homeless prevention, eviction defense, affordable housing, and community development. Ms. Akhlaghi's current position as a principal in a law firm, her expertise in governance and risk management, and her management skills, as indicated by her background, support her qualifications to serve on the FHLBank of San Francisco's Board.

FHLBank Presidents

Each FHLBank president reports to the Board of Directors of the respective FHLBank. Each FHLBank president participates in regular meetings with the presidents of the other FHLBanks. The responsibilities of the president include:

- management of the FHLBank;
- administration of the programs of the FHLBank; and
- compliance with the regulations and policies of the FHFA.

The following persons are currently serving as president of an FHLBank and the following information has been provided for each FHLBank primarily based on the information disclosed in its annual report on SEC Form 10-K for the year ended December 31, 2025:

Timothy J. Barrett, 67, has served as President and Chief Executive Officer of the FHLBank of Boston since December 2021. Prior to assuming that position, Mr. Barrett served as Executive Vice President and Treasurer from January 2019 until November 2021, and Senior Vice President and Treasurer from November 2010 until December 2018. Prior to joining the FHLBank of Boston, he was Assistant Treasurer at FMR LLC, the parent company of Fidelity Investments from September 2008 to October 2010; as Treasurer and Chief Investment Officer at Fidelity Personal Bank & Trust from August 2007 to September 2008; as Managing Director, Global Treasury at Investors Bank & Trust from September 2004 to July 2007; in various senior roles in Treasury at FleetBoston Financial (including merged entities) from 1985 to 2004; and as an investment manager for Citibank, NA from 1981 to 1985. He currently serves as a member of the Board of Directors of the Office of Finance. He earned his B.A. from St. Anselm College and his M.B.A. from Rensselaer Polytechnic Institute.

Randolph C. Snook, 65, has served as President and Chief Executive Officer of the FHLBank of New York since February 2025. Prior to joining the FHLBank of New York, he served as the Chief Executive Officer of the Office of Finance starting in January 2019. Mr. Snook has more than three decades of experience in the securities industry. From August 2005 to December 2018, he served as the Executive Vice President of Business Policies & Practices for the Securities Industry and Financial Markets Association (SIFMA), where he was responsible for overseeing SIFMA's three U.S. business groups - Capital Markets, Private Client, and Asset Management - as well as Technology and Operations, Research, and Member Engagement. Prior to joining SIFMA, Mr. Snook held several senior positions at Goldman Sachs, including co-head of the Credit Capital Markets New Issue Desk and co-head of the Corporate Bond Business Unit. Mr. Snook serves on the Council of Federal Home Loan Banks, the Board of Directors of the Pentegra Defined Benefit Plan for Financial Institutions, and the Board of Directors of the Office of Finance. He is also a member of the Resolution Funding Corporation Directorate. Mr. Snook holds a B.S. in Civil Engineering and an M.B.A., both from Rensselaer Polytechnic Institute.

David G. Paulson, 61, has served as President and Chief Executive Officer of the FHLBank of Pittsburgh since October 2024. In this capacity, he also serves on the Board of Directors for both the Council of Federal Home Loan Banks and the Office of Finance. Mr. Paulson joined the FHLBank of Pittsburgh in 2010 as Director, Mortgage Finance and Balance Sheet Management to help the cooperative navigate the uncertainty and new regulations resulting from the 2008 financial crisis. He was promoted to Managing Director of Capital Markets in 2012, was named Chief Financial Officer in 2013, and assumed the role of Chief Operating Officer in 2020. In his current role, Mr. Paulson leverages more than 30 years of banking, treasury and capital markets experience. Prior to joining the FHLBank of Pittsburgh, Mr. Paulson was Senior Vice President at National City Corporation where he directed the treasury function, focusing on balance sheet risk management, mortgage servicing rights hedging and investment management portfolio. Before that, he was an Investment Portfolio Manager at Integra Financial and Equibank. Mr. Paulson has a Bachelor of Science in Finance and a Master of Business Administration, both from Duquesne University. He is a board member for the National Aviary and Junior Achievement of Western Pennsylvania.

Reginald T. O'Shields, 55, was appointed President and Chief Executive Officer of the FHLBank of Atlanta effective on January 1, 2026. He previously served as Chief Legal and Compliance Officer since February 14, 2022, and as Director of Enterprise Solutions since 2019, having been promoted to Executive Vice President effective in 2020. In those prior roles, he was in charge of managing the delivery of legal services by the FHLBank of Atlanta's legal department covering a wide variety of corporate, securities, finance, compliance and regulatory matters and overseeing all FHLBank of Atlanta programs related to strategic planning, corporate communications, marketing, government and industry relations, and community investment services. Mr. O'Shields joined the FHLBank of Atlanta in 2003 as a Senior Attorney and earned promotions to Assistant General Counsel in 2005, Associate General Counsel in 2006, Deputy General Counsel in 2007 and Deputy General Counsel Director of Legal Services in 2011. He served as Senior Vice President, General Counsel since 2011 and Chief Compliance and Ethics Officer since 2018. Before joining the FHLBank of Atlanta, Mr. O'Shields was in private legal practice with Sutherland, Asbill & Brennan, LLP in Atlanta, Georgia, Haynsworth Sinkler Boyd in Greenville, South Carolina, and Simpson, Thacher & Bartlett in New York, New York. Mr. O'Shields earned a J.D. from Vanderbilt University and a B.A. in economics from Furman University.

Andrew S. Howell, 64, was appointed as the FHLBank of Cincinnati's President and Chief Executive Officer in June 2012. Previously, he served as Executive Vice President-Chief Operating Officer of the FHLBank of Cincinnati since January 2008. His career with the FHLBank of Cincinnati also included multiple years in roles of Senior Vice President, Chief Credit Officer and Executive Vice President, Chief Business Officer. Mr. Howell began his career at the FHLBank of Cincinnati in 1989 as the Credit Department Manager after being in several lending and management positions at Huntington Bank, Bank One, and First National Bank of Cincinnati. Mr. Howell currently serves on the Council of Federal Home Loan Banks and on the Board of Directors of the Office of Finance and the Pentegra Defined Benefit Plan for Financial Institutions. Mr. Howell earned a bachelor's degree of Business Administration from the University of Kentucky, and a Master of Business Administration degree from the University of Cincinnati.

Brendan W. McGrath, 48, was appointed by the Board of Directors of FHLBank of Indianapolis to serve as President and Chief Executive Officer effective October 1, 2025. Prior to that appointment, Mr. McGrath served as Executive Vice President – Chief Risk and Compliance Officer at the FHLBank of Indianapolis since September 2024, after having previously served as Executive Vice President - Chief Risk Officer, effective January 2021. Previously, he served as Senior Vice President - Chief Risk Officer, effective May 2020, after having served as Senior Vice President - Chief Analytics Officer since January 2019. He has also held various other roles in Investments, Treasury Risk Analytics, and Enterprise Risk Management since joining the FHLBank of Indianapolis in 2000. As an FHLBank President, he serves on the Council of Federal Home Loan Banks and the Board of Directors of the Office of Finance. Mr. McGrath earned a Bachelor of Science in Finance and a Master of Science in Accounting, both from the Kelley School of Business at Indiana University. He is a CPA and a CFA® charterholder.

Michael A. Ericson, 54, became President and Chief Executive Officer of the FHLBank of Chicago on January 1, 2021. Prior to that, Mr. Ericson held the following positions at the FHLBank of Chicago: Executive Vice President and Chief Operating Officer during 2020, Executive Vice President and Group Head, Members and Markets from 2014 to 2020, Executive Vice President and Chief Risk Officer from December 2008 to 2014, Senior Vice President and Chief Risk Officer from July 2008 to December 2008, and Senior Vice President of Accounting Policy and SEC Reporting from January 2005 to July 2008. Prior to joining the FHLBank of Chicago, Mr. Ericson was Vice President, Accounting Policy at Bank One before the merger with JPMorgan Chase, and became Global Treasury Controller at JPMorgan Chase subsequent to the merger from 2003 to 2004. Mr. Ericson was Senior Manager with PricewaterhouseCoopers LLP in the Financial Services Group from 1994 to 2003. Mr. Ericson currently serves on the Board of Directors of the Pentegra Defined Benefit Plan for Financial Institutions and the Office of Finance. Mr. Ericson serves as an FHLBank of Chicago representative on the Council of Federal Home Loan Banks. Mr. Ericson graduated from the University of Colorado with a Bachelor's degree in Business Administration.

Kristina K. Williams, 61, has been President and Chief Executive Officer of the FHLBank of Des Moines since January 2020. She began her association with the FHLBank System in 2004. Prior to her current role, she served as the Chief Operating Officer of the FHLBank of Pittsburgh, a position she held from 2011 to 2019. In that role, Ms. Williams had responsibility for all member-facing departments, including community investment, communications, product delivery, member services, and information technology. In her 15 years with the FHLBank of Pittsburgh she also held positions of Chief Accounting Officer, CFO, and acting Chief Risk Officer. Prior to working for the FHLBank of Pittsburgh, Ms. Williams spent 12 years with PNC Financial Services in its wholesale bank and six years in public accounting. She is currently serving on the boards of Greater Des Moines Habitat for Humanity and the Greater Des Moines Partnership. Ms. Williams also serves on the Council of Federal Home Loan Banks and on the Board of Directors of the Office of Finance. She formerly served as Vice Chair of the West Liberty University (WLU) Board of Governors. Ms. Williams also previously served as the Development Committee Chair of the Board of Directors for Strong Women Strong Girls of Pittsburgh. Ms. Williams has an undergraduate degree from WLU and Masters of Professional Accountancy from West Virginia University. She is also a CPA (inactive) and received an honorary Doctor of Humane Letters degree from WLU in 2015.

Sanjay Bhasin, 57, serves as President and Chief Executive Officer of the FHLBank of Dallas and has served in that capacity since he joined the FHLBank of Dallas in May 2014. Prior to his employment with the FHLBank of Dallas, Mr. Bhasin served as Executive Vice President, Members and Markets for the FHLBank of Chicago from 2011 until May 2014. He joined the FHLBank of Chicago in 2004 as Vice President, Mortgage Finance and was promoted to Senior Vice President, Mortgage Finance in 2007 and to Executive Vice President, Financial Markets in 2008, a position he held until his appointment as Executive Vice President, Members and Markets. Prior to joining the FHLBank of Chicago, Mr. Bhasin was responsible for managing the interest rate risk associated with Bank One, NA's mortgage pipeline holdings from 1999 to 2004. He currently serves on the Council of Federal Home Loan Banks and on the Board of Directors of the Office of Finance. Mr. Bhasin holds an MBA in Finance from Indiana University.

Jeffrey B. Kuzbel, 59, became President and Chief Executive Officer of the FHLBank of Topeka in January 2024, after serving as Executive Vice President and CFO starting in January 2022, and Senior Vice President and CFO starting in April 2021. Prior to joining the FHLBank of Topeka in 2021, Mr. Kuzbel served as LIBOR Transition Executive at Capital One Financial from 2019 to March 2021; Treasury and Balance Sheet Management CFO at Capital One Financial from 2016 through 2018; Managing Vice President, Balance Sheet Management, at Capital One Financial from 2013 through 2015; Vice President, Balance Sheet Strategy from 2010 through 2012; and Senior Director, Treasury Finance & Analytics during 2009. Prior to his tenure at Capital One Financial, Mr. Kuzbel served as Lead Director – Market Risk Management for Freddie Mac, as Vice President – Fixed Income Portfolio Management and Trading at Advanced Investment Management, Inc., and as Head of Investments at the FHLBank of Pittsburgh. Mr. Kuzbel serves on the Council of Federal Home Loan Banks and on the Board of Directors of the Office of Finance. He holds bachelor's and master's degrees in business administration from Duquesne University in Pittsburgh, Pennsylvania.

Winthrop Watson, 71, has served as Interim President and Chief Executive Officer of the FHLBank of San Francisco since February 2026. Mr. Watson was appointed to this role effective February 2, 2026. Most recently, he acted as an advisor to the Boston Consulting Group. Previously, Mr. Watson was President and Chief Executive Officer of the FHLBank Pittsburgh from 2011 through 2024. During that time, he served on the Federal Home Loan Banks Office of Finance Board, FHLBanks Bank Presidents Conference, and the Pentegra Defined Benefit Plan Board. Prior to that, Mr. Watson was a managing director at J.P. Morgan where he worked for 25 years in the Corporate and Investment Bank, primarily leading coverage of public sector and financial services clients. He is currently a member of the Pentegra Services, Inc. Board. Mr. Watson received a B.A. from the University of Virginia and an M.B.A. from the Stanford University Graduate School of Business.

Chief Executive Officer, Office of Finance

Aparna Ramesh, 51, has served as Chief Executive Officer of the Federal Home Loan Banks Office of Finance since August 2025. Prior to joining the Office of Finance, Ms. Ramesh was Executive Vice President, Chief Financial Officer and Treasurer at the Federal Agricultural Mortgage Corporation (Farmer Mac) from January 2020 to July 2025, where she guided the company's finance functions and oversaw its information technology function. Prior to joining Farmer Mac, Ms. Ramesh was with the Federal Reserve Bank of Boston from 2007 to 2020, where she served in senior finance roles with increasing responsibility, including as Senior Vice President and Chief Financial Officer and as Chief Administrative Officer and member of the management committee for the FedNow® real-time payment and settlement service. Earlier in her career, Ms. Ramesh spent 10 years in commercial banking at M&T Bank and Cambridge Savings Bank. She serves on the advisory board for the Aspen Institute Finance Leaders Fellowship. She served on the boards of directors of Independent Bank Corp. and its wholly owned subsidiary Rockland Trust Company from April 2025 to July 2025. She also served on the board of directors of Boston Education, Skills & Training Corp. Ms. Ramesh holds a Master of Business Administration degree from the Massachusetts Institute of Technology Sloan School of Management, a master's degree in finance from the Rochester Institute of Technology, and integrated master's degrees from the Birla Institute of Technology and Science.

Office of Finance Board of Directors

The Office of Finance Board of Directors is comprised of the FHLBank presidents and five Independent Directors (including one current vacancy). To be eligible to serve as an Independent Director, a candidate must be a citizen of the United States, and shall not have any material relationship with an FHLBank or the Office of Finance. In particular, an Independent Director may not be an officer, director or employee of an FHLBank or any member of an FHLBank or be an officer or employee of the Office of Finance (and, in each case, may not have held such a position during the previous three years). In addition, an Independent Director may not be affiliated with any consolidated obligations selling or dealer group under contract with the Office of Finance, or hold shares or any other financial interest in any consolidated obligations seller or dealer group in excess of specified amounts. The Independent Directors, as a group, are required to have substantial experience in financial and accounting matters.

The Governance Committee of the Office of Finance Board of Directors is responsible for recommending to the Office of Finance Board of Directors criteria and processes for the identification and selection of Independent Director candidates, overseeing the implementation of such criteria and processes approved by the Office of Finance Board of Directors, and identifying and recommending to the Office of Finance Board of Directors Independent Director candidates.

Independent Directors are elected by majority vote of the Office of Finance Board of Directors, subject to the FHFA's review of, and non-objection to, each Independent Director. Each elected Independent Director serves a five-year term (staggered so that no more than one Independent Director seat would be scheduled to become vacant in any one year). An Independent Director may not serve more than two full consecutive terms.

Joel W. Motley is the Chair and Sanjay Bhasin, President and Chief Executive Officer of the FHLBank of Dallas, is the Vice-Chair. The following persons are currently serving as an Independent Director:

Michael C. Bodson, 68, has served as an Independent Director since July 2022. From 2012 to August 2022, Mr. Bodson was President and Chief Executive Officer of The Depository Trust & Clearing Corporation (DTCC) and a member of DTCC's Board of Directors. He joined DTCC in 2007 as Executive Managing Director for Business Management and Strategy and subsequently served as DTCC's Chief Operating Officer from 2011 to 2012 with enterprise-wide responsibility for all information technology and operations. He also served as Chairman or President and Chief Executive Officer of various DTCC subsidiaries during his tenure with DTCC. Prior to joining DTCC, Mr. Bodson was a Managing Director and held a number of senior management positions with Morgan Stanley over a 20-year period. He worked in internal audit at Bear Stearns and in audit at Price Waterhouse earlier

in his career. During his time at DTCC, Mr. Bodson was a member of the Federal Reserve Bank of New York Fintech Advisory Group as well as the Federal Deposit Insurance Corporation Systemic Resolution Advisory Committee. He was also a Financial Services Governor of the World Economic Forum, and he served on the boards of Digital Asset Holdings, The Red Cross for the New York region, The Greenwich Alliance for Education, and the Greenwich Board of Education. He currently is a Trustee for the Bruce Museum. Mr. Bodson graduated magna cum laude from Boston College.

Joel W. Motley, 73, has served as an Independent Director since 2016, and as Chair since July 2023. In 2021, he was re-elected to a five-year term ending in 2026. Mr. Motley founded Carmona Motley Inc. in 1992 and Public Capital Advisors LLC in 2006. Prior to beginning his career in investment banking at Lazard Frères & Co. in 1985, Mr. Motley worked as an aide to the late Senator Daniel Patrick Moynihan (D-NY), serving as his Chief of Staff in New York City and surrounding counties. He is a member of the Council on Foreign Relations, and Chair Emeritus of the Board of Human Rights Watch. He is a former independent director on the boards of Invesco Mutual Funds and a former Chair of the New York Board of Oppenheimer Mutual Funds. Mr. Motley also serves on the Boards of the Pulitzer Center on Crisis Reporting, The Trust for Mutual Understanding, Historic Hudson Valley, and Friends of the Legal Resources Centre of South Africa. He is a member of the Vestry of Trinity Church in New York. Mr. Motley holds a JD degree from Harvard Law School and an AB degree (magna cum laude) from Harvard College.

Brent Neiman, 48, has served as an Independent Director since July 2025. Mr. Neiman is the Edward Eagle Brown Professor of Economics at the University of Chicago's Booth School of Business, where he has been a faculty member since 2008. From 2022 to 2025, he served at the U.S. Treasury as Counselor to the Secretary and as the Deputy Undersecretary for International Finance. Earlier in his career, Mr. Neiman was a staff economist for international finance on the White House Council of Economic Advisers. He earned a Bachelor of Science in Economics and a Bachelor of Applied Science from the University of Pennsylvania, a Master of Science in Mathematical Modeling from Oxford University, and a Ph.D. in Economics from Harvard University.

Teri R. Shaffer, 64, has served as an Independent Director since April 2025. Ms. Shaffer was the Regional and Americas Financial Audit Information Technology Leader at Ernst & Young from 2016 to 2022, where she also served in various other leadership roles during her career starting in 1984. She has been an independent contractor for Ernst & Young on a part-time basis since 2022, and has served on the Board of Directors of Compass Group Diversified Holdings LLC since July 2022 and as its Audit Committee Chair since May 2023. Ms. Shaffer earned Bachelor of Science degrees in Accounting and Political Science from Oklahoma State University and an MBA from the Hult International Business School. She is a Certified Public Accountant and a Certified Information Security Manager. She also received a NACD Directorship certification, as well as a CERT Certificate in Cyber-Risk Oversight from the NACD and the CERT Division of the Software Engineering Institute at Carnegie Mellon University, in 2022 and a Qualified Risk Director designation from the DCRO Institute in 2025.

Regulations Governing the Selection and Compensation of FHLBank and Office of Finance Employees

As specified in the FHLBank Act, the selection and compensation of FHLBank officers and employees are subject to the approval of the Board of Directors and management of each individual FHLBank. However, the Director of the FHFA has the authority to prohibit compensation that is not reasonable and comparable to compensation paid to executives in other similar businesses involving similar duties and responsibilities. The FHFA established several principles for the FHLBanks and the Office of Finance for setting executive compensation policies and practices to ensure sound incentive compensation practices:

- executive compensation must be reasonable and comparable to that offered to executives in similar positions at other comparable financial institutions;
- executive incentive compensation should be consistent with sound risk management and preservation of the par value of the FHLBank's capital stock;

- a significant percentage of an executive's incentive-based compensation should be tied to longer-term performance and outcome-indicators;
- a significant percentage of an executive's incentive-based compensation should be deferred and made contingent upon performance over several years; and
- the Board of Directors of each FHLBank and the Office of Finance should promote accountability and transparency with respect to the process of setting compensation.

Each FHLBank is responsible for establishing that FHLBank's compensation philosophy and objectives, and each FHLBank includes a compensation discussion and analysis relating to all material elements of the compensation of its named executive officers in its annual report on SEC Form 10-K. (See [Explanatory Statement about Federal Home Loan Banks Combined Financial Report](#).)

The FHFA exercises similar supervisory and examination authority over the Office of Finance and its Board of Directors as it exercises over an FHLBank and its Board of Directors. FHFA regulations require the Office of Finance Board of Directors to select, employ, determine the compensation for, and assign the duties of, the Office of Finance Chief Executive Officer (CEO). (See *Office of Finance CEO 2025 Compensation Discussion and Analysis* for more information.)

Overview and Objectives of FHLBank and Office of Finance Executive Compensation Programs

Each FHLBank strives to provide total compensation that promotes its mission. Compensation programs at each of the FHLBanks are generally intended to focus executives on achieving their individual FHLBank's mission and to associate executive pay with the FHLBank's corporate goals, performance targets, and strategic plan. Each FHLBank's Board of Directors determines total compensation for the president of that FHLBank, consisting of base salary, cash incentive compensation, and other benefits as described in Table S-1.

The Office of Finance is only responsible for the compensation policies for its employees. The Office of Finance seeks to provide a flexible and market-based approach to compensation that attracts, retains, and motivates high performing, accomplished financial services executives who, by their individual and collective performance, achieve the Office of Finance's strategic business initiatives. The objectives of the compensation program are to establish goals and communicate short- and long-term standards of performance for the successful achievement of the Office of Finance's mission and to recognize, motivate, and reward the CEO commensurate with his contributions. (See *Office of Finance CEO 2025 Compensation Discussion and Analysis* for more information.)

The following information has been provided for each FHLBank primarily based on the information disclosed in its annual report on SEC Form 10-K for the year ended December 31, 2025, which in each case provides detail about the FHLBank's compensation philosophy and objectives. Table S-1 presents summary compensation information for each of the FHLBank Presidents and the Office of Finance CEO.

Table S-1 - FHLBank Presidents and Office of Finance CEO Summary Compensation

(whole dollars)

FHLBank	President/CEO Name	Year	Salary	Bonus	Non-Equity Incentive Plan Compensation	Change In Pension Value and Nonqualified Deferred Compensation Earnings*	All Other Compensation**	Total
Boston	Timothy J. Barrett ⁽¹⁾	2025	\$ 996,592	\$ 1,078	\$ 943,838	\$ 197,000	\$ 373,183	\$ 2,511,691
		2024	955,046	—	952,276	7,000	344,306	2,258,628
		2023	913,500	—	894,917	1,304,000	79,771	3,192,188
New York	Randolph C. Snook ⁽²⁾ José R. González ⁽²⁾	2025	880,193	—	876,569	316,000	51,021	2,123,783
		2025	346,618	—	87,617	1,057,600	106,195	1,598,030
		2024	1,201,608	—	1,118,221	504,000	114,796	2,938,625
Pittsburgh	David G. Paulson ⁽³⁾	2023	1,166,610	—	1,088,875	1,034,000	114,729	3,404,214
		2025	890,000	—	716,247	455,000	90,856	2,152,103
		2024	651,896	—	519,387	127,000	59,262	1,357,545
Atlanta	Kirk Malmberg ⁽⁴⁾	2025	1,074,938	1,700	1,108,481	369,594	563,574	3,118,287
		2024	1,023,750	200	1,076,813	204,594	363,974	2,669,331
		2023	975,000	100	984,581	391,594	313,224	2,664,499
Cincinnati	Andrew S. Howell	2025	1,060,000	—	976,588	1,708,000	270,130	4,014,718
		2024	1,025,000	—	887,478	38,000	255,849	2,206,327
		2023	995,000	—	878,098	1,330,000	349,494	3,552,592
Indianapolis	Brendan W. McGrath ⁽⁵⁾ Cindy L. Konich ⁽⁵⁾	2025	595,459	—	482,958	518,000	37,311	1,633,728
		2025	826,335	—	1,025,938	2,869,847	267,342	4,989,462
		2024	1,059,143	—	952,376	1,806,000	65,412	3,882,931
Chicago	Michael A. Ericson	2023	1,028,294	—	1,028,294	2,274,000	21,647	4,352,235
		2025	1,071,000	—	998,940	1,301,000	35,746	3,406,686
		2024	1,020,000	—	1,020,000	630,000	35,797	2,705,797
Des Moines	Kristina K. Williams ⁽⁶⁾	2023	975,000	—	760,460	1,126,000	34,302	2,895,762
		2025	1,167,748	—	1,168,473	—	504,382	2,840,603
		2024	1,112,141	—	1,131,542	—	466,099	2,709,782
Dallas	Sanjay Bhasin	2023	1,050,566	—	1,044,292	—	145,302	2,240,160
		2025	1,099,162	—	979,276	180,000	487,383	2,745,821
		2024	1,067,148	—	1,040,018	45,000	367,806	2,519,972
Topeka	Jeffrey B. Kuzbel ⁽⁷⁾⁽⁸⁾	2023	1,026,104	—	999,764	199,000	61,331	2,286,199
		2025	930,000	—	673,549	24,461	162,045	1,790,055
		2024	850,000	—	583,337	11,711	116,937	1,561,985
San Francisco	Joseph Amato ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾ Alanna McCargo ⁽¹²⁾	2025	540,000	561,447	442,089	54,629	29,809	1,627,974
		2025	124,127	—	—	—	20,427	144,554
		2024	500,625	—	—	138,729	188,164	827,518
Office of Finance	Aparna Ramesh ⁽¹³⁾ John Gerli ⁽¹⁴⁾ Randolph C. Snook ⁽¹⁵⁾	2025	375,000	165,000	176,813	—	56,520	773,333
		2025	590,000	64,998	564,573	284,000	63,596	1,567,167
		2025	82,917	—	534,946	—	6,093	623,956
		2024	995,000	—	932,476	229,000	122,738	2,279,214
		2023	955,000	—	890,093	315,000	90,674	2,250,767

* No portion of the change in pension value was received; in fact, no portion of the change in pension value will be realizable or made available to the President/CEO until a qualifying event, such as retirement, occurs. The change in pension value represents the difference between the present value of pension benefits accrued through the beginning and ending valuation dates and is based on the provisions of the applicable plan and the portion of the President/CEO's total pension benefits that are derived from each applicable plan. The calculations incorporate various assumptions and changes in compensation, age, and tenure, and utilize discount interest rates based on applicable interest rates. Therefore, changes in applied interest rates can have a significant impact on the change in pension value. See Table S-5 - Pension Benefits at December 31, 2025, for more information about pension values.

** Compensation in this column is further presented in Table S-3 - All Other Compensation.

- (1) The non-equity incentive plan compensation amounts earned for 2025, 2024, and 2023 reflect the total awards paid or deferred under the 2025, 2024, and 2023 executive incentive plans, for services performed during the years ended December 31, 2025, 2024, and 2023, with 50% of that year's award paid in March of the following year, and the remainder of each such award to be paid in March 2028, in March 2027, and in March 2026, in an amount equal to that year's deferred award, subject to satisfaction of certain qualifiers. The non-equity incentive plan compensation amount for 2025, 2024, and 2023 also includes interest earned on the deferred amount under the 2023, 2022, and 2021 executive incentive plans, respectively.
- (2) Mr. Snook assumed the position of President and CEO of the FHLBank of New York in February 2025, and Mr. González transitioned into a Senior Advisor role and was in this role through April 4, 2025. The non-equity incentive plan compensation reflects the dollar value of all earnings for services performed during the years ended December 31, 2025, 2024, and 2023 pursuant to awards under the FHLBank of New York incentive compensation plan (FHLBank of New York ICP), even though 50% of the FHLBank of New York ICP awards for each year were subject to mandatory deferral and distribution over three years. The 2025 non-equity incentive compensation awards were subject to a 30-day review period and receipt of non-objection by the FHFA. The amounts also include the dollar value of all interest during each year earned on deferred incentive related to the FHLBank of New York ICP awards for prior fiscal years. For 2025, the amount of interest was \$87,617 for Mr. González.
- (3) The 2025 non-equity incentive plan compensation was the incentive plan described in the FHLBank of Pittsburgh's SEC Form 10-K, as well as deferred incentive earned in 2025 under the 2024, 2023, and 2022 executive officer incentive compensation plans.

- (4) Mr. Malmberg's amount under the 2025 non-equity incentive plan compensation includes the dollar value of all earnings for services performed during the fiscal years ended December 31, 2025, 2024 and 2023 pursuant to awards under the FHLBank of Atlanta incentive compensation plan, even though 50% of the incentive compensation plan awards for each year were subject to mandatory deferral and distribution over three years. Also included is the dollar value of all interest during each year earned on deferred incentives related to incentive compensation awards for prior fiscal years. The \$1,700 bonus amount for 2025 includes an annual employee appreciation bonus provided to all employees of FHLBank of Atlanta employees, as well as a \$1,500 retirement bonus. The \$200 bonus amount for 2024 and \$100 bonus amount for 2023 for Mr. Malmberg reflects the annual employee appreciation bonus noted above. To the extent the FHLBank of Atlanta provided a tax gross-up on such bonus amounts, those amounts are included in All Other Compensation.
- (5) Effective October 1, 2025, Mr. McGrath was appointed by the Board to serve as the President and Chief Executive Officer. Ms. Konich served as President and Chief Executive Officer until she retired on September 30, 2025 and the salary listed represents the portion of her \$1,090,917 base salary she earned through the date.
- (6) For 2025, represents incentive compensation earned in 2025, including annual incentive (50% of total incentive), payable in 2026, and deferred incentive (50% of total incentive), which will be paid one-third annually, beginning in 2027. In addition, incentive compensation includes four percent interest credited annually, earned on the 2022 and 2023 deferred incentives, and interest earned on the 2024 deferred incentive, based on annual return on equity as of December 31, 2025. For 2023 and 2024, incentive compensation includes amounts under the previous Executive Incentive Plans as described in the FHLBank of Des Moines 2024 Form 10-K. Both the deferred incentive and interest remain subject to the FHLBank of Des Moines' sustained achievement of all applicable safety and soundness measures and FHLBank of Des Moines Human Resources and Compensation Committee's and the FHLBank of Des Moines Board of Directors' approvals at the time of payment.
- (7) All compensation reported under "non-equity incentive plan compensation" represents performance awards earned pursuant to achievement of performance objectives under the FHLBank of Topeka's executive incentive compensation plan, subject to the approval of the FHLBank of Topeka's Compensation Committee and not disapproved by the FHFA.
- (8) Nonqualified deferred compensation earnings include above market earnings attributable to the BEP under the FHLBank of Topeka's non-equity incentive plan compensation, which are calculated by multiplying the nonqualified deferred compensation average balance of the applicable year by the average rate of return in excess of the long-term applicable federal rate (120% compounded quarterly) published by the IRS.
- (9) Effective January 30, 2025, Mr. Amato was appointed by the Board to serve as the Interim President and Chief Executive Officer of the FHLBank of San Francisco. Mr. Amato previously served as the Interim Chief Financial Officer effective January 5, 2021, and as the Chief Financial Officer effective May 13, 2021 until April 1, 2025. Amounts included in Mr. Amato's compensation summary for 2025 include compensation for the period in 2025 which he served as Chief Financial Officer.
- (10) For 2025, bonus represents total payments of monthly CEO award in recognition of service as Interim President and Chief Executive Officer of the FHLBank of San Francisco to Mr. Amato.
- (11) The non-equity incentive plan compensation amount reflects the total annual awards earned for services performed during the respective fiscal year. 50% of the total annual awards are vested after the last day of the one-year performance period, i.e., the year-end award. The remaining 50% of the total annual awards are deferred and vested on the last day of a three-year performance period, i.e., the deferred award. Any payout of the deferred awards under the executive incentive plans are subject to the satisfaction of certain requirements and qualifiers, and review and non-objection by the Finance Agency. The amounts also reflect interest for any vested deferred awards under the executive incentive plan.
- (12) Ms. McCargo became President and CEO of the FHLBank of San Francisco effective June 10, 2024. On January 30, 2025, Ms. McCargo departed the FHLBank of San Francisco as an employee and Ms. McCargo's employment terminated as of such date.
- (13) Effective August 1, 2025, Ms. Ramesh was appointed the Office of Finance CEO. Ms. Ramesh received the first installment of \$165,000 in 2025 as part of her sign-on bonus for accepting the position of Office of Finance CEO.
- (14) Mr. Gerli, Chief Capital Markets Officer of the Office of Finance, served as the Interim CEO from February 2025 to July 2025, and he received a one-time bonus of \$64,998 for this additional service. The 2025 compensation amounts for Mr. Gerli include compensation earned as both Interim CEO and Chief Capital Markets Officer of the Office of Finance. Mr. Gerli's non-equity incentive plan compensation amounts earned also include interest of \$29,373 earned on deferred incentives related to 2024, 2023, and 2022 executive incentive plan awards for prior fiscal years.
- (15) Mr. Snook served as the Office of Finance CEO until his departure in February 2025 to become the President and CEO of the FHLBank of New York. Mr. Snook's non-equity incentive plan compensation amounts earned also include interest of \$50,718, earned on deferred incentives related to 2024, 2023, and 2022 executive incentive plan awards for prior fiscal years.

FHLBank Presidents and Office of Finance CEO Pay Ratio

In determining the median employee, one of two approaches was used by each of the FHLBanks and the Office of Finance to calculate the FHLBank President and Office of Finance CEO pay ratio; the Annual Total Compensation approach or the Consistently Applied Compensation Measures approach. Both of these approaches are acceptable methodologies for identifying the median employee. After identifying the median employee, each FHLBank calculates the annual total compensation for the identified median employee.

Annual Total Compensation Approach. The median employee is identified by calculating the annual total compensation for each employee (in the same manner as Total Compensation is calculated for the FHLBank Presidents and the Office of Finance CEO Summary Compensation in Table S-1) at an identified measurement date. The employee population includes all full-time and part-time employees at an identified measurement date (each of the FHLBanks and the Office of Finance has identified its own measurement date). For permanent employees who were not employed for an entire year, total compensation is annualized. Employees are ranked from lowest to highest using annual total compensation, excluding the FHLBank President or the Office of Finance CEO, and based on this ranking the median employee is identified.

Consistently Applied Compensation Measures Approach. The median employee is identified by comparing the amount of salary, wages, incentive awards, and other compensation (as reflected in payroll records or as reflected in an employee's W-2) for each employee at an identified measurement date. The employee population includes all full-time and part-time employees at an identified measurement date. For permanent employees who were not employed for an entire year, compensation is annualized. Employees are ranked from lowest to highest using compensation, excluding the President, and based on this ranking the median employee is identified.

Table S-2 presents the pay ratio for each of the FHLBanks and the Office of Finance and is calculated as a ratio of the FHLBank President's or the Office of Finance CEO's annual total compensation to the annual total compensation of the identified median employee. Each of the FHLBanks and the Office of Finance is responsible for identifying its median employee and the calculation of its pay ratio, and as a result, the pay ratios presented in Table S-2 may not be comparable amongst the FHLBanks and the Office of Finance. The following information has been provided for each FHLBank based on the information disclosed in its annual report on SEC Form 10-K for the year ended December 31, 2025.

Table S-2 - FHLBank Presidents and Office of Finance CEO Pay Ratio

(whole dollars)

FHLBank	President/CEO Name	President/CEO Annual Total Compensation	Median Employee Annual Total Compensation	Median Employee Calculation Approach	Pay Ratio
Boston	Timothy J. Barrett	\$ 2,511,691	\$ 160,439	Consistently Applied Compensation Measures	16
New York ⁽¹⁾	Randolph C. Snook	2,203,800	250,972	Consistently Applied Compensation Measures	9
Pittsburgh	David G. Paulson	2,152,103	173,768	Consistently Applied Compensation Measures	12
Atlanta	Kirk Malmberg	3,118,287	191,489	Consistently Applied Compensation Measures	16
Cincinnati	Andrew S. Howell	4,014,718	164,960	Consistently Applied Compensation Measures	24
Indianapolis ⁽²⁾	Brendan W. McGrath	2,105,791	330,045	Consistently Applied Compensation Measures	6
Chicago	Michael A. Ericson	3,406,686	194,955	Consistently Applied Compensation Measures	17
Des Moines	Kristina K. Williams	2,840,603	154,732	Consistently Applied Compensation Measures	18
Dallas	Sanjay Bhasin	2,745,821	179,368	Annual Total Compensation	15
Topeka	Jeffrey B. Kuzbel	1,790,055	175,676	Annual Total Compensation	10
San Francisco ⁽³⁾	Joseph Amato	1,627,974	258,660	Annual Total Compensation	6
Office of Finance ⁽⁴⁾	Aparna Ramesh	1,855,998	252,339	Annual Total Compensation	7

- (1) Two individuals served as CEO at the FHLBank of New York during different periods in 2025. Mr. Gonzalez served as the FHLBank of New York President and CEO from April 2, 2014 to April 4, 2025. Effective February 1, 2025, Mr. Snook was appointed the FHLBank of New York President and CEO. For 2025, the total compensation of the median employee was \$250,972. The FHLBank of New York used \$2,203,800 as the total compensation of the CEO which represents Mr. Snook's annualized 2025 total compensation for purposes of the CEO pay ratio disclosure.
- (2) Mr. McGrath was appointed President and CEO effective on October 1, 2025. Accordingly, to determine the total compensation for the President and CEO for this pay ratio disclosure, the FHLBank of Indianapolis assumed Mr. McGrath had been the President and CEO for the entire year. Using this assumption, the CEO's annualized total compensation for 2025 was \$2,105,791. As of December 31, 2025, the FHLBank of Indianapolis' CEO had 25 years of credited service under the grandfathered defined benefit plan and supplemental executive retirement plan. His total compensation therefore includes the change in the present value of his pension benefits of \$518,000, and, as a result, constituted 25% of his total compensation for this calculation. The median employee's total compensation includes a change in the present value of pension benefits of \$173,000.
- (3) For 2025, the FHLBank of San Francisco had two non-concurrent Principal Executive Officers. Ms. McCargo served as President and CEO of the FHLBank of San Francisco until January 30, 2025. Mr. Amato became the FHLBank of San Francisco's Interim President and CEO effective January 30, 2025, and the FHLBank of San Francisco has elected to use Mr. Amato's annualized 2025 total compensation for the CEO pay ratio disclosure, rather than to combine the 2025 total compensation of the two Principal Executive Officers who served in 2025.
- (4) Three individuals served as CEO or Interim CEO at the Office of Finance during different periods of 2025. Mr. Snook served as the Office of Finance CEO until his departure in February 2025 to become the President and CEO of the FHLBank of New York. Mr. Gerli served as the Office of Finance Interim CEO from February 2025 to July 2025. Effective August 1, 2025, Ms. Ramesh was appointed the Office of Finance CEO. The Office of Finance elected to use Ms. Ramesh's annualized 2025 total compensation for purposes of its CEO pay ratio disclosure.

FHLBank President Employment Agreements or Severance Plans

FHLBank of Boston. The FHLBank of Boston entered into an employment agreement with Mr. Barrett, effective as of December 1, 2021 (the FHLBank of Boston Employment Agreement). The Board of Directors of the FHLBank of Boston determined that having the FHLBank of Boston Employment Agreement in place would be an effective tool to recruit and retain Mr. Barrett as the President and Chief Executive Officer. The FHLBank of Boston Employment Agreement had an initial term of three years and subsequently renews for one-year periods unless either party elects to not renew. Under the FHLBank of Boston Employment Agreement, Mr. Barrett is provided access to a FHLBank of Boston-owned or -leased vehicle and a reserved parking space at a location convenient to the FHLBank of Boston's headquarters. Also, under the FHLBank of Boston Employment Agreement, Mr. Barrett is entitled to participate in all incentive, savings, and retirement plans and programs available to senior executives at the FHLBank of Boston. Also, under the FHLBank of Boston Employment Agreement, Mr. Barrett's employment may be terminated by the FHLBank of Boston with or without "cause", as therein defined, or by Mr. Barrett with or without "good reason", as therein defined with severance payable to Mr. Barrett upon termination by the FHLBank of Boston without "cause" or resignation by Mr. Barrett with "good reason."

Under the terms of the FHLBank of Boston Employment Agreement with Mr. Barrett, in the event that the FHLBank of Boston terminates Mr. Barrett's employment for any reason other than "cause" or "disability", as both are defined in the FHLBank of Boston Employment Agreement, or upon Mr. Barrett's termination of his employment for "good reason", as defined in the FHLBank of Boston Employment Agreement, the FHLBank of Boston has agreed to pay Mr. Barrett (a) one year of salary continuation paid pursuant to the FHLBank of Boston's normal payroll schedule, (b) a pro-rata payment of the short-term and deferred incentive opportunity at the "president" tier under the executive incentive plan in effect in the year of termination, calculated and payable under such plan as if he had met all employment-related requirements for payment as a retiree, (c) a payment of then-unpaid deferred incentive awards under prior executive incentive plans, calculated and payable under such plans at the time he would have received payment if he had remained employed by the FHLBank of Boston, and (d) certain healthcare replacement costs for a period of twelve months and other amounts required to be paid or provided under any other FHLBank of Boston plan, program, policy or practice, or contract or agreement. As a condition to payment, Mr. Barrett must agree to execute an irrevocable general release of claims against the FHLBank of Boston. Any payments to Mr. Barrett under the FHLBank of Boston Employment Agreement are in lieu of any severance payments that would otherwise be payable to him and may also require the FHFA's non-objection.

The FHLBank of Boston maintains an executive change in control severance plan (FHLBank of Boston Executive Severance Plan). Under the terms of the FHLBank of Boston Executive Severance Plan, if there is a qualifying termination during the period beginning on the earliest of 180 days prior to the date a definitive agreement or order for a change in control has been entered into, or the effective date of a change in control as prescribed by the FHFA, and ending 24 months following the effective date of the change in control, Mr. Barrett becomes entitled to certain severance payments and benefits. The FHLBank of Boston Executive Severance Plan defines a qualifying termination as a termination of Mr. Barrett's employment with the FHLBank of Boston, (i) by the FHLBank of Boston, other than for cause; or (ii) by Mr. Barrett, for good reason but does not include a termination resulting from Mr. Barrett's death, disability or retirement.

The severance payments and benefits to which Mr. Barrett would be entitled under the FHLBank of Boston Executive Severance Plan include:

- a cash payment equal to 2.99 times the sum of (i) the greater of his annual base salary determined at the time of the qualifying termination or 180 days prior to the change in control, and (ii) target incentive awards for the year in which the qualifying termination of employment occurs;
- a lump sum cash payment equal to the amount that would have been payable pursuant to his annual incentive compensation award for the year in which the date of a qualifying termination occurs based on actual FHLBank of Boston performance, prorated based on the number of days he was employed that year;
- a lump sum cash payment for outplacement assistance in the amount of \$25,000; and
- a lump sum cash payment equivalent to the FHLBank of Boston's cost to maintain his health insurance coverage for 24 months.

All payments and benefits under the FHLBank of Boston Executive Severance Plan are conditioned upon Mr. Barrett having delivered an irrevocable general release of claims against the FHLBank of Boston before payment occurs. If Mr. Barrett is eligible for severance benefits under the FHLBank of Boston Executive Severance Plan and also for similar benefits under any other FHLBank of Boston plan, program, arrangement or agreement, the severance benefits under the FHLBank of Boston Executive Severance Plan will be reduced on a dollar-for-dollar basis for the severance benefits available under such other plan, program, arrangement or agreement.

FHLBank of New York. The FHLBank of New York is an "at will" employer and does not provide written employment agreements to any of its employees except for executive change in control agreements for certain senior executives. However, employees, including the president, receive:

- cash compensation (i.e., base salary, and, for exempt employees, “variable” or “at risk” short-term incentive compensation);
- retirement-related benefits (i.e., qualified defined benefit plan; qualified defined contribution plan; and the nonqualified defined benefit portion of the deferred compensation plan); and
- health and welfare programs and other benefits.

Other benefits, which are available to all regular employees, include medical, dental, vision care, life, business travel accident, and short- and long-term disability insurance, flexible spending accounts, an employee assistance program, educational development assistance, voluntary life insurance, long term care insurance, fitness club reimbursement, and severance pay. An additional benefit offered to all officers who are at vice-president rank or above is a physical examination every 18 months.

In addition, the FHLBank of New York President and the FHLBank of New York have entered into an employee change in control agreement (FHLBank of New York CIC Agreement), which is intended to provide the president with certain severance payments and benefits in the event his employment is terminated in connection with a “change in control” of the FHLBank of New York. Certain other senior officers have also entered into CIC agreements with the FHLBank of New York. The FHLBank of New York CIC Agreements have a term of three years. Under the terms of the FHLBank of New York CIC Agreements, if the executive’s employment with the FHLBank of New York is terminated by the FHLBank of New York without “cause” or by the executive for “good reason” (as such terms are defined in the FHLBank of New York CIC Agreement) during the period beginning on the earliest of (a) twelve months prior to the execution by the FHLBank of New York of a definitive agreement regarding a change in control, (b) twelve months prior to change in control mandated by federal statute, rule or directive, (c) twelve months prior to the adoption of a plan or proposal for the liquidation or dissolution of the FHLBank of New York, and ending, in all cases, twenty-four months following the effective date of the change in control, the executive becomes entitled to certain severance payments and benefits.

FHLBank of Pittsburgh. In the event of a merger of the FHLBank of Pittsburgh with another FHLBank, where the merger results in the termination of employment (including resignation for “good reason” as defined under the change in control agreement) for the FHLBank of Pittsburgh CEO, the FHLBank of Pittsburgh CEO is eligible for severance payments under his change in control agreement. Such severance is in lieu of severance under his separate severance agreement. The separate severance agreement continues to apply to employment terminations other than those resulting from an FHLBank merger. Benefits under the CIC agreement for the FHLBank of Pittsburgh CEO is as follows:

- 2.99 times base salary;
- A payment of 2.99 times target incentive award opportunity in the year of termination, a pro-rated incentive payment in the year of termination and a payment equal to the additional benefit that the FHLBank of Pittsburgh CEO would have received under the FHLBank of Pittsburgh’s qualified and nonqualified retirement plans calculated as if the FHLBank of Pittsburgh CEO had three additional years of both age and service at the time of separation from the FHLBank of Pittsburgh;
- An amount equal to three times six percent of the FHLBank of Pittsburgh CEO’s annual compensation (as defined in the supplemental thrift plan) at the time of separation from the FHLBank of Pittsburgh;
- Taxable compensation equivalent to the FHLBank of Pittsburgh’s monthly contribution to its active employees’ medical plan coverage for the benefits continuation period of 18 months; and
- Individualized outplacement service for a maximum of 12 months and financial planning.

FHLBank of Atlanta. The FHLBank of Atlanta entered into an employment agreement with Mr. Malmberg on April 20, 2021 (Malmberg Agreement). The Malmberg Agreement was terminated upon Mr. Malmberg's retirement on December 31, 2025.

The FHLBank Atlanta entered into an employment agreement with Mr. O'Shields effective on January 1, 2026 (the O'Shields Agreement). Under the employment agreement, Mr. O'Shields' employment with the FHLBank of Atlanta may be terminated by the FHLBank of Atlanta with or without "cause," or by Mr. O'Shields with or without "good reason," as defined in the employment agreement. Unless earlier terminated by either party as provided therein, the employment agreement had an initial three-year term and will continue to extend automatically for subsequent one-year periods unless either party elects not to renew. Under the O'Shields Agreement, Mr. O'Shields' employment with the FHLBank of Atlanta may be terminated by the FHLBank of Atlanta, with or without "cause," or by Mr. O'Shields with or without "good reason," as defined in the O'Shields Agreement. Unless earlier terminated by either party as provided therein, the O'Shields Agreement had an initial three-year term and will continue to extend automatically for subsequent one-year periods unless either party elects not to renew. If during the term of his employment Mr. O'Shields is terminated without "cause" or resigns for "good reason," the O'Shields Agreement provides for severance pay in an amount equal to: (1) his then-current annual base salary, payable in a lump sum within 60 days after Mr. O'Shields executes and delivers a general release of claims to the FHLBank of Atlanta, and (2) an amount equal to the amount that would have been payable pursuant to his incentive compensation award for the year in which the termination occurs, prorated based upon the number of days Mr. O'Shields was employed that year. The incentive compensation award is based upon the FHLBank of Atlanta's actual performance for the year in which the termination occurs and is payable at the same time that such awards are paid to the FHLBank of Atlanta's senior executives. In addition, Mr. O'Shields will be entitled to receive certain health care replacement costs and other amounts required to be paid or provided under any other FHLBank of Atlanta plan, program, policy or practice or contract or agreement. The O'Shields Agreement does not provide for any severance pay in the event of a termination with "cause," a termination on account of his death or disability, or his resignation without "good reason."

FHLBank of Cincinnati. The FHLBank of Cincinnati does not provide written employment agreements to any of its employees. Other than normal pension benefits and eligibility to participate in the FHLBank of Cincinnati's retiree medical and life insurance program, no perquisites, tax gross-ups or other special benefits are provided to Mr. Howell in the event of a resignation, retirement or other termination of employment. However, Mr. Howell may receive certain benefits under the FHLBank of Cincinnati's severance policy and change in control plan, described below.

Under the FHLBank of Cincinnati's severance policy, all employees may receive benefits in the event of termination of employment resulting from job elimination, substantial job modification, job relocation, or a planned reduction in staff. In accordance with this policy, Mr. Howell is entitled to six months' severance pay, as well as payment for all accrued and unused paid time off. Mr. Howell may also receive outplacement assistance as well as continuation of health insurance coverage on a limited basis.

Under the FHLBank of Cincinnati's change in control plan for officers designated by the FHLBank of Cincinnati's Board of Directors, certain payments and benefits are provided in the event of a qualifying termination within 24 months following a change in control. Change in control benefit payments are in lieu of, not in addition to, the severance benefit payments described above. In the event of a qualifying termination, Mr. Howell will receive a severance payment equal to 2.50 times his base salary and target annual incentive amount for the year in which the change in control occurs. Mr. Howell will also receive a lump sum cash payment equal to accrued and unused paid time off and the amount that would have been payable pursuant to his annual incentive compensation award for the year in which the date of a qualifying termination occurs based on the FHLBank of Cincinnati's actual performance, prorated based on the number of days Mr. Howell was employed that year. In addition, he will receive a cash payment of \$7,500 for outplacement assistance, as well as 24 months of continued health care coverage.

FHLBank of Indianapolis. The FHLBank of Indianapolis maintains a key employee severance policy that covers, among others, the President and CEO, Mr. McGrath. If a termination occurs under certain circumstances, Mr. McGrath is entitled to 2.0 times the average of the three preceding calendar years' base salary (inclusive of amounts deferred under a qualified or nonqualified plan) and gross bonus (inclusive of amounts deferred under a qualified or nonqualified plan); provided that, for any calendar year in which he received base salary for less than the entire year, the gross amount shall be annualized as if such amount had been payable for the entire calendar year. If a qualifying termination occurs, Mr. McGrath will continue to be covered by the FHLBank of Indianapolis medical and dental insurance plans in effect immediately prior to the compensation termination, subject to Mr. McGrath's payment of the employee's portion of the cost of such continued coverage for a period of 24 months. If Mr. McGrath is ineligible under the terms of such plans for continuing coverage or such plans shall have been modified, the FHLBank of Indianapolis will provide through other sources coverage which is substantially equivalent to the coverage provided immediately prior to the compensated termination, subject to Mr. McGrath's payment of a comparable portion of the cost of such continued coverage as under the FHLBank of Indianapolis medical and dental insurance plans. This key employee severance policy also provides for outplacement services for Mr. McGrath. All amounts payable under this key employee severance plan are capped at an amount equal to one dollar (\$1) less than the aggregate amount which would otherwise cause any such payments to be considered a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code.

FHLBank of Chicago. Mr. Ericson's employment agreement with the FHLBank of Chicago in effect during 2025 provided for a four-year employment term starting January 1, 2025 and ending December 31, 2028 (the "Ericson Employment Agreement"). The Ericson Employment Agreement provided for automatic one-year extensions until such date as the FHLBank of Chicago Board of Directors or Mr. Ericson elects not to renew the agreement.

The Ericson Employment Agreement allowed Mr. Ericson to participate in the FHLBank of Chicago's president and executive team incentive compensation plan. In addition, Mr. Ericson is entitled to participate in the FHLBank of Chicago's health insurance, life insurance, retirement, and other benefit plans that are generally applicable to the FHLBank of Chicago's other senior executives. Under the Ericson Employment Agreement, Mr. Ericson is responsible for the payment of all federal, state and local income and other taxes that may be due with respect to any payments made to him pursuant to the employment agreement, although if any provision of the employment agreement would cause Mr. Ericson to incur any additional tax or interest under Section 409A of the Code, then the FHLBank of Chicago may reform such provision provided that it maintains (to the maximum extent practicable), the original intent of the applicable provision.

Under the Ericson Employment Agreement, in the event Mr. Ericson's employment with the FHLBank of Chicago were terminated by him through retirement (as defined in the Ericson Employment Agreement), Mr. Ericson would be entitled to receive the following payments and benefits:

1. all accrued and unpaid salary for time worked as of the date of termination;
2. all accrued but unutilized vacation time as of the date of termination;
3. a lump sum payment in an amount equal to the incentive compensation he would have otherwise been entitled to for:
 - a. the total incentive award (both annual award and deferred award) under the FHLBank of Chicago's president and executive team incentive compensation plan for the year in which termination occurs, calculated as if all performance targets for the current annual and deferral award period had been met at the target award level and prorated based on the number of full months Mr. Ericson was employed during the year of termination, divided by 12, and

- b. any previously deferred award (50% of the total incentive award) under the FHLBank of Chicago's president and executive team incentive compensation plan not subject to proration or further adjustments based on performance target achievement during the deferral period;

as determined without any regard to whether Mr. Ericson's termination affects his eligibility to receive an incentive award; provided, however that the human resources and compensation committee of the FHLBank of Chicago may, in its discretion, reduce or eliminate any incentive compensation amounts paid under this item (3) for any of the circumstances set forth in Section 5.3(b)(1)-(3) or (5) the president and executive team incentive compensation plan, to the extent the circumstances existed at or before the time Mr. Ericson provided notice of termination, as applicable, and

- 4. participation in the FHLBank of Chicago's retiree health care benefit plans for Mr. Ericson and his spouse, in accordance with the terms of the FHLBank of Chicago Description of Retiree Medical Coverage.

If Mr. Ericson's employment with the FHLBank of Chicago is terminated by resignation other than for good reason (as described in the Ericson Employment Agreement), Mr. Ericson will be entitled to the payments in items (1) through (3) above. If Mr. Ericson's employment with the FHLBank of Chicago is terminated by the FHLBank of Chicago's Board for cause (as defined in the Ericson Employment Agreement), Mr. Ericson will be entitled only to the amounts in items (1) and (2) above. If Mr. Ericson's employment with the FHLBank of Chicago is terminated: (a) by reason of death or disability (as defined in the Ericson Employment Agreement), (b) by the FHLBank of Chicago other than for cause, (c) by Mr. Ericson by resignation for good reason, or (d) by the FHLBank of Chicago by non-renewal of the employment agreement, Mr. Ericson will be entitled to the payments in items (1) through (3) above, as well as salary continuation (at the base salary in effect at the time of termination) for a period of one year, and continued participation in the FHLBank of Chicago's employee health care benefit plans for Mr. Ericson and his spouse, in accordance with the terms of the FHLBank of Chicago's severance plan that would be applicable if Mr. Ericson's employment had been terminated pursuant to such plan (provided, however, the FHLBank of Chicago shall continue paying the employer's portion of Mr. Ericson's medical and/or dental insurance premiums, if Mr. Ericson had been participating in either or both programs for one year prior to termination.)

The Ericson Employment Agreement provides that Mr. Ericson would not be entitled to any other compensation, bonus, incentive, or severance pay from the FHLBank of Chicago other than as specified above and any vested rights which he has under any pension, thrift, or other benefit plan, excluding the severance plan, and, for termination by all means except for cause, the president and executive team incentive compensation plan.

The right to receive certain termination payments as outlined above is contingent upon, among other things, Mr. Ericson signing a general release of all claims against the FHLBank of Chicago in such form as the FHLBank of Chicago requires.

FHLBank of Des Moines. The FHLBank of Des Moines entered into an employment agreement with Kristina K. Williams, effective on January 20, 2020, in order to establish her duties and compensation and to provide for her employment as President and CEO of the FHLBank of Des Moines.

The employment agreement provides that the FHLBank of Des Moines would initially pay Ms. Williams a base salary of \$850,000, subject to adjustment as described in the employment agreement.

Subject to review by the FHFA, Ms. Williams' incentive target will generally not be set lower than 85% of her base salary. The FHLBank of Des Moines paid, or reimbursed Ms. Williams for, all reasonable relocation expenses incurred by Ms. Williams in relocation to the Des Moines area up to the maximum of \$250,000. Ms. Williams is also eligible for certain perquisites, including a car allowance in the amount of \$750 per month.

Ms. Williams' employment agreement provides that:

- the FHLBank of Des Moines or Ms. Williams may terminate employment for any reason (other than good reason or cause) following 60 days written notice to the other party;
- the FHLBank of Des Moines may terminate for cause immediately following written notice to Ms. Williams;
- and Ms. Williams may terminate for good reason following written notice to the FHLBank of Des Moines;
- in each case, in accordance with the procedures set forth in the employment agreement. Amounts payable under the employment agreement are subject to reduction in the event the amounts constitute an "excess parachute payment" under Section 280G of the Internal Revenue Code.

If Ms. Williams' employment is terminated by the FHLBank of Des Moines for cause or by Ms. Williams without good reason, the employment agreement entitles Ms. Williams to the following:

- i. base salary accrued through the date of termination;
- ii. accrued but unpaid incentive plan award(s) earned in a year prior to the year of termination and due to be paid in the year in which termination occurs;
- iii. accrued and earned vacation through the date of termination; and/or
- iv. all other vested benefits under the terms of the FHLBank of Des Moines' employee benefit plans, subject to the terms of such plans.

If Ms. Williams' employment is terminated by the FHLBank of Des Moines without cause or by Ms. Williams for good Reason, or following a change in control, in addition to the payouts previously mentioned related to termination for cause or without good reason, the employment agreement entitles Ms. Williams to severance payments equal to a multiple of Ms. William's base salary as follows:

- i. two times the annual base salary in effect on the date of termination for Ms. Williams, or, in the case that the termination occurs within 24 months following a change of control, 2.99 times the annual base salary in effect on the date of termination for Ms. Williams;
- ii. one times Ms. Williams' targeted non-deferred executive incentive plan award in effect for the calendar year in which the date of termination occurs, or, in the case that the termination occurs within 24 months following a change in control, 2.99 times the targeted non-deferred plan award in effect for the calendar year in which the date of termination occurs for Ms. Williams;
- iii. the executive incentive plan award for the calendar year in which the date of termination occurs and prorated for the portion of the calendar year in which Ms. Williams was employed;
- iv. the accrued but unpaid incentive plan awards covering periods prior to the one in which Ms. Williams' employment was terminated, calculated in accordance with the terms of the incentive plan as if termination was due to death or disability; and
- v. any benefits mandated under any applicable health care continuation laws, provided that the continuing FHLBank will continue paying its portion of the medical and/or dental insurance premiums for Ms. Williams for the one-year period following the date of termination.

If Ms. Williams' employment was terminated due to death, disability, or qualifying retirement, in addition to the payouts described in termination for cause or without good reason, she would also be entitled to the following:

- i. the executive incentive plan award for the calendar year in which the date of termination occurs and prorated for the portion of the calendar year in which Ms. Williams was employed;
- ii. to the extent not already paid to Ms. Williams, the accrued but unpaid incentive plan awards covering periods prior to the one in which Ms. Williams' employment was terminated; and
- iii. other coverage continuation rights that are available to such employees upon death disability, or retirement, as provided for under the terms of such plans.

FHLBank of Dallas. On March 24, 2015, the FHLBank of Dallas entered into an employment agreement with Mr. Bhasin. This agreement was authorized and approved by the Compensation and Human Resources Committee of the FHLBank of Dallas Board of Directors and the FHLBank of Dallas Board of Directors and resulted from the FHLBank of Dallas Board's desire to retain Mr. Bhasin's services for no less than the one-year term of the agreement. On each yearly anniversary thereafter, Mr. Bhasin's employment agreement automatically renews for an additional one-year term unless either the FHLBank of Dallas or Mr. Bhasin gives a notice of non-renewal not less than 30 days prior to the expiration date. Because neither the FHLBank of Dallas nor Mr. Bhasin gave a notice of non-renewal, his employment agreement was, on March 24, 2026, automatically extended through March 23, 2027. Under the terms of the employment agreement, in the event that Mr. Bhasin's employment with the FHLBank of Dallas is terminated either by Mr. Bhasin for good reason or by the FHLBank of Dallas other than for cause, or in the event that the FHLBank of Dallas gives notice of non-renewal while Mr. Bhasin is willing and able to continue employment on the same terms, Mr. Bhasin shall be entitled to receive the following severance benefits in addition to those payable under any applicable incentive and benefit programs in effect at the time of termination and in accordance with their terms:

- base salary continuation (at the base salary in effect at the time of termination) for 12 months;
- a pro-rata portion of his non-equity incentive plan compensation for the year in which his termination occurs, based on actual performance for such year; and
- continuation of any elective group health and dental insurance benefits that are being provided to him as of his termination date for a period of 12 months.

FHLBank of Topeka. The FHLBank Topeka's change in control plan provides that, upon both a change in control and the termination of a participant that qualifies as a change in control termination, Mr. Kuzbel will be entitled to a cash lump sum payment. A change in control means the occurrence of any of the following events, provided it shall not include any reorganization that is mandated by any Federal statute, rule, regulations or directive: (1) the merger, reorganization, or consolidation of the FHLBank Topeka with or into another FHLBank or other entity; (2) the sale or transfer of all or substantially all of the business or assets of the FHLBank of Topeka to another FHLBank or other entity; (3) the purchase by the FHLBank of Topeka or transfer to the FHLBank of Topeka of substantially all of the business or assets of another FHLBank; (4) a change in the composition of the FHLBank Topeka Board of Directors, as a result of one or a series of related transactions, that causes the combined number of member directors from the states of Colorado, Kansas, Nebraska and Oklahoma to cease to constitute a majority of the directors of the FHLBank of Topeka; or (5) the liquidation or dissolution of the FHLBank of Topeka.

Mr. Kuzbel will receive in a cash lump sum, an amount that, when combined with any amount payable under the FHLBank of Topeka's severance policy, equals a compensation multiplier of 2.99 times the sum of his: (1) then annualized base salary; (2) an amount equal to the target total base opportunity as reflected in the FHLBank of Topeka's executive incentive compensation plan targets document for the year in which the change in control

occurs; and (3) the unvested balance of the participant's executive defined contribution retirement plan. Mr. Kuzbel is also eligible to receive the continuation of certain group health care benefits for a period of three years.

The FHLBank of Topeka also provides severance benefits to Mr. Kuzbel pursuant to the FHLBank of Topeka's executive officer severance policy. The policy's primary objective is to provide a level of protection to named executive officers from loss of income during a period of unemployment. Mr. Kuzbel is eligible to receive severance pay under the policy if the FHLBank of Topeka terminates his employment with or without cause, subject to certain limitations. These limitations include: (1) the officer voluntarily terminates employment, including disability or death; or (2) the officer's employment is terminated by the FHLBank of Topeka for misconduct. Provided the requirements of the policy are met and Mr. Kuzbel provides the FHLBank of Topeka an enforceable release, he will receive severance pay equal to 12 months of his final annual base salary, absent a qualifying event that would result in payments under the change in control plan. He is also eligible to receive the continuation of certain group health care benefits for a period of 12 months.

FHLBank of San Francisco.

Alanna McCargo Employment Agreement. The FHLBank of San Francisco entered into an employment agreement with Alanna McCargo dated May 7, 2024, to serve as President and Chief Executive Officer of the FHLBank of San Francisco, with an initial term of three years. Under the terms of the agreement, Ms. McCargo was to initially receive a base annual salary of \$890,000.

Pursuant to the terms of Ms. McCargo's employment agreement, (i) Ms. McCargo was eligible to participate in the FHLBank of San Francisco's various executive incentive and employee benefit plans, including the FHLBank of San Francisco's executive incentive plan and supplemental executive retirement plan; (ii) the amount of FHLBank of San Francisco annual contribution credits under the supplemental executive retirement plan was to be 25% of total annual compensation for less than five years of credited service and 35% of total annual compensation for 5 or more years of credited service; (iii) Ms. McCargo was to receive reimbursement of relocation costs up to \$250,000; (iv) if Ms. McCargo's employment was terminated due to the expiration of the initial three-year term and the FHLBank of San Francisco's Board decided not to extend her employment for any additional term, Ms. McCargo would be entitled to all Accrued Benefits (as defined in her employment agreement) and to receive a severance payment equal to twelve months of base salary and a pro-rata portion of the executive incentive plan award for the year in which the termination occurs; and all Deferred Awards will be treated as fully vested (Severance Payment); (v) if Ms. McCargo was terminated without Cause (as defined in her employment agreement) or for Good Reason (as defined in her employment agreement) at any time, Ms. McCargo would be entitled to receive severance payments equal to the Severance Payment and all Accrued Benefits.

As previously reported on Form 8-K filed on January 30, 2025 by the FHLBank of San Francisco, Ms. McCargo departed the FHLBank of San Francisco as an employee and Ms. McCargo's employment terminated as of such date. On the same date, Ms. McCargo and the FHLBank of San Francisco entered into (i) a separation agreement (the "FHLBank of San Francisco Separation Agreement"), under which Ms. McCargo executed releases of claims in favor of the FHLBank of San Francisco and agreed to various post-employment covenants, including, but not limited to, standard non-disparagement and cooperation provisions, and in exchange the FHLBank of San Francisco agreed to pay Ms. McCargo cash payments totaling \$1,476,951 (less applicable withholdings) and (ii) an advisory agreement (the "FHLBank of San Francisco Advisory Agreement"), under which Ms. McCargo would advise on transition, strategic and/or regulatory matters and in exchange, the FHLBank of San Francisco agreed to pay Ms. McCargo \$80,000 within thirty (30) days of the execution of the agreement, a monthly fee of \$15,000, and \$250,000 upon completion of the term of Ms. McCargo's advisory service, subject to Ms. McCargo executing a release of claims in favor of the FHLBank of San Francisco and agreeing to various other covenants. The FHLBank of San Francisco Separation Agreement, and the payment of severance benefits thereunder, was subject to review by the FHFA. No payments were made to Ms. McCargo under either the FHLBank of San Francisco Separation Agreement or the FHLBank of San Francisco Advisory Agreement, and the FHLBank of San Francisco Separation Agreement and the FHLBank of San Francisco Advisory Agreement are null and void as of this date.

The FHLBank of San Francisco's Board has formed a search committee of the FHLBank of San Francisco Board, as previously disclosed by the FHLBank of San Francisco, to conduct a search for Ms. McCargo's successor and to evaluate and propose qualified candidates for approval to the Board. Effective January 30, 2025, the FHLBank of San Francisco appointed Mr. Joseph Amato, the FHLBank of San Francisco's previous Executive Vice President and Chief Financial Officer, to serve as the FHLBank of San Francisco's Interim President and Chief Executive Officer. Effective February 2, 2026, the FHLBank of San Francisco appointed Mr. Winthrop Watson to serve as the FHLBank of San Francisco's Interim President and Chief Executive Officer.

Amato Employment Agreement. The FHLBank of San Francisco entered into an employment agreement with Joseph Amato dated October 7, 2020, for an initial term of six months and six automatic extensions of one-month terms thereafter. Mr. Amato's initial employment agreement provided that Mr. Amato would receive a base annual salary of \$500,000 and a sign on payment of \$50,000. The initial employment agreement also provided that notwithstanding any terms to the contrary in the FHLBank of San Francisco's executive incentive plan, supplemental executive retirement plan, and corporate senior officer severance policy, such plans and policy would not apply to Mr. Amato in connection with his employment. Additionally, Mr. Amato's employment agreement provided that he would be eligible for a fully discretionary special award (as defined in his employment agreement) of up to \$300,000 to be received in two parts in recognition of his service as Interim Chief Financial Officer and based on his performance in connection with his duties and responsibilities as the FHLBank of San Francisco's Principal Financial Officer. The first part of the special award (\$150,000) was paid at the end of the initial term, and the remainder of the special award (\$25,000) was paid at the end of the automatic one-month extension of his term.

On July 7, 2021, the FHLBank of San Francisco entered into an amendment to Mr. Amato's employment agreement (FHLBank of San Francisco Amendment No. 1) to extend the term of his employment to March 31, 2023, and, effective May 13, 2021, to serve as the FHLBank of San Francisco's Executive Vice President and Chief Financial Officer for the extended term (FHLBank of San Francisco Second Term). FHLBank of San Francisco Amendment No. 1 provided an option to mutually elect to extend his FHLBank of San Francisco Second Term for another year, until March 31, 2024 (FHLBank of San Francisco Mutual Extension). FHLBank of San Francisco Amendment No. 1 also provided that Mr. Amato would be eligible for a second special award (as defined in FHLBank of San Francisco Amendment No. 1) of up to \$354,835 in recognition of his service as the FHLBank of San Francisco's Executive Vice President and Chief Financial Officer. The first 50% of the second special award (\$177,418) was paid in 2022. The second 50% of the second special award (\$177,417) was paid in 2023. Additionally, FHLBank of San Francisco Amendment No. 1 provided that beginning with the FHLBank of San Francisco Second Term, Mr. Amato would also be eligible to participate in the FHLBank of San Francisco's executive incentive plan. For the FHLBank of San Francisco Second Term, Mr. Amato continued to acknowledge that the supplemental executive retirement plan and the corporate senior officer severance policy would not apply to him during the FHLBank of San Francisco Second Term or any FHLBank of San Francisco Mutual Extension. FHLBank of San Francisco Amendment No. 1 also provided that, upon the expiration of the FHLBank of San Francisco Second Term or any FHLBank of San Francisco Mutual Extension, Mr. Amato would be entitled to receive a severance payment equal to the executive incentive plan annual award (defined in the executive incentive plan to include both the short-term incentive component and the long-term incentive component) as set forth in the FHLBank of San Francisco's executive incentive plan, which would be treated as vested, on a pro rata basis for the performance period of the year when the expiration of his employment agreement occurs, and any deferred awards (as defined in the executive incentive plan) would be treated as fully vested, all of which is to be paid out as and when due in accordance with the executive incentive plan (FHLBank of San Francisco Severance Payment).

On October 19, 2022, in accordance with the FHLBank of San Francisco Mutual Extension, the FHLBank of San Francisco and Mr. Amato entered into a second amendment to his employment agreement (FHLBank of San Francisco Amendment No. 2) to memorialize the mutual extension of the term of his employment following the expiration of the FHLBank of San Francisco Second Term to March 31, 2024.

On October 30, 2023, the FHLBank of San Francisco and Mr. Amato entered into a third amendment to his employment agreement (FHLBank of San Francisco Amendment No. 3) to mutually extend the term of his employment to September 30, 2024 (FHLBank of San Francisco Third Term), with an automatic extension until March 31, 2025. FHLBank of San Francisco Amendment No. 3 also amended Mr. Amato's base annual salary to \$540,000, effective January 1, 2024.

Under the terms of FHLBank of San Francisco Amendment No. 2, as amended by FHLBank of San Francisco Amendment No. 3, in recognition of Mr. Amato's extended service as the FHLBank of San Francisco's Executive Vice President and Chief Financial Officer, Mr. Amato would be eligible for a fully discretionary third special award (as defined in FHLBank of San Francisco Amendment No. 3). Pursuant to a subsequent employment agreement entered into June 2, 2025, between the FHLBank of San Francisco and Mr. Amato, the third special award was terminated without any payments being made thereunder.

On January 30, 2025, Mr. Amato began serving as both Chief Financial Officer and Interim Chief Executive Officer. On April 1, 2025, the FHLBank of San Francisco and Mr. Amato entered into a fourth amendment to Mr. Amato's employment agreement (FHLBank of San Francisco Amendment No. 4), which extended the term of Mr. Amato's employment to May 31, 2025 (FHLBank of San Francisco Fourth Term). FHLBank of San Francisco Amendment No. 4 also ended Mr. Amato's service as Chief Financial Officer effective April 1, 2025, and continued his service as Interim Chief Executive Officer. Mr. Amato continued to acknowledge that the supplemental executive retirement plan and the corporate senior officer severance policy would not apply to him during the FHLBank of San Francisco Fourth Term.

On June 2, 2025, the FHLBank of San Francisco entered into a subsequent employment agreement (FHLBank of San Francisco Subsequent Employment Agreement) with Mr. Amato. The FHLBank of San Francisco Subsequent Employment Agreement extended Mr. Amato's employment as follows: (1) beginning on June 1, 2025, and ending on September 30, 2025, Mr. Amato's employment was extended for a fifth term (FHLBank of San Francisco Fifth Term); (2) upon conclusion of the FHLBank of San Francisco Fifth Term, Mr. Amato's employment was automatically extended by two (2) calendar months ending on November 30, 2025 (the FHLBank of San Francisco First Renewal); and (3) upon conclusion of the FHLBank of San Francisco First Renewal, Mr. Amato's employment was automatically extended by two (2) calendar months and one (1) day ending on February 1, 2026 (the FHLBank of San Francisco Second Renewal).

Under the terms of the FHLBank of San Francisco Subsequent Employment Agreement, Mr. Amato would receive a base annual salary of \$540,000 and a monthly award of \$50,743, and in addition, a lump sum amount equal to the amount Mr. Amato would have received had such monthly award been paid during the period from January 30, 2025, through the day immediately prior to the effective date of the FHLBank of San Francisco Subsequent Employment Agreement. Mr. Amato was eligible to participate in the FHLBank of San Francisco's executive incentive plan and remained ineligible to participate in the FHLBank of San Francisco's supplemental executive retirement plan and corporate senior officer severance policy. In addition, the FHLBank of San Francisco Subsequent Employment Agreement provided that Mr. Amato would be eligible for a fully discretionary award, the "FHLBank of San Francisco Discretionary Fourth Special Award" (as defined in the FHLBank of San Francisco Subsequent Employment Agreement), up to an amount equal to the actual forgone benefits under such plans and policies for the 2021 to 2026 periods through the last day Mr. Amato remains employed by the FHLBank of San Francisco, reduced by the amount of payments made pursuant to certain other awards and fully-vested benefits received by Mr. Amato under certain other FHLBank of San Francisco plans and agreements. The FHLBank of San Francisco Discretionary Fourth Special Award could also be increased by a one-time contribution credit in the amount of \$50,000 to be added on the last day of Mr. Amato's employment with the FHLBank of San Francisco, subject to certain terms and conditions.

Pursuant to the terms of the FHLBank of San Francisco Subsequent Employment Agreement, Mr. Amato's employment with the FHLBank of San Francisco terminated on February 1, 2026, and in accordance with the terms

of the FHLBank of San Francisco Subsequent Employment Agreement, Mr. Amato will receive \$741,170 under the FHLBank of San Francisco Discretionary Fourth Special Award and will be entitled to up to \$459,785 under the executive incentive plan awards by operation of the executive incentive plan, subject to FHFA review and non-objection. Other than as set forth above, Mr. Amato is not entitled to any further benefits from the FHLBank of San Francisco.

Table S-3 presents all other compensation information for each of the FHLBank Presidents and the Office of Finance CEO.

Table S-3 - All Other Compensation

(whole dollars)

FHLBank	President/CEO Name	Year	Termination of Employment or Change of Control if Triggered	Contribution or Other Allocations Made by the Employer to Vested and/or Unvested Defined Contribution Plans	Dollar Value of any Insurance Premiums Paid by the Employer with Respect to Life Insurance for the Benefit of the President/CEO	Gross-ups or Other Amounts Reimbursed for the Payment of Taxes	Perquisites and Other Personal Benefits*	Other	Total
Boston	Timothy J. Barrett	2025	\$ —	\$ 359,831	\$ —	\$ —	\$ 13,352	\$ —	\$ 373,183
		2024	—	326,616	—	—	17,690	—	344,306
		2023	—	79,771	—	—	—	—	79,771
New York	Randolph C. Snook ⁽¹⁾	2025	—	21,000	480	324	29,217	—	51,021
	José R. González ⁽²⁾	2025	—	35,648	156	—	70,391	—	106,195
		2024	—	108,085	600	—	6,111	—	114,796
		2023	—	104,897	660	554	8,618	—	114,729
Pittsburgh	David G. Paulson ⁽³⁾	2025	—	69,781	—	—	21,075	—	90,856
		2024	—	53,143	—	—	6,119	—	59,262
Atlanta	Kirk Malmberg ⁽⁴⁾	2025	—	399,414	23	593	18,841	144,703	563,574
		2024	—	345,039	23	89	18,823	—	363,974
		2023	—	294,084	41	35	19,064	—	313,224
Cincinnati	Andrew S. Howell ⁽⁵⁾	2025	—	248,061	—	—	22,069	—	270,130
		2024	—	232,827	—	—	23,022	—	255,849
		2023	—	330,352	—	—	19,142	—	349,494
Indianapolis	Brendan W. McGrath	2025	—	35,728	1,186	397	—	—	37,311
	Cindy L. Konich ⁽⁶⁾	2025	—	47,818	1,339	2,991	—	215,194	267,342
		2024	—	63,549	1,785	78	—	—	65,412
		2023	—	19,800	1,785	62	—	—	21,647
Chicago	Michael A. Ericson ⁽⁷⁾	2025	—	21,000	—	—	14,746	—	35,746
		2024	—	20,700	—	—	15,097	—	35,797
		2023	—	19,800	—	—	14,502	—	34,302
Des Moines	Kristina K. Williams ⁽⁸⁾	2025	—	483,871	855	—	19,656	—	504,382
		2024	—	456,259	—	—	9,840	—	466,099
		2023	—	135,462	—	—	9,840	—	145,302
Dallas	Sanjay Bhasin	2025	—	487,383	—	—	—	—	487,383
		2024	—	367,806	—	—	—	—	367,806
		2023	—	61,331	—	—	—	—	61,331
Topeka	Jeffrey B. Kuzbel	2025	—	135,285	855	—	10,676	15,229	162,045
		2024	—	103,375	13,562	—	—	—	116,937
San Francisco	Joseph Amato	2025	—	20,850	816	—	—	8,143	29,809
	Alanna McCargo ⁽⁹⁾	2025	—	4,450	41	—	—	15,936	20,427
		2024	—	8,900	489	—	—	178,775	188,164
Office of Finance	Aparna Ramesh	2025	—	56,250	270	—	—	—	56,520
	John Gerli	2025	—	62,614	675	—	307	—	63,596
	Randolph C. Snook ⁽¹⁰⁾	2025	—	4,975	118	—	1,000	—	6,093
		2024	—	110,738	—	—	12,000	—	122,738
		2023	—	78,674	—	—	12,000	—	90,674

* Only individual amounts greater than \$25,000 are required to be disclosed in the footnotes.

(1) Perquisites and other personal benefits amount for 2025, for Mr. Snook includes payment of group term life insurance premium and payment of long-term disability insurance premium by the FHLBank of New York. The contribution or other allocations made by the employer to vested and/or unvested defined contribution plans includes amounts of funds matched in connection with the administrator of the defined contribution plan and nonqualified defined contribution portion of the deferred compensation plan.

- (2) Perquisites and other personal benefits amount for 2025, for Mr. González includes payment of group term life insurance premium and payment of long-term disability insurance premium by the FHLBank of New York. The gross-ups or other amounts reimbursed for the payment of taxes includes the amount paid for Mr. González for mobile communications reimbursement.
- (3) For 2025, all other compensation included employer contributions to defined contribution plans of \$69,781, perquisites of \$14,171 and the remainder is insurance premium contributions for Mr. Paulson.
- (4) During 2025, the FHLBank of Atlanta provided Mr. Malmberg a \$18,000 car allowance. Upon retirement, Mr. Malmberg received a payout of his accrued but unpaid annual leave totaling \$144,703. The remainder of perquisites for Mr. Malmberg are attributable to the FHLBank of Atlanta's payment of certain activities at business functions, reimbursement for guest activities at certain business functions, and premiums for the FHLBank of Atlanta's business travel accident and death and dismemberment policy. Perquisites are valued at the actual amounts paid by the FHLBank of Atlanta and the value of each perquisite was less than \$25,000.
- (5) For 2025, amounts represent contributions to the qualified defined contribution pension plan and non-qualified supplemental executive retirement plan, which took place in the form of matching contributions and a transitional service credit to offset future benefit losses from a change in the FHLBank of Cincinnati's defined benefit plan. Perquisites for Mr. Howell include the following: personal use of an FHLBank of Cincinnati-owned vehicle, premiums for an executive long-term disability plan, guest travel expenses, and an airline program membership.
- (6) For 2025, other represents a payment of \$215,194 Ms. Konich received for accrued but unused vacation time in connection with her retirement as President and CEO from the FHLBank of Indianapolis.
- (7) Perquisites and other personal benefit amounts for 2025 for Mr. Ericson include: life and long-term disability insurance premiums paid by the FHLBank of Chicago; reimbursement for office parking; and an airline club membership.
- (8) Perquisites and other personal benefits for Mrs. Williams included a car allowance, mobile technology allowance, service award, and life and long-term disability insurance premiums.
- (9) For 2025, of this amount in other, \$14,875 represents grossed up relocation costs to Ms. McCargo. For 2024, of this amount in other, \$176,989 represents grossed up relocation costs to Ms. McCargo.
- (10) Perquisites and other personal benefits amount for 2025, 2024, and 2023 for Mr. Snook includes \$1,000 per month automobile allowance.

Table S-4 presents grants of plan-based awards information for each of the FHLBank Presidents and the Office of Finance CEO.

Table S-4 - Grants of Plan-Based Awards

(whole dollars)

FHLBank	President/CEO Name		Estimated Future Payouts under Non-Equity Incentive Plan Awards		
			Threshold	Target	Maximum
Boston	Timothy J. Barrett	(1)	\$ —	\$ 453,893	\$ —
		(1)	—	453,892	—
New York	Randolph C. Snook	(2)	440,096	704,154	880,193
	José R. González	(2)	173,309	277,294	346,618
Pittsburgh	David G. Paulson	(3)	267,000	333,750	445,000
		(3)	333,750	417,189	556,251
Atlanta	Kirk Malmberg	(4)	644,963	859,950	1,074,938
Cincinnati	Andrew S. Howell	(5)	265,000	397,500	530,000
		(6)	265,000	397,500	530,000
Indianapolis	Brendan W. McGrath	(7)	130,875	201,826	261,750
		(8)	196,313	261,750	327,188
	Cindy L. Konich	(7)	203,987	326,378	407,973
		(8)	305,980	407,973	509,966
Chicago	Michael A. Ericson	(9)	321,300	428,400	535,500
		(10)	545,392	571,292	597,193
Des Moines	Kristina K. Williams	(11)	291,937	467,099	583,874
		(12)	291,937	467,099	583,874
Dallas	Sanjay Bhasin	(13)	263,799	399,820	549,581
		(14)	263,799	399,820	549,581
Topeka	Jeffrey B. Kuzbel	(15)	186,000	372,000	558,000
		(16)	186,000	372,000	558,000
San Francisco	Joseph Amato	(17)	108,000	175,500	229,500
		(17)	108,000	175,500	229,500
Office of Finance	Aparna Ramesh	(18)	112,500	150,000	187,500
		(19)	112,500	150,000	187,500
	John Gerli	(18)	177,000	236,000	295,000
		(19)	177,000	236,000	295,000
	Randolph C. Snook	(18)	24,875	33,167	41,458
		(19)	24,875	33,167	41,458

- (1) The payouts for the deferred portion of incentive compensation are not subject to achievement of certain goals affecting payout levels, but, rather, are solely subject to Mr. Barrett's satisfaction of other criteria, such as being employed by the FHLBank of Boston as of December 31, 2027. See the FHLBank of Boston's 2025 SEC Form 10-K for additional information on the criteria.
- (2) The deferred portion of the incentive compensation plan provides that 50% of the total communicated award, if any, under the plan year communicated to the FHLBank of New York management committee participants will ordinarily be paid by the middle of March following the Plan year. The remaining 50% will be deferred (the "Deferred Incentive Award"), subject to certain additional conditions specified in the Plan, such that 33.3% of the Deferred Incentive Award will ordinarily be paid by the middle of March of the following three years.
- (3) Payment of each deferred incentive award installment is contingent on the participant meeting the required criteria and the FHLBank of Pittsburgh meeting the stated FHLBank of Pittsburgh performance criteria. For the 2025 Plan, the first year payout is 50% of the award amount and then 33.3% of the remaining 50% in each deferral installment over the next three years based on whether or not the stated payment criteria were met. The deferred amount shown for each of the years 2027, 2028, and 2029 is 125% of the maximum deferred amount if both MV/CS and retained earnings levels are maintained, which the FHLBank of Pittsburgh has assumed are met in each year for purposes of this calculation.
- (4) Represents the estimated annual payout under the FHLBank of Atlanta's 2025 incentive plan for the period of January 1, 2025 through December 31, 2025. Mr. Malmberg retired from the FHLBank of Atlanta on December 31, 2025, and in accordance with the terms of the FHLBank of Atlanta's incentive compensation plan, his total calculated award was not subject to deferral.
- (5) Represents the estimated annual payout under the FHLBank of Cincinnati's 2025 incentive plan for the period of January 1, 2025 through December 31, 2025, which is 50% of the award opportunity.
- (6) Represents the estimated mandatorily deferred payout under the FHLBank of Cincinnati's 2025 incentive plan for the period of January 1, 2026 through December 31, 2028, which is 50% of the award opportunity. If the FHLBank of Cincinnati operates in a safe and sound manner according to its specified metric during the deferred performance period, the final value will be 100% of the deferred award plus interest.
- (7) Represents the estimated payout range of the annual portion of the incentive compensation plan for January 1, 2025 through December 31, 2025, for the FHLBank of Indianapolis, expected to be paid when meeting the respective achievement level for each of the components. There is no guaranteed payout under the annual award provisions of the incentive plan. Therefore, the minimum that could be paid out under this plan is \$0.
- (8) Represents the estimated payout under the deferred portion of the incentive compensation plan for the FHLBank of Indianapolis; payout is based upon the amount earned under the annual portion of the incentive compensation plan and is further dependent on attaining the threshold over the 3-year deferral period (2026-2028). There is no guaranteed payout under the deferred award provisions of the incentive plan. Therefore, the minimum that could be paid out under this plan is \$0.
- (9) Represents the potential annual award payouts under FHLBank of Chicago's president and executive team incentive compensation plan for the period from January 1, 2025 through December 31, 2025. Under this plan, 50% of the total incentive award is an annual award payable at the end of a one-year performance period.
- (10) The threshold, target, and maximum amounts shown reflect the actual deferred awards granted for 2026-2028 based on actual performance for 2025. Deferred awards granted for 2026-2028 will be determined by multiplying the initial deferred portion of the 2025 incentive award by 60% (threshold), 80% (target), or 100% (maximum) of a market rate of return. The market rate of return consists of (a) 50% weighting of the 20-year moving average S&P 500 Total Return Index, and (2) 50% weighing of the yearly average FHLB CO Bond Rate (5Y Indicative), both compounded over three years. The amounts shown reflect the actual deferred awards granted for 2026-2028 based on actual performance for 2025, multiplied by 60%, 80%, or 100% (as applicable) of the market rate of return consisting of (a) 50% weighting of the 20-year moving average S&P 500 Total Return Index, and (2) 50% weighing of the yearly average FHLB CO Bond Rate (5Y Indicative), both compounded over three years ended 2025. The deferred awards remain subject to adjustment based upon achievement of certain performance requirements during the 2026-2028 deferral period and may be reduced to zero if actual achievement is below the minimum achievement level for those performance requirements.
- (11) Represents the estimated payout range of the annual short-term incentive compensation plan for the FHLBank of Des Moines for January 1, 2025 through December 31, 2025.
- (12) Represents estimate of deferred incentive compensation for the FHLBank of Des Moines. The eligible deferred awards will be paid one-third annually and include interest based on annual return on equity as of December 31st each year, credited annually, which is not included in the table above. All deferred incentive and interest payments are subject to the FHLBank of Des Moines' sustained achievement of the 2025 safety and soundness measures and Human Resources and Compensation Committee's and Board of Directors' approvals at the time of payment.
- (13) Represents the estimated payout range of the current award, representing 50% of the annual award under the FHLBank of Dallas' executive incentive plan. The current award became earned and vested on December 31, 2025.
- (14) Represents the estimated payout range of the deferred award, representing 50% of the annual award under the FHLBank of Dallas' executive incentive plan. The deferred award will become earned and vested on December 31, 2028, if certain deferred performance goals are satisfied during the three-year deferral performance period, which runs from January 1, 2026 through December 31, 2028. Mr. Bhasin's deferred award will earn interest at 8.4% compounded annually over the three-year deferred performance period. The estimated payment amounts exclude interest on the deferred award.
- (15) Represents the estimated payout range of the cash incentive of the executive incentive compensation plan for January 1, 2025 through December 31, 2025, for the FHLBank of Topeka.
- (16) Amounts reflected for the executive incentive compensation plan represent the applicable range of estimated future payouts and do not represent amounts actually earned or awarded for the fiscal year ended December 31, 2025. Award amounts are calculated using the base salaries in effect on January 1 at the beginning of the performance period. The executive incentive compensation plan - cash incentive, if any, are earned and vested at year end. Awards, if any, under the executive incentive compensation plan - deferred incentive opportunity are payable in the year following the end of the three-year performance period. The final value of the deferred incentive portion of the total base opportunity for the calendar year 2026 to calendar year 2028 is measured by applying an interest rate credit equal to FHLBank's of Topeka's Pre-ASC 815 annual return on equity, compounded annually, to the deferred incentive, as long as the FHLBank of Topeka has a market value of equity of not less than 100% of regulatory capital stock outstanding, as of the last day of the deferral performance period.
- (17) Represents the estimated awards for the "Year-End Award" and the "Deferred Award" each of which represents 50% of the total "Annual Awards" under the FHLBank of San Francisco's executive incentive plan for 2025.
- (18) Represents estimated payout under the executive incentive plan, approved by the Office of Finance Board of Directors for January 1, 2025 through December 31, 2025, which has two components: 50% annual and 50% deferred. These amounts represent the award opportunity for the annual portion payable in 2026 based on salary earned in 2025.
- (19) Represents estimated payout for the deferred component under the executive incentive plan, approved by the Office of Finance Board of Directors for January 1, 2025 through December 31, 2025, which has two components: 50% annual and 50% deferred, based on salary earned in 2025. Subject to the Office of Finance Board of Directors approval, the deferred portion is payable in three annual installments of 33.3% in 2027, 33.3% in 2028, and the remaining amount in 2029.

Table S-5 presents pension benefits for each of the FHLBank Presidents and the Office of Finance CEO at December 31, 2025, as applicable.

Table S-5 - Pension Benefits at December 31, 2025

(whole dollars)

FHLBank	President/CEO Name	Plan Name*	Number of Years Credited Service	Present Value of Accumulated Benefit**	Payments During 2025
Boston	Timothy J. Barrett ⁽¹⁾	BEP	13.2	\$ 2,980,000	—
New York	Randolph C. Snook ⁽²⁾⁽³⁾	Pentegra DBP	6.0	308,000	—
		BEP	0.9	213,000	—
	José R. González ⁽³⁾	Pentegra DBP	11.8	610,000	—
		BEP	11.8	7,629,000	(410,600)
Pittsburgh	David G. Paulson ⁽⁴⁾	Pentegra DBP	15.3	712,000	—
		SERP	15.8	1,353,000	—
Atlanta	Kirk Malmberg ⁽⁵⁾	Pentegra DBP	28.6	2,818,000	(154,594)
Cincinnati	Andrew S. Howell ⁽⁶⁾	Pentegra DBP	35.5	3,258,000	—
		BEP	35.5	13,135,000	—
Indianapolis	Brendan W. McGrath ⁽⁷⁾	Pentegra DBP	24.8	1,358,000	—
		SERP	24.8	1,902,000	—
	Cindy L. Konich ⁽⁷⁾	Pentegra DBP	41.1	—	(3,519,193)
		SERP	41.1	—	(31,727,654)
Chicago	Michael A. Ericson ⁽⁸⁾	Pentegra DBP	20.4	1,034,000	—
		BEP	20.4	5,228,000	—
Dallas	Sanjay Bhasin ⁽⁹⁾	Pentegra DBP	21.1	1,404,000	—
San Francisco	Joseph Amato ⁽¹⁰⁾	BEP	4.7	51,338	—
		SERP	—	—	—
		CBP	4.7	106,930	—
		DCP	4.7	52,740	—
Office of Finance	John Gerli ⁽¹¹⁾	Pentegra DBP	11.5	665,000	—
		SRP	11.5	1,028,000	—
	Randolph C. Snook ⁽¹¹⁾⁽¹²⁾	Pentegra DBP	5.1	314,000	—
		SRP	5.1	—	(974,601)

* Pentegra DBP = Pentegra Defined Benefit Plan for Financial Institutions

BEP = Benefit Equalization Plan

SERP = Supplemental Executive Retirement Plan

SRP = Supplemental Retirement Plan

CBP = Cash Balance Plan

DCP = Deferred Compensation Plan

** No portion of the present value of accumulated benefits is realizable or available to the President/CEO until a qualifying event, such as retirement, occurs. Such values are determined by calculating the present values of accumulated benefits accrued through the valuation date. The calculations incorporate the provisions of the applicable plan, the portion of the President/CEO's total pension benefits that are derived from each plan, various assumptions, and changes in compensation, age, and service, and utilize discount interest rates based on market interest rates or the rates specified in the applicable plan.

(1) On January 1, 2024, future benefit accruals under the Pension BEP ceased for all FHLBank of Boston employees.

(2) Mr. Snook served as the Office of Finance CEO until his departure in February 2025 to become the President and CEO of the FHLBank of New York. Mr. Snook's credited years of service for the Pentegra DBP includes 5.1 years of service at the Office of Finance and 0.9 year of service at the FHLBank of New York. While serving at the Office of Finance, Mr. Snook accrued benefits at a service accrual rate of 1.5%.

(3) New York- Pentegra DBP Formula: two percent of a participant's highest consecutive 5-year average earnings (as opposed to consecutive 3-year average earnings as previously provided to grandfathered participants), multiplied by the participant's years of benefit service, not to exceed 30 years. Earnings are defined as base salary plus short-term incentives, and overtime, subject to the annual Internal Revenue Code limit. The normal form of payment is a lump sum distribution or a life annuity (i.e., an annuity paid until the death of the participant), as opposed to a guaranteed twelve-year payout as previously provided to grandfathered participants. In addition, to the non-grandfathered participants, the cost-of-living adjustments ("COLAs") are no longer provided on future accruals (as opposed to a one percent simple interest COLA beginning at age 66 as previously provided).

(4) Pittsburgh- Formula: 1.5% × years of benefit service × high five-year average compensation.

Compensation covered for the Pentegra Defined Benefit Plan includes annual base salary, subject to IRS limitations. Compensation covered for the SERP includes annual base salary and annual incentive compensation, without regard to IRS limitations.

The regular form of retirement benefits provides a single life annuity; a lump sum option is also available.

(5) Atlanta- The "Present Value of Accumulated Benefit" is the present value of the annual pension benefit that was earned as of December 31, 2025, assuming retirement at age 65. Benefits under the Pentegra DBP were calculated using a 4.47% discount rate.

(6) Cincinnati- Prior to July 1, 2021, for employees hired before January 1, 2006: Formula: 2.5% × years of benefit service × highest three-year average compensation. Effective prospectively July 1, 2021, for employees hired before January 1, 2024: Formula: 1.25% × years of benefit service × highest five-year average compensation. Compensation is defined as base salary and annual incentive compensation, and excludes any long-term or deferred incentive payments. The regular form of retirement benefits is a single-life annuity including a lump-sum retirement death benefit.

- (7) Indianapolis- Formula: $2.5\% \times \text{years of benefit service} \times \text{high three-consecutive-year average compensation}$ plus, at age 66, for benefits earned before January 1, 2025, an annual retiree cost of living adjustment of three percent without regard to the IRS limits, with respect to Mr. McGrath and Ms. Konich.
- Eligible compensation includes salary (before any employee contributions to tax qualified plans), short-term incentive, bonus (including annual awards under the Incentive Plan), and any other compensation that is reflected on the IRS Form W-2 (but not including long-term incentive payments such as deferred awards under the Incentive Plan).
 - Retirement benefits from the DB Plan are paid in the form of a lump sum, annuity, or a combination of the two, at the election of the retiree at the time of retirement.
 - Retirement benefits from the SERP may be paid in the form of a lump sum payment or annual installments up to 20 years or a combination of lump sum and annual payments.
- Mr. McGrath is eligible for early retirement under the DB Plan and the SERP due to the combination of his age and years of credited service. Ms. Konich retired from the FHLBank of Indianapolis on September 30, 2025.
- (8) Chicago- Formula: $2.25\% \times \text{the number of years credited service} \times \text{highest five-year compensation}$. Compensation is the average annual salary (base and short-term incentive compensation) for five consecutive years of highest salary. The regular form of retirement benefits is an annuity or a lump-sum retirement death benefit.
- (9) Dallas- Formula: $2\% \times \text{years of credited service} \times \text{high 36-month average compensation}$. The pension plan limits the maximum years of benefit service to 30 years. Compensation covered by the plan includes taxable compensation as reported on Mr. Bhasin's W-2 (exclusive of any compensation deferred from a prior year) plus any pre-tax contributions to the FHLBank of Dallas' Section 401(k) plan and/or Section 125 cafeteria plan, subject to the applicable IRS limits of \$350,000 per year. While employed by the Federal Home Loan Bank of Chicago, Mr. Bhasin accrued benefits at a service accrual rate of 2.25%. Mr. Bhasin's credited years of service for the Pentegra DBP includes 11.6 years of service at the FHLBank of Dallas and 9.5 years of service at the FHLBank of Chicago. The regular form of retirement benefit is a single life annuity that includes a lump-sum death benefit. The normal retirement age is 65, but Mr. Bhasin is eligible to receive an unreduced retirement benefit beginning at age 62. The FHLBank of Dallas does not have a supplemental defined benefit plan that covers compensation in excess of the IRS maximum limit; accordingly, Table S-5 reflects the estimated pension benefits payable to Mr. Bhasin based solely on the IRS compensation limit as his compensation exceeded such limit.
- (10) San Francisco- Benefit Equalization Plan
The Benefit Equalization Plan is an unfunded and non-tax-qualified plan that is designed to restore retirement benefits lost under the Cash Balance Plan and the FHLBank of San Francisco's Savings Plan (a defined contribution plan) because of compensation and benefits limitations imposed on the Cash Balance Plan and the Savings Plan under the Internal Revenue Code (IRC). An employee's benefits that would have been credited under the Cash Balance Plan but for the limitations imposed on the plans under the IRC are credited as supplemental cash balance benefits under the BEP and the credits accrue interest at an annual rate of six percent until distributed. The amounts credited or accrued under the BEP vest according to the corresponding provisions of the Cash Balance Plan and the Savings Plan.
Supplemental Executive Retirement Plan
The SERP is an unfunded and non-tax-qualified retirement benefit plan that provides a cash balance benefit to the FHLBank of San Francisco's senior executive officers that is in addition to the Cash Balance Plan benefits. The SERP supplements the Cash Balance Plan benefits to provide a competitive postretirement compensation package that is intended to help the FHLBank of San Francisco attract and retain key senior executive officers who are critical to the success of the FHLBank of San Francisco.
Cash Balance Plan
The CBP is a tax-qualified defined benefit pension plan that covers employees who have completed six months of service, including the president. Each year, eligible employees accrue benefits equal to six percent of their total annual compensation (which includes base salary and short-term cash incentive compensation) plus interest equal to six percent of their account balances accrued through the prior year, referred to as the annual benefit component of the CBP. The benefits under the CBP annual benefit component are fully vested after an employee completes three years of service. Vested amounts are generally payable in a lump sum or in an annuity when the employee leaves the FHLBank of San Francisco.
Deferred Compensation Plan
The FHLBank of San Francisco's Deferred Compensation Plan is an unfunded and non-tax-qualified plan, consisting of three components: (1) employee deferral of current compensation; (2) make-up matching contributions that would have been made by the FHLBank of San Francisco under the Savings Plan had the base salary compensation not been deferred; and, (3) make-up pension benefits that would have been earned under the Cash Balance Plan had any amount of total annual compensation (base salary and short-term cash incentive compensation) not been deferred.
- (11) The Office of Finance CEO's benefit formula is 1.5% for each year of benefit service multiplied by the highest five-year average compensation, excluding deferred incentive compensation. Benefits become vested upon completion of five years of service.
- (12) Mr. Snook served as the Office of Finance CEO until his departure in February 2025 to become the President and CEO of the FHLBank of New York. Mr. Snook's credited years of service for the Pentegra DBP was 5.1 years of service at the Office of Finance.

Table S-6 presents non-qualified deferred compensation for the FHLBank Presidents and the Office of Finance CEO for 2025, as applicable.

Table S-6 - Non-Qualified Deferred Compensation for 2025

(whole dollars)

FHLBank	President/CEO Name	President/CEO Contributions	Employer Contributions	Aggregate Withdrawals/Distributions	Aggregate Earnings	Aggregate Balance at 12/31/2025 ⁽¹⁾
Boston	Timothy J. Barrett	\$ 55,211	\$ 311,528	\$ —	\$ 60,135	\$ 1,236,921
New York	José R. González	3,662	16,869	(294,001)	168,843	1,313,385
Pittsburgh	David G. Paulson ⁽²⁾	105,122	54,205	—	351,304	2,674,578
Atlanta	Kirk Malmberg	55,788	378,458	—	171,655	1,871,582
Cincinnati	Andrew S. Howell	—	192,480	—	69,141	732,473
Indianapolis	Brendan W. McGrath	139,971	19,847	—	94,889	847,467
	Cindy L. Konich	79,697	26,818	(294,309)	226,263	1,400,467
Chicago	Michael A. Ericson	43,970	—	—	8,925	353,072
Des Moines	Kristina K. Williams	170,902	453,377	—	209,254	3,292,351
Dallas	Sanjay Bhasin	372,878	466,383	—	569,000	4,465,507
Topeka	Jeffrey B. Kuzbel	104,285	107,285	—	52,005	687,526
San Francisco	Joseph Amato	343,048	—	—	143,376	1,207,682
Office of Finance	Aparna Ramesh	99,080	53,625	—	3,307	156,012
	John Gerli	250,721	56,714	—	340,018	3,534,847
	Randolph C. Snook	—	—	(970,262)	7,545	—

(1) Amounts may include further deferral of deferred incentive compensation and applicable investment earnings.

(2) For Mr. Paulson, balance as of December 31, 2025, includes further deferral of deferred incentive compensation and applicable investment earnings.

Office of Finance CEO 2025 Compensation Discussion and Analysis

Compensation Philosophy and Objectives. The Human Resources and Compensation Committee (HR Committee) serves as the compensation committee of the Office of Finance Board of Directors. The compensation program for the Office of Finance CEO is designed to provide a flexible and market-based approach to compensation that attracts, retains, and motivates a high performing, accomplished financial services executive to achieve the Office of Finance's strategic business initiatives. The objectives of the compensation program are to communicate goals and short- and long-term standards of performance for the successful achievement of the Office of Finance's mission and to recognize, motivate, and reward the CEO commensurate with his contributions. To achieve these objectives, the Office of Finance compensates the CEO using a total compensation program approach that combines base salary, short- and long-term variable (incentive-based) compensation, and retirement and other benefits.

The Office of Finance Board of Directors believes that its compensation philosophy is effective in attracting, retaining, and motivating a highly qualified individual. The Office of Finance Board of Directors reviews the CEO compensation annually to ensure that it is consistent with and supports the Office of Finance's business strategies and objectives. The FHFA's guiding principles for sound incentive compensation practices were incorporated into the development, implementation, and review of compensation policies and practices for the CEO in 2025.

Regulatory Oversight of Executive Compensation. The Director of the FHFA has the authority to review the compensation arrangements of executive officers (as defined in applicable FHFA regulations) of the FHLBanks and the Office of Finance and to prohibit an FHLBank or the Office of Finance from providing compensation to any executive officer that the Director of the FHFA determines is not reasonable and comparable with compensation for employment in other similar businesses involving similar duties and responsibilities.

Competition and Compensation Benchmarking.

Role of the HR Committee and the Office of Finance Board of Directors in Setting Executive Compensation. The HR Committee and the Office of Finance Board of Directors align the CEO compensation program with the Office of Finance's business objectives and focus the CEO's efforts on fulfilling these goals. The HR Committee reviews the CEO's performance and recommends the CEO salary, including the percentage of salary increase that will apply to a base pay merit adjustment for each year, to the Office of Finance Board of Directors for approval. The HR Committee also recommends the annual Executive Incentive Plan, including associated goals and payouts for the CEO, for approval by the Office of Finance Board of Directors.

Role of Compensation Consultant in Setting Executive Compensation. The salary and benefit benchmarks used by the HR Committee to establish reasonable and competitive compensation for the CEO are the competitor groups established by Aon Consulting and its affiliate, McLagan Partners, as presented in Table S-7. The benchmarking analysis included the following competitor positions: the FHLBank Presidents and the head of debt capital markets for certain commercial banks.

Table S-7 - Benchmarking Institutions

Apple Financial Holdings	Federal Home Loan Bank of Dallas	Live Oak Bancshares, Inc.
BancFirst Corporation	Federal Home Loan Bank of Des Moines	Merchants Bank of Indiana
Banner Bank	Federal Home Loan Bank of Indianapolis	NBT Bancorp Inc.
Bell State Bank & Trust	Federal Home Loan Bank of New York	Northwest Bancshares, Inc.
Berkshire Bank	Federal Home Loan Bank of Pittsburgh	OceanFirst Financial Corp.
Berkshire Hills Bancorp, Inc.	Federal Home Loan Bank of San Francisco	OFG Bancorp
Brookline Bancorp, Inc.	Federal Home Loan Bank of Topeka	Pacific Premier Bancorp, Inc.
Central Banccompany, Inc	First BanCorp.	Renasant Corporation
Columbia Bank MHC	First Busey Corporation	Rockland Trust Company
Community Bank System Inc.	First Commonwealth Financial Corporation	Sandy Spring Bancorp, Inc.
Community Financial System, Inc.	First Financial Bancorp	Seacoast Banking Corporation of Florida
CVB Financial Corp.	First Foundation Inc.	ServisFirst Bancshares, Inc.
Dime Community Bancshares, Inc.	First Merchants Corporation	Stellar Bancorp, Inc.
Eagle Bancorp, Incorporated	First United Bank – OK	TowneBank
Enterprise Financial Services Corp	Hilltop Holdings Inc.	Trustmark National Bank
Federal Home Loan Bank of Atlanta	Hope Bancorp, Inc.	Veritex Holdings, Inc.
Federal Home Loan Bank of Boston	IDB Bank	Washington Trust Bank
Federal Home Loan Bank of Chicago	Independent Bank Corp.	
Federal Home Loan Bank of Cincinnati	International Bancshares Corporation	

Elements of Total Compensation Program.

Mr. Snook served as the Office of Finance CEO until his departure in February 2025 to become the President and CEO of the FHLBank of New York. Mr. Gerli served as the Office of Finance Interim CEO from February 2025 to July 2025. Effective August 1, 2025, Ms. Ramesh was appointed the Office of Finance CEO.

See *Overview and Objectives of FHLBank and Office of Finance Executive Compensation Programs* above for information related to compensation earned during 2025 by Mr. Snook and Mr. Gerli at the Office of Finance.

Base Salary. Base salary is a key component of the Office of Finance's total CEO compensation program. In setting the base salary for the CEO, the Office of Finance Board of Directors has discretion to consider a wide range of factors, including the CEO's individual performance, the performance of the Office of Finance overall, the CEO's tenure and the amount of the CEO base salary relative to the base salaries paid to executives in similar positions in the 50th percentile of executive salaries in the Office of Finance's peer groups. The Office of Finance Board of Directors also considers the amount and relative percentage of the CEO's total compensation that is derived from base salary.

Effective August 1, 2025, the Office of Finance Board of Directors appointed Ms. Ramesh to serve as CEO, with an annual base salary of \$900,000. (See *Table S-2 - FHLBank Presidents and Office of Finance CEO Pay Ratio* above for information related to the CEO pay ratio.)

Executive Incentive Plan. The Office of Finance's 2025 Executive Incentive Plan is an annual cash-based incentive compensation plan designed to promote and reward high levels of performance for accomplishing Office of Finance Board of Directors-approved goals. The annual goals reflect desired performance focused on the Office of Finance mission. Each goal is assigned a weight reflecting its relative importance and potential effect on the Office of Finance's strategic initiatives. The CEO is eligible to receive 50% of the combined plan award as a cash payment and 50% of the award is deferred over a three-year period.

The Office of Finance Board of Directors approved five goals for the CEO under the 2025 Executive Incentive Plan that are intended to reinforce the strategic plan actions and value delivered by the Office of Finance to support the mission of the FHLBanks:

- **Key Annual Business Initiatives (35% weight):** consisting of five operational initiatives of the Office of Finance in selected business areas.
- **Survey (30% weight):** consisting of the Office of Finance performance survey, which is designed to measure the Office of Finance's performance in serving the needs of the FHLBanks individually and collectively.
- **Critical Business Service Availability (15% weight):** measuring the service availability of the Office of Finance's most critical business and technology systems.
- **Combined Financial Report (10% weight):** focused on the Office of Finance's timely publication of the combined financial reports and related controls.
- **Debt Servicing (10% weight):** focused on the Office of Finance's accurate and timely servicing of the FHLBanks' consolidated obligations.

The authorization for payment of awards is provided following a review of the year-end performance results by the Office of Finance Board of Directors. The cash incentive payments are typically determined based on the actual performance in comparison to the performance level established for each goal. If actual performance falls below the threshold level of performance, typically no payment is made for that goal. If actual performance exceeds the maximum level, only the value assigned as the performance maximum is paid. When actual performance falls between the assigned threshold, target, or maximum performance levels, an interpolation is typically calculated for that goal. The achievement level for each goal is then multiplied by the corresponding incentive weight assigned to that goal and the results for each goal are summed to arrive at the final incentive award payable to the CEO. However, the Office of Finance Board of Directors has the authority to adjust the incentive award based on various factors, at its discretion.

Ms. Ramesh is assigned a combined incentive award opportunity based on meeting an overall award level of threshold, target, or maximum for her goals, typically stated as a percentage of actual base salary earned, which corresponds to the level of organizational responsibility and ability to contribute to and influence overall Office of Finance performance. In January 2026, the Office of Finance Board of Directors authorized a 2025 Executive Incentive Plan award of \$353,625 for Ms. Ramesh. In February 2026, \$176,812.50 (50%) was paid, and 50% is deferred over a three-year period. The deferred award is expected to be paid in three annual installments of approximately \$58,937 (33.3%), together with associated deferred incentive interest payments, in 2027, 2028, and 2029. The deferred awards will be reviewed prior to payment based on established criteria by the Office of Finance Board of Directors. Table S-8 presents the 2025 Executive Incentive Plan Results for Ms. Ramesh.

Table S-8 - 2025 Executive Incentive Plan Results for the CEO

(whole dollars)

Goal	Weight	Overall Award Level	Total Award
Key Annual Business Initiatives	35%	Between target and maximum	\$ 120,750
Survey	30%	Between target and maximum	106,875
Critical Business Service Availability	15%	Between target and maximum	52,875
Combined Financial Report	10%	Between target and maximum	35,625
Debt Servicing	10%	Maximum	37,500
Total	100%		\$ 353,625

Retirement Benefits. The Office of Finance maintains the following retirement programs for the CEO.

- **Qualified Defined Contribution Plan -** The Office of Finance 401(k) Plan (including its predecessor plan) is a tax-qualified defined contribution plan to which the Office of Finance makes tenure-based matching contributions. The matching contribution is based on length of employment, up to a maximum of six percent of base salary. Under the 401(k) Plan, a participant may elect to contribute up to 75% of base salary on either a before-tax basis or an after-tax basis up to the IRS limit. The plan permits participants to self-direct investment elections into one or more investment funds, which may be changed daily by the participants. A participant may withdraw vested account balances while employed, subject to certain IRS and plan limitations. The CEO receives non-elective employer contributions into their account under the 401(k) Plan equal to 4% of actual base salary earned in the aggregate, regardless of their contribution rate, on a pre-tax basis.
- **Non-qualified Defined Contribution Plan -** The CEO is eligible to participate in the Supplemental Thrift Plan, a non-qualified deferred compensation plan that mirrors the 401(k) Plan in all material respects. This plan restores benefits that participants would have received absent IRS limits on contributions to the 401(k) Plan. Under the Supplemental Thrift Plan, participants may elect to contribute up to 75% of base salary and up to 100% of incentive compensation on a pre-tax basis. As in the 401(k) Plan, the employer match in the Supplemental Thrift Plan is tenure-based with a six percent maximum. The CEO receives non-elective employer contributions into their account under the Supplemental Thrift Plan equal to 8% of actual base salary earned in the aggregate, regardless of their contribution rate, on a pre-tax basis. This plan permits participants to self-direct investment elections into a choice of investment funds. Although the Office of Finance has established an irrevocable grantor trust for purposes of providing benefits under the Supplemental Thrift Plan, the trust assets are subject to claims of the Office of Finance's general creditors.

Director Compensation

In accordance with the regulations of the FHFA under the FHLBank Act, the FHLBanks and the Office of Finance have established formal policies governing the compensation and expense reimbursement provided to their Directors. The goal of the policies is to compensate members of the Board of Directors for work performed on behalf of the FHLBanks or the Office of Finance, as applicable. Under these policies, compensation consists of fees that compensate Directors for:

- time spent reviewing materials sent to them on a periodic basis;
- preparation for meetings;
- participation in any other activities; and
- actual time spent attending the meetings of the board or its committee.

Directors are also reimbursed for reasonable expenses, which are not included in Table S-9 - Chair and Vice-Chair Director Compensation for 2025.

An FHFA rule allows each of the FHLBanks and the Office of Finance to pay its Directors reasonable compensation and expenses, subject to the authority of the Director of the FHFA to object to, and to prohibit prospectively, compensation and/or expenses that the Director of the FHFA determines are not reasonable. (See *FHLBank Directors* and *FHLBanks Office of Finance Board of Directors* within this section for biographies.) The following information has been provided for each FHLBank primarily based on the information disclosed in its annual report on SEC Form 10-K for the year ended December 31, 2025. Table S-9 presents the compensation of the Chair and Vice-Chair for each of the FHLBanks and the Office of Finance.

Table S-9 - Chair and Vice-Chair Director Compensation for 2025

(whole dollars)

FHLBank	Director Name	Position	Fees Earned or Paid in Cash	Change in Pension Value and Nonqualified and Deferred Compensation Earnings	All Other Compensation	Total
Boston	Eric L. Chatman	Chair	\$ 155,000	\$ —	\$ —	\$ 155,000
	John C. Witherspoon	Vice-Chair	130,000	—	—	130,000
New York	Larry E. Thompson	Chair	156,100	—	—	156,100
	David J. Nasca	Vice-Chair	138,600	—	—	138,600
Pittsburgh	Brendan J. McGill	Chair	165,004	—	15	165,019
	Louise M. Herrle	Vice-Chair	142,008	—	15	142,023
Atlanta	R. Thornwell Dunlap III	Chair	160,000	7,487	—	167,487
	Suzanne S. DeFerie	Vice-Chair	142,000	—	—	142,000
Cincinnati	Nancy E. Uridil	Chair	160,813	—	—	160,813
	Michael P. Pell	Vice-Chair	138,000	—	—	138,000
Indianapolis	Robert M. Fisher	Chair	155,000	—	—	155,000
	Larry W. Myers	Vice-Chair	138,000	—	—	138,000
Chicago ⁽¹⁾	Joseph Fazio III	Chair	165,000	—	5,000	170,000
	Michelle L. Gross	Vice-Chair	142,000	—	2,800	144,800
Des Moines	Karl A. Bollingberg	Chair	162,500	—	—	162,500
	John A. Klebba	Vice-Chair	142,000	—	—	142,000
Dallas	A. Fred Miller, Jr.	Chair	156,277	—	—	156,277
	Sally I. Nelson	Vice-Chair	140,595	—	—	140,595
Topeka	Barry J. Lockard	Chair	160,000	—	—	160,000
	Milroy A. Alexander	Vice-Chair	140,000	10,740	—	150,740
San Francisco	F. Daniel Siciliano	Chair	165,000	—	—	165,000
	Brian M. Riley	Vice-Chair	142,000	—	—	142,000
Office of Finance ⁽²⁾	Joel W. Motley	Chair	160,000	—	—	160,000
	Kirk Malmberg	Vice-Chair	—	—	—	—

(1) The FHLBank of Chicago offers a matching charitable gifts program to all employees and directors whereby the FHLBank of Chicago will match charitable donations to eligible nonprofit organizations up to \$5,000 per year. The amounts in the "All Other Compensation" column consists of these matching gifts.

(2) Kirk Malmberg, former President and Chief Executive Officer of the FHLBank of Atlanta, served as the Vice-Chair of the Office of Finance Board of Directors from March 2025 through December 2025, following the retirement of José R. González, former President and Chief Executive Officer of the FHLBank of New York and former Vice-Chair of the Office of Finance Board of Directors. Under FHFA regulations, an FHLBank president shall not receive any additional compensation or reimbursements as a result of his or her service as a member of the Office of Finance Board of Directors.

Insider Trading Policies

The FHLBanks are cooperative institutions, and their capital stock is not publicly traded and is solely owned by their member institutions (or, in limited instances, by former member institutions) for the purposes of capitalizing each of the FHLBanks in support of their borrowings. Individuals (including directors, officers, and employees of the FHLBanks) may not own the capital stock of the FHLBanks. Purchases, sales, and other dispositions of capital stock at each of the FHLBanks are governed by applicable regulatory requirements and by each FHLBank's capital plan. Each FHLBank's funding is principally obtained from consolidated obligations, which are debt instruments issued through the Office of Finance on behalf of the FHLBanks. In addition to the capital plan at each of the FHLBanks, each FHLBank has adopted an insider trading policy to promote compliance with applicable insider trading laws, rules, and regulations. See each FHLBank's 2025 SEC Form 10-K for additional information.

Individual Federal Home Loan Bank Selected Financial Data and Financial Ratios

The following individual Federal Home Loan Bank (FHLBank) selected financial data and financial ratios are unaudited, and provided as a convenience to the reader. Please refer to [Explanatory Statement about Federal Home Loan Banks Combined Financial Report](#), which discusses the independent management and operation of the FHLBanks; identifies the availability of other information about the FHLBanks; and describes where to find the periodic reports and other information filed by each FHLBank with the SEC.

Individual FHLBank Selected Financial Data and Financial Ratios (Unaudited)

<i>(dollars in millions)</i>	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Selected Statement of Condition Data⁽¹⁾					
At December 31, 2025					
Assets					
Investments ⁽²⁾⁽³⁾	\$ 25,206	\$ 60,684	\$ 30,518	\$ 50,049	\$ 50,079
Advances	38,763	92,307	36,820	94,978	70,143
Mortgage loans held for portfolio	4,286	2,644	5,220	77	8,680
Total assets	68,813	156,545	73,317	146,236	129,405
Deposits	915	3,090	591	2,463	1,061
Consolidated obligations⁽³⁾					
Discount notes	21,196	76,019	16,697	44,390	31,145
Bonds	42,430	68,467	50,795	89,251	89,630
Total consolidated obligations	63,626	144,486	67,492	133,641	120,775
Mandatorily redeemable capital stock	4	8	12	1	20
Total capital					
Capital stock ⁽⁴⁾	1,937	5,411	2,292	5,607	4,539
Retained earnings	1,976	2,615	2,245	2,994	1,995
Accumulated other comprehensive income (loss)	(133)	(10)	34	20	6
Total capital	3,780	8,016	4,571	8,621	6,540
Asset composition (as a percentage of the individual FHLBank's total assets)					
Investments ⁽²⁾⁽³⁾	36.6 %	38.8 %	41.6 %	34.2 %	38.7 %
Advances	56.3 %	59.0 %	50.2 %	64.9 %	54.2 %
Mortgage loans held for portfolio, net	6.2 %	1.7 %	7.1 %	0.1 %	6.7 %
Retained earnings as a percentage of FHLBank's total assets	2.9 %	1.7 %	3.1 %	2.0 %	1.5 %
FHLBank's total assets as a percentage of FHLBank System	5.5 %	12.5 %	5.9 %	11.7 %	10.4 %
At December 31, 2024					
Assets					
Investments ⁽²⁾⁽³⁾	\$ 22,499	\$ 51,173	\$ 31,282	\$ 60,084	\$ 45,139
Advances	45,163	105,838	69,873	85,829	79,347
Mortgage loans held for portfolio	3,679	2,345	4,817	89	7,244
Total assets	71,993	160,300	106,927	147,091	132,328
Deposits	877	2,429	775	2,312	1,094
Consolidated obligations⁽³⁾					
Discount notes	18,547	67,859	11,685	32,152	19,509
Bonds	48,192	80,552	87,965	103,699	103,818
Total consolidated obligations	66,739	148,411	99,650	135,851	123,327
Mandatorily redeemable capital stock	5	5	7	1	14
Total capital					
Capital stock ⁽⁴⁾	2,195	6,014	3,562	5,148	4,936
Retained earnings	1,912	2,496	2,103	2,785	1,839
Accumulated other comprehensive income (loss)	(254)	(100)	(30)	—	(38)
Total capital	3,853	8,410	5,635	7,933	6,737
Asset composition (as a percentage of the individual FHLBank's total assets)					
Investments ⁽²⁾⁽³⁾	31.3 %	31.9 %	29.3 %	40.8 %	34.1 %
Advances	62.7 %	66.0 %	65.3 %	58.4 %	60.0 %
Mortgage loans held for portfolio, net	5.1 %	1.5 %	4.5 %	0.1 %	5.5 %
Retained earnings as a percentage of individual FHLBank's total assets	2.7 %	1.6 %	2.0 %	1.9 %	1.4 %
FHLBank's total assets as a percentage of FHLBank System	5.6 %	12.5 %	8.3 %	11.5 %	10.3 %

- (1) The sum or recalculation of individual FHLBank amounts may not agree or may not be recalculated from the Combined Statements of Condition amounts due to combining adjustments.
- (2) Investments consist of interest-bearing deposits, deposits with other FHLBanks, securities purchased under agreements to resell, federal funds sold, trading securities, available-for-sale securities, and held-to-maturity securities.
- (3) See [Note 1 - Summary of Significant Accounting Policies - Basis of Presentation](#) to the accompanying combined financial statements for information about the elimination of interbank transactions in the combined financial statements of the FHLBanks.
- (4) FHLBank capital stock is redeemable at the request of a member subject to the statutory redemption periods and other conditions and limitations. (See [Note 11 - Capital](#) to the accompanying combined financial statements for additional information on the statutory redemption periods and other conditions and limitations.)

<i>(dollars in millions)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Selected Statement of Condition Data⁽¹⁾						
At December 31, 2025						
Assets						
Investments ⁽²⁾⁽³⁾	\$ 33,377	\$ 64,504	\$ 61,015	\$ 50,656	\$ 23,744	\$ 33,968
Advances	39,611	61,145	110,230	50,820	43,668	38,227
Mortgage loans held for portfolio	12,444	14,731	14,540	6,555	9,351	639
Total assets	86,260	141,202	186,499	108,512	77,505	73,329
Deposits	739	1,279	1,147	2,196	908	873
Consolidated obligations⁽³⁾						
Discount notes	27,430	53,179	84,620	40,185	21,309	17,074
Bonds	52,247	76,295	89,249	57,886	50,547	47,254
Total consolidated obligations	79,677	129,474	173,869	98,071	71,856	64,328
Mandatorily redeemable capital stock	282	30	30	8	6	106
Total capital						
Capital stock ⁽⁴⁾	2,696	3,573	6,509	3,338	2,511	2,552
Retained earnings	1,798	5,664	3,797	3,227	1,766	4,662
Accumulated other comprehensive income (loss)	60	218	181	205	(86)	146
Total capital	4,554	9,455	10,487	6,770	4,191	7,360
Asset composition (as a percentage of the individual FHLBank's total assets)						
Investments ⁽²⁾⁽³⁾	38.7 %	45.7 %	32.7 %	46.7 %	30.6 %	46.3 %
Advances	45.9 %	43.3 %	59.1 %	46.8 %	56.3 %	52.1 %
Mortgage loans held for portfolio, net	14.4 %	10.4 %	7.8 %	6.0 %	12.1 %	0.9 %
Retained earnings as a percentage of FHLBank's total assets	2.1 %	4.0 %	2.0 %	3.0 %	2.3 %	6.4 %
FHLBank's total assets as a percentage of FHLBank System	6.9 %	11.3 %	14.9 %	8.7 %	6.2 %	5.9 %
At December 31, 2024						
Assets						
Investments ⁽²⁾⁽³⁾	\$ 33,029	\$ 59,243	\$ 52,032	\$ 53,741	\$ 24,585	\$ 34,961
Advances	39,833	55,847	99,951	67,743	41,652	45,637
Mortgage loans held for portfolio	10,796	13,320	11,896	5,764	8,949	693
Total assets	84,535	129,112	165,253	127,725	75,901	81,735
Deposits	913	840	1,314	1,735	989	1,061
Consolidated obligations⁽³⁾						
Discount notes	25,183	36,739	64,680	21,637	14,417	14,378
Bonds	52,903	81,859	88,571	96,215	55,864	58,174
Total consolidated obligations	78,086	118,598	153,251	117,852	70,281	72,552
Mandatorily redeemable capital stock	363	4	9	—	3	331
Total capital						
Capital stock ⁽⁴⁾	2,555	3,267	5,989	4,168	2,632	2,458
Retained earnings	1,683	5,311	3,491	2,849	1,610	4,483
Accumulated other comprehensive income (loss)	(5)	42	(29)	179	(140)	63
Total capital	4,233	8,620	9,451	7,196	4,102	7,004
Asset composition (as a percentage of the individual FHLBank's total assets)						
Investments ⁽²⁾⁽³⁾	39.1 %	45.9 %	31.5 %	42.1 %	32.4 %	42.8 %
Advances	47.1 %	43.3 %	60.5 %	53.0 %	54.9 %	55.8 %
Mortgage loans held for portfolio, net	12.8 %	10.3 %	7.2 %	4.5 %	11.8 %	0.8 %
Retained earnings as a percentage of individual FHLBank's total assets	2.0 %	4.1 %	2.1 %	2.2 %	2.1 %	5.5 %
FHLBank's total assets as a percentage of FHLBank System	6.6 %	10.1 %	12.9 %	10.0 %	5.9 %	6.4 %

Individual FHLBank Selected Financial Data and Financial Ratios (Unaudited, continued)

<i>(dollars in millions)</i>	Boston		New York		Pittsburgh		Atlanta		Cincinnati	
Selected Other Data										
December 31, 2025										
Advance concentrations - top five borrowers		29 %		49 %		71 %		61 %		62 %
Regulatory capital stock concentrations - top five stockholders		26 %		42 %		59 %		51 %		49 %
Regulatory capital-to-assets ratio ⁽⁵⁾		5.69 %		5.13 %		6.21 %		5.88 %		5.06 %
Core mission asset ratio ⁽⁶⁾		72.78 %		72.46 %		68.86 %		72.53 %		71.82 %
For the year ended December 31, 2025										
Voluntary contribution commitment	\$	18	\$	43	\$	35	\$	41	\$	36
Voluntary contribution fulfillment	\$	35	\$	44	\$	45	\$	41	\$	36
Voluntary contributions as % of 2024 pre-assessment income		9.9 %		5.0 %		6.3 %		5.0 %		5.0 %
Supplemental voluntary AHP contributions	\$	4	\$	5	\$	5	\$	5	\$	4
Cash and stock dividends										
Year-to-date December 31, 2025	\$	163	\$	481	\$	276	\$	393	\$	419
Year-to-date December 31, 2024	\$	168	\$	580	\$	316	\$	436	\$	427
Year-to-date December 31, 2023	\$	157	\$	509	\$	287	\$	408	\$	411
Weighted average dividend rate										
Year-to-date December 31, 2025		7.47 %		8.11 %		8.75 %		6.78 %		8.62 %
Year-to-date December 31, 2024		8.40 %		9.50 %		8.53 %		7.35 %		9.00 %
Year-to-date December 31, 2023		7.67 %		8.31 %		7.76 %		6.79 %		7.60 %
Return on average equity ⁽⁷⁾										
Year-to-date December 31, 2025		5.89 %		7.25 %		8.47 %		6.90 %		8.45 %
Year-to-date December 31, 2024		7.99 %		8.49 %		10.45 %		8.31 %		9.48 %
Year-to-date December 31, 2023		7.33 %		9.11 %		10.65 %		7.43 %		9.63 %
Net interest margin ⁽⁸⁾										
Year-to-date December 31, 2025		0.50 %		0.53 %		0.70 %		0.55 %		0.57 %
Year-to-date December 31, 2024		0.63 %		0.59 %		0.71 %		0.64 %		0.64 %
Year-to-date December 31, 2023		0.55 %		0.61 %		0.66 %		0.50 %		0.64 %
Net interest spread										
Year-to-date December 31, 2025		0.24 %		0.31 %		0.44 %		0.30 %		0.33 %
Year-to-date December 31, 2024		0.29 %		0.30 %		0.42 %		0.31 %		0.36 %
Year-to-date December 31, 2023		0.21 %		0.33 %		0.38 %		0.20 %		0.38 %

(5) The regulatory capital-to-assets ratio is calculated based on the FHLBank's regulatory capital as a percentage of total assets held at period-end. (See [Note 11 - Capital](#) to the accompanying combined financial statements for a definition and discussion of regulatory capital.)

(6) The core mission asset ratio is calculated based on the FHLBank's total primary mission assets, which includes advances and mortgage loans acquired from members, as a percentage of total consolidated obligations. The core mission asset ratio is calculated annually at year-end as part of the FHFA's examination process, using annual average principal amounts. The FHFA's expectation is that each FHLBank's core mission asset ratio equal or exceed 70%. If the core mission asset ratio falls below the 70% preferred ratio, an FHLBank would be expected to include in its strategic plan actions aimed at increasing its mission focus.

(7) Return on average equity is net income expressed as a percentage of average total capital. Mandatorily redeemable capital stock is not included in the calculation of return on average equity.

(8) Net interest margin is equal to net interest income represented as a percentage of average interest-earning assets.

<i>(dollars in millions)</i>	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Selected Other Data						
December 31, 2025						
Advance concentrations - top five borrowers	43 %	36 %	47 %	37 %	52 %	41 %
Regulatory capital stock concentrations - top five stockholders	34 %	30 %	36 %	27 %	42 %	17 %
Regulatory capital-to-assets ratio ⁽⁵⁾	5.54 %	6.56 %	5.54 %	6.06 %	5.52 %	9.98 %
Core mission asset ratio ⁽⁶⁾	72.54 %	71.19 %	72.43 %	70.28 %	76.78 %	69.21 %
For the year ended December 31, 2025						
Voluntary contribution commitment	\$ 22	\$ 40	\$ 54	\$ 41	\$ 26	\$ 27
Voluntary contribution fulfillment	\$ 33	\$ 54	\$ 70	\$ 43	\$ 26	\$ 28
Voluntary contributions as % of 2024 pre-assessment income	7.5 %	6.8 %	6.5 %	5.2 %	5.3 %	5.2 %
Supplemental voluntary AHP contributions	\$ 4	\$ 6	\$ 8	\$ 4	\$ 3	\$ 4
Cash and stock dividends						
Year-to-date December 31, 2025	\$ 209	\$ 301	\$ 575	\$ 205	\$ 224	\$ 224
Year-to-date December 31, 2024	\$ 191	\$ 288	\$ 561	\$ 291	\$ 226	\$ 209
Year-to-date December 31, 2023	\$ 132	\$ 245	\$ 442	\$ 295	\$ 221	\$ 243
Weighted average dividend rate						
Year-to-date December 31, 2025	8.21 %	8.70 %	9.16 %	5.22 %	8.65 %	8.75 %
Year-to-date December 31, 2024	8.12 %	8.61 %	8.64 %	6.12 %	8.82 %	8.75 %
Year-to-date December 31, 2023	5.71 %	7.34 %	6.90 %	5.58 %	8.47 %	7.49 %
Return on average equity ⁽⁷⁾						
Year-to-date December 31, 2025	7.46 %	7.18 %	8.71 %	8.35 %	9.12 %	5.59 %
Year-to-date December 31, 2024	8.58 %	7.28 %	9.52 %	9.88 %	10.84 %	5.89 %
Year-to-date December 31, 2023	10.57 %	8.03 %	10.30 %	10.94 %	9.56 %	7.60 %
Net interest margin ⁽⁸⁾						
Year-to-date December 31, 2025	0.62 %	0.70 %	0.62 %	0.69 %	0.68 %	0.77 %
Year-to-date December 31, 2024	0.66 %	0.75 %	0.70 %	0.72 %	0.73 %	0.69 %
Year-to-date December 31, 2023	0.68 %	0.70 %	0.72 %	0.66 %	0.61 %	0.71 %
Net interest spread						
Year-to-date December 31, 2025	0.35 %	0.40 %	0.37 %	0.39 %	0.43 %	0.38 %
Year-to-date December 31, 2024	0.32 %	0.37 %	0.41 %	0.35 %	0.43 %	0.25 %
Year-to-date December 31, 2023	0.33 %	0.34 %	0.43 %	0.33 %	0.32 %	0.37 %

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