October 30, 2013

FOR IMMEDIATE RELEASE:

Office of Finance Announces Preliminary Unaudited Third Quarter 2013 Combined Operating Highlights for the Federal Home Loan Banks

These highlights are prepared from the unaudited financial information of each Federal Home Loan Bank (FHLBank) and are subject to change. The combined and individual FHLBank balance sheet and income statement highlights are attached as Tables I and II. Each of the FHLBanks has released its unaudited financial results for the quarter ended September 30, 2013, filing a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was $537 million and $1,847 million for the three and nine months ended September 30, 2013, decreases of 19% and 5% compared to the same periods in 2012. Key balance sheet highlights as of September 30, 2013 compared to December 31, 2012 were:

- Total assets increased 3% to $789.1 billion;
- Advances increased 9% to $465.1 billion;
- Consolidated obligations increased 4% to $721.7 billion; and
- Total GAAP capital increased 2% to $43.3 billion.

Balance Sheet

Total assets were $789.1 billion at September 30, 2013, an increase of 3% from $762.5 billion at December 31, 2012.

- Advances were $465.1 billion, an increase of 9% due to higher member borrowing, particularly by large-asset members.
- Investment balances were $242.3 billion, a decrease of 9% due primarily to decreases in securities purchased under agreements to resell and Federal funds sold, partially offset by an increase in non-mortgage-backed securities.
- Mortgage loans were $45.2 billion, a decrease of 9% resulting from principal repayments continuing to exceed purchases.
- Other assets were $36.5 billion, an increase of 70% due primarily to an increase in cash.

Total liabilities were $745.9 billion at September 30, 2013, an increase of 4% from $719.9 billion at December 31, 2012, due primarily to an increase in consolidated obligations as a result of additional funding needs related to the growth in total assets.

Total GAAP capital was $43.3 billion at September 30, 2013, an increase of 2% from $42.5 billion at December 31, 2012. This increase is the result of growth in retained earnings and an improvement in accumulated other comprehensive income (loss), partially offset by a decline in capital stock outstanding. Retained earnings grew 12% due to net income of $1,847 million, partially offset by dividends of $605 million. Capital stock declined 4% or $1.3 billion as repurchases, redemptions and net transfers of capital stock were only partially offset by new issuances.

1818 Library Street Suite 200 Reston, VA 20190
Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

The change in accumulated other comprehensive income (loss) of $709 million was primarily the result of:

- Fair value improvements of $890 million related to other-than-temporarily impaired available-for-sale private-label mortgage-backed securities, driven by increased housing prices and an improved economic outlook;
- Net fair value decreases of $715 million on all other investment securities classified as available-for-sale due primarily to changes in interest rates; and
- Net fair value increases of $428 million from hedging activities due to changes in the market value of derivatives designated as cash flow hedges under GAAP.

(Dollars in millions)	September 30, 2013	December 31, 2012	Change
Assets			
Investments	$ 242,327	$ 265,825	$ (23,498)
Advances	465,110	425,750	39,360
Mortgage loans held for portfolio, net	45,170	49,425	(4,255)
Other assets (primarily cash)	36,497	21,454	15,043
Total assets	**$ 789,104**	**$ 762,454**	**$ 26,650**
Liabilities			
Consolidated obligations			
Discount notes	$ 235,180	$ 216,282	$ 18,898
Bonds	486,548	475,856	10,692
Total consolidated obligations	721,728	692,138	29,590
Mandatorily redeemable capital stock	5,812	6,929	(1,117)
Other liabilities	18,314	20,838	(2,524)
Total liabilities	**745,854**	**719,905**	**25,949**
Capital			
Capital stock	32,285	33,535	(1,250)
Retained earnings	11,766	10,524	1,242
Accumulated other comprehensive income (loss)	(801)	(1,510)	709
Total capital (GAAP)	**43,250**	**42,549**	**701**
Total liabilities and capital	**$ 789,104**	**$ 762,454**	**$ 26,650**
Total combined regulatory capital	**$ 49,865**	**$ 50,989**	**$ (1,124)**
Total GAAP capital-to-assets ratio	**5.48%**	**5.58%**	**(0.10)%**
Combined regulatory capital-to-assets ratio	**6.32%**	**6.69%**	**(0.37)%**

Net Income

Net income for the three and nine months ended September 30, 2013 was $537 million and $1,847 million, decreases of 19% and 5% compared to the same periods in 2012. These decreases were driven by lower net interest income, partially offset by improvements in non-interest income (loss).

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	2013	2012	Change	2013	2012	Change
Net interest income after provision (reversal) for credit losses	$ 848	$ 1,009	$ (161)	$ 2,540	$ 3,044	$ (504)
Non-interest income (loss)	(5)	(41)	36	178	(158)	336
Non-interest expense	241	235	6	662	720	(58)
Assessments	65	73	(8)	209	221	(12)
Net income	**$ 537**	**$ 660**	**$ (123)**	**$ 1,847**	**$ 1,945**	**$ (98)**

1818 Library Street Suite 200 Reston, VA 20190
Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

FHLBANKS OFFICE OF FINANCE

Net Interest Income

Net interest income after provision for credit losses for the three and nine months ended September 30, 2013 was $848 million and $2,540 million, decreases of 16% and 17% compared to the same periods in 2012.

- Interest income was $2,076 million and $6,331 million for the three and nine months ended September 30, 2013, decreases of 17% and 19% compared to the same periods in 2012. These decreases were due to lower yields on interest-earning assets, which included lower prepayment fees, and reductions in the average balances of investments and mortgage loans, partially offset by the higher average balances of advances.
- Interest expense was $1,231 million and $3,804 million for the three and nine months ended September 30, 2013, decreases of 18% and 20% compared to the same periods in 2012. These decreases were driven by lower yields on new consolidated obligations, including the effect of redemptions and refinancings of higher-cost consolidated obligations.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	2013	2012	Change	2013	2012	Change
Interest income						
Advances	$ 641	$ 780	$ (139)	$ 1,918	$ 2,403	$ (485)
Prepayment fees on advances, net	37	69	(32)	101	227	(126)
Investments	948	1,127	(179)	2,891	3,490	(599)
Mortgage loans and other	450	538	(88)	1,421	1,678	(257)
Total interest income	**2,076**	**2,514**	**(438)**	**6,331**	**7,798**	**(1,467)**
Interest expense						
Consolidated obligations	1,165	1,470	(305)	3,636	4,643	(1,007)
MRCS and other borrowings	66	29	37	168	92	76
Total interest expense	**1,231**	**1,499**	**(268)**	**3,804**	**4,735**	**(931)**
Net interest income	**845**	**1,015**	**(170)**	**2,527**	**3,063**	**(536)**
Provision (reversal) for credit losses	(3)	6	(9)	(13)	19	(32)
Net interest income after provision (reversal) for credit losses	**$ 848**	**$ 1,009**	**$ (161)**	**$ 2,540**	**$ 3,044**	**$ (504)**
Net interest margin	**0.43%**	**0.53%**	**(0.10)%**	**0.44%**	**0.53%**	**(0.09)%**

Non-Interest Income

Non-interest income (loss) for the three months ended September 30, 2013 was a loss of $5 million, an improvement of $36 million compared to the same period in 2012. Non-interest income for the nine months ended September 30, 2013 was $178 million, an improvement of $336 million compared to the same period in 2012. These improvements were due primarily to net gains on derivatives and hedging activities, net gains on debt extinguishments, and lower credit-related other-than-temporary impairment charges, partially offset by higher losses on trading securities.

- Net gains from derivatives and hedging activities of $12 million and $305 million for the three and nine months ended September 30, 2013 were due to changes in the market value of derivatives not designated as qualifying accounting hedges and hedging ineffectiveness under GAAP. The market values are based on a wide range of factors, including current and projected levels of interest rates, volatility and credit spreads.

1818 Library Street Suite 200 Reston, VA 20190
Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

- Net gains on debt extinguishments, reported in other, were $22 million and $10 million for the three and nine months ended September 30, 2013 compared to net losses on debt extinguishments of $18 million and $74 million for the same periods in 2012.
- Credit-related other-than-temporary impairment charges on private-label mortgage backed securities of $7 million and $13 million for the three and nine months ended September 30, 2013 were lower compared to the same periods in 2012 due to improvements in housing prices and the improved economic outlook.
- Net losses on investment securities classified as trading of $33 million and $225 million for the three and nine months ended September 30, 2013 were due primarily to changes in interest rates and credit spreads.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	2013	2012	Change	2013	2012	Change
Net other-than-temporary impairment losses	$ (7)	$ (8)	$ 1	$ (13)	$ (94)	$ 81
Net gains (losses) on derivatives and hedging activities	12	(9)	21	305	(10)	315
Net gains (losses) on trading securities	(33)	(22)	(11)	(225)	(97)	(128)
Net gains (losses) on financial instruments held under fair value option	(26)	(8)	(18)	—	15	(15)
Other	49	6	43	111	28	83
Total non-interest income	**$ (5)**	**$ (41)**	**$ 36**	**$ 178**	**$ (158)**	**$ 336**

Non-Interest Expense

Non-interest expense for the three and nine months ended September 30, 2013 was $241 million and $662 million, an increase of 3% and a decrease of 8% compared to the same periods in 2012. The decrease for the nine months ended September 30, 2013 was due primarily to the 2013 second quarter reversal into other expense of a one-time, $50 million charge originally recorded in 2011 by the FHLBank of Chicago.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	2013	2012	Change	2013	2012	Change
Compensation and benefits	$ 134	$ 121	$ 13	$ 388	$ 379	$ 9
Other operating expenses	83	78	5	245	235	10
Federal Housing Finance Agency	12	19	(7)	37	57	(20)
Other expense	12	17	(5)	(8)	49	(57)
Total non-interest expense	**$ 241**	**$ 235**	**$ 6**	**$ 662**	**$ 720**	**$ (58)**

Assessments

Affordable Housing Program assessments for the three and nine months ended September 30, 2013 were $65 million and $209 million, decreases of 11% and 5% compared to the same periods in 2012. Affordable Housing Program assessments are driven by individual FHLBank income subject to assessments.

1818 Library Street Suite 200 Reston, VA 20190
Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

About the FHLBanks

The primary purpose of the FHLBanks is to ensure the flow of credit and other services for housing and community development to member financial institutions. This liquidity serves the public by enhancing the availability of residential mortgage and community investment funds. As cooperatives, the FHLBanks seek to maintain a balance between their public policy mission and their obligation to provide adequate returns on the capital supplied by members. The FHLBanks achieve this balance by delivering low-cost financing, providing members a viable alternative to the secondary mortgage market through their mortgage programs, and through the payment of dividends. Each FHLBank also helps members with other local housing and community development needs through self-funded affordable housing programs.

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

The FHLBanks have delivered innovation and service to the U.S. housing market since 1932, and currently have over 7,500 members serving all 50 states, the District of Columbia and U.S. territories. Please contact Kevin Kincaid at 703-467-3608 or kkincaid@fhlb-of.com for additional information.

Statements contained in this release may be "forward-looking statements," including those statements related to financial performance. Forward-looking statements may be identified by words such as "anticipates," "believes," "could," "estimates," "may" or comparable terminology. Any forward-looking statements are subject to risks and uncertainties related to the future operations of the FHLBanks and the business environment. These risks and uncertainties could cause actual results to differ materially from current expectations. These risks and uncertainties include the following: changes in interest rates and housing prices; size and volatility of the residential mortgage market; demand for FHLBank advances; volatility of market prices, rates, and indices that could affect the value of investments, including other-than-temporary impairment of private-label mortgage-backed securities, or collateral held by the FHLBanks as security; political events, including legislative, regulatory, judicial or other developments, that affect the FHLBanks, their members, counterparties, and/or investors in the consolidated obligations of the FHLBanks; competitive forces, including other sources of funding available to FHLBank members; changes in investor demand for consolidated obligations, including those resulting from changes in credit ratings and/or the terms of interest-rate exchange agreements; implementation of accounting rules; and the ability to introduce new FHLBank products and services and successfully manage the risks associated with those products and services. Investors are encouraged to consider these and other risks and uncertainties that are discussed in periodic combined financial reports posted on the Office of Finance web site, www.fhlb-of.com, and in reports filed by each FHLBank with the U. S. Securities and Exchange Commission. Any duty to update these forward-looking statements is disclaimed.

1818 Library Street Suite 200 Reston, VA 20190
Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

FHLBanks Office of Finance
Table I to October 30, 2013 Combined Operating Highlights
Balance Sheet Highlights
Unaudited

(Dollars in millions)	Combined(1)		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
Assets														
Investments	$ 242,327	$ 265,825	$ 10,472	$ 15,554	$ 18,570	$ 17,459	$ 15,532	$ 19,057	$ 28,991	$ 30,454	$ 22,642	$ 19,950	$ 13,956	$ 16,845
Advances	465,110	425,750	22,555	20,790	89,121	75,888	39,506	40,498	78,193	87,503	65,857	53,944	18,796	18,130
Mortgage loans held for portfolio, net	45,170	49,425	3,401	3,479	1,933	1,843	3,278	3,533	972	1,244	6,828	7,530	6,160	6,001
Other assets (primarily cash)	36,497	21,454	3,293	386	11,762	7,799	3,247	1,528	3,912	4,504	1,259	138	665	252
Total assets	$ 789,104	$ 762,454	$ 39,721	$ 40,209	$ 121,386	$ 102,989	$ 61,563	$ 64,616	$ 112,068	$ 123,705	$ 96,586	$ 81,562	$ 39,577	$ 41,228
Liabilities														
Consolidated obligations														
Discount notes	$ 235,180	$ 216,282	$ 10,476	$ 8,639	$ 42,262	$ 29,780	$ 21,983	$ 24,148	$ 16,282	$ 31,737	$ 33,542	$ 30,840	$ 7,805	$ 8,924
Bonds	486,548	475,856	24,202	26,120	70,361	64,784	35,225	35,136	87,139	82,947	56,251	44,346	27,623	27,408
Total consolidated obligations	721,728	692,138	34,678	34,759	112,623	94,564	57,208	59,284	103,421	114,684	89,793	75,186	35,428	36,332
Mandatorily redeemable capital stock	5,812	6,929	977	216	24	23	—	432	24	40	121	211	255	451
Other liabilities	18,314	20,838	1,401	1,668	2,413	2,911	1,172	1,472	2,610	2,706	1,377	1,628	1,509	2,229
Total liabilities	745,854	719,905	37,056	36,643	115,060	97,498	58,380	61,188	106,055	117,430	91,291	77,025	37,192	39,012
Capital														
Capital stock	32,285	33,535	2,441	3,455	5,483	4,797	2,488	2,815	4,351	4,898	4,701	4,010	1,684	1,634
Retained earnings	11,766	10,524	706	588	964	894	652	559	1,579	1,435	604	538	686	591
Accumulated other comprehensive income (loss)	(801)	(1,510)	(482)	(477)	(121)	(200)	43	54	83	(58)	(10)	(11)	15	(9)
Total capital (GAAP)	43,250	42,549	2,665	3,566	6,326	5,491	3,183	3,428	6,013	6,275	5,295	4,537	2,385	2,216
Total liabilities and capital	$ 789,104	$ 762,454	$ 39,721	$ 40,209	$ 121,386	$ 102,989	$ 61,563	$ 64,616	$ 112,068	$ 123,705	$ 96,586	$ 81,562	$ 39,577	$ 41,228
Total combined regulatory capital	$ 49,865	$ 50,989	$ 4,124	$ 4,259	$ 6,470	$ 5,714	$ 3,140	$ 3,806	$ 5,955	$ 6,373	$ 5,426	$ 4,759	$ 2,625	$ 2,677

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
Assets												
Investments	$ 32,731	$ 40,750	$ 12,336	$ 13,433	$ 13,586	$ 16,200	$ 10,330	$ 10,775	$ 38,072	$ 40,528	$ 25,452	$ 25,039
Advances	14,843	14,530	45,787	26,614	16,634	18,395	18,805	16,573	44,213	43,750	10,800	9,135
Mortgage loans held for portfolio, net	8,191	10,432	6,589	6,952	96	121	5,912	5,941	967	1,289	843	1,060
Other assets (primarily cash)	5,355	3,872	351	368	1,004	1,039	1,098	530	4,409	854	145	186
Total assets	$ 61,120	$ 69,584	$ 65,063	$ 47,367	$ 31,320	$ 35,755	$ 36,145	$ 33,819	$ 87,661	$ 86,421	$ 37,240	$ 35,420
Liabilities												
Consolidated obligations												
Discount notes	$ 19,519	$ 31,260	$ 28,218	$ 8,675	$ 6,514	$ 6,984	$ 12,185	$ 8,669	$ 21,821	$ 5,209	$ 14,573	$ 21,417
Bonds	35,840	32,569	32,227	34,345	22,042	25,698	21,056	21,974	56,102	70,310	18,915	10,497
Total consolidated obligations	55,359	63,829	60,445	43,020	28,556	32,682	33,241	30,643	77,923	75,519	33,488	31,914
Mandatorily redeemable capital stock	5	6	13	9	30	5	5	6	2,588	4,343	1,770	1,187
Other liabilities	2,150	2,301	1,186	1,504	993	1,297	1,086	1,449	1,527	946	904	746
Total liabilities	57,514	66,136	61,644	44,533	29,579	33,984	34,332	32,098	82,038	80,808	36,162	33,847
Capital												
Capital stock	1,563	1,650	2,690	2,063	1,140	1,217	1,295	1,264	3,526	4,160	923	1,572
Retained earnings	1,991	1,691	656	622	638	572	539	482	2,372	2,247	275	228
Accumulated other comprehensive income (loss)	52	107	73	149	(37)	(18)	(21)	(25)	(275)	(794)	(120)	(227)
Total capital (GAAP)	3,606	3,448	3,419	2,834	1,741	1,771	1,813	1,721	5,623	5,613	1,078	1,573
Total liabilities and capital	$ 61,120	$ 69,584	$ 65,063	$ 47,367	$ 31,320	$ 35,755	$ 36,145	$ 33,819	$ 87,661	$ 86,421	$ 37,240	$ 35,420
Total combined regulatory capital	$ 3,559	$ 3,347	$ 3,359	$ 2,694	$ 1,809	$ 1,794	$ 1,840	$ 1,752	$ 8,486	$ 10,750	$ 2,968	$ 2,987

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

FHLBanks Office of Finance
Table II to October 30, 2013 Combined Operating Highlights
Income Statement Highlights
Unaudited

Three Months Ended September 30,

(Dollars in millions)	Combined[1] 2013	Combined[1] 2012	Boston 2013	Boston 2012	New York 2013	New York 2012	Pittsburgh 2013	Pittsburgh 2012	Atlanta 2013	Atlanta 2012	Cincinnati 2013	Cincinnati 2012	Indianapolis 2013	Indianapolis 2012
Net interest income after provision (reversal) for credit losses	$ 848	$ 1,009	$ 59	$ 74	$ 106	$ 117	$ 48	$ 50	$ 85	$ 90	$ 92	$ 84	$ 52	$ 53
Non-interest income (loss)	(5)	(41)	(1)	(2)	(15)	4	18	5	25	24	4	(4)	—	(2)
Non-interest expense	241	235	16	15	22	22	18	18	31	30	16	15	20	14
Assessments	65	73	4	6	7	10	5	4	8	8	8	7	3	4
Net income	$ 537	$ 660	$ 38	$ 51	$ 62	$ 89	$ 43	$ 33	$ 71	$ 76	$ 72	$ 58	$ 29	$ 33

	Chicago 2013	Chicago 2012	Des Moines 2013	Des Moines 2012	Dallas 2013	Dallas 2012	Topeka 2013	Topeka 2012	San Francisco 2013	San Francisco 2012	Seattle 2013	Seattle 2012
Net interest income after provision (reversal) for credit losses	$ 119	$ 140	$ 51	$ 59	$ 43	$ 42	$ 55	$ 53	$ 114	$ 219	$ 37	$ 34
Non-interest income (loss)	(10)	(12)	(5)	(24)	7	(5)	(10)	(10)	(22)	(34)	4	—
Non-interest expense	26	28	13	14	17	17	13	12	32	33	18	18
Assessments	8	10	3	2	3	2	3	3	11	15	2	2
Net income	$ 75	$ 90	$ 30	$ 19	$ 30	$ 18	$ 29	$ 28	$ 49	$ 137	$ 21	$ 14

Nine Months Ended September 30,

(Dollars in millions)	Combined[1] 2013	Combined[1] 2012	Boston 2013	Boston 2012	New York 2013	New York 2012	Pittsburgh 2013	Pittsburgh 2012	Atlanta 2013	Atlanta 2012	Cincinnati 2013	Cincinnati 2012	Indianapolis 2013	Indianapolis 2012
Net interest income after provision (reversal) for credit losses	$ 2,540	$ 3,044	$ 198	$ 233	$ 304	$ 358	$ 137	$ 142	$ 255	$ 275	$ 253	$ 216	$ 177	$ 173
Non-interest income (loss)	178	(158)	(10)	(16)	6	21	33	(2)	90	41	13	17	28	(8)
Non-interest expense	662	720	47	46	70	71	54	53	92	87	47	43	51	44
Assessments	209	221	14	17	24	31	12	9	25	23	22	20	16	13
Net income	$ 1,847	$ 1,945	$ 127	$ 154	$ 216	$ 277	$ 104	$ 78	$ 228	$ 206	$ 197	$ 170	$ 138	$ 108

	Chicago 2013	Chicago 2012	Des Moines 2013	Des Moines 2012	Dallas 2013	Dallas 2012	Topeka 2013	Topeka 2012	San Francisco 2013	San Francisco 2012	Seattle 2013	Seattle 2012
Net interest income after provision (reversal) for credit losses	$ 332	$ 429	$ 155	$ 184	$ 114	$ 123	$ 157	$ 165	$ 355	$ 678	$ 105	$ 87
Non-interest income (loss)	26	(33)	(34)	(49)	16	3	(28)	(35)	10	(136)	4	23
Non-interest expense	26	90	40	44	52	54	38	39	93	99	57	54
Assessments	28	31	8	9	8	7	9	9	38	46	5	6
Net income	$ 304	$ 275	$ 73	$ 82	$ 70	$ 65	$ 82	$ 82	$ 234	$ 397	$ 47	$ 50

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