February 21, 2014

FOR IMMEDIATE RELEASE:

Office of Finance Announces Preliminary Unaudited Fourth Quarter and Annual 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 period ended December 31, 2013, filing a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was $680 million and $2,527 million for the three months and year ended December 31, 2013, an increase of 3% and a decrease of 3% compared to the same periods in 2012. Key balance sheet highlights as of December 31, 2013 compared to December 31, 2012 were:

- Total assets increased 9% to $834.2 billion;
- Advances increased 17% to $498.6 billion;
- Consolidated obligations increased 11% to $767.1 billion; and
- Total GAAP capital increased 6% to $45.1 billion.

Balance Sheet

Total assets were $834.2 billion at December 31, 2013, an increase of 9% from $762.5 billion at December 31, 2012.

- Advances were $498.6 billion, an increase of 17% due to higher member borrowing, particularly by large-asset members.
- Investment balances were $242.9 billion, a decrease of 9% due primarily to decreases in securities purchased under agreements to resell, federal funds sold, and private-label mortgage-backed securities, partially offset by increases in government-sponsored enterprise mortgage-backed securities and U.S. government obligations.
- Mortgage loans were $44.4 billion, a decrease of 10% resulting from principal repayments continuing to exceed purchases.
- Other assets were $48.3 billion, an increase of $26.8 billion due primarily to an increase in cash.

Total liabilities were $789.1 billion at December 31, 2013, an increase of 10% from $719.9 billion at December 31, 2012, due primarily to an increase in consolidated obligations. The increase in consolidated obligations was driven by an increase in discount notes, as a result of additional funding needs related to the growth in advances.

Total GAAP capital was $45.1 billion at December 31, 2013, an increase of 6% 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 16% due to net income of $2,527 million, offset by dividends of $843 million. Capital stock declined $160 million as repurchases, redemptions and net transfers of capital stock exceeded new issuances.

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The change in accumulated other comprehensive income (loss) of $1,002 million was primarily affected by:

- Fair value improvements of $1,108 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 $809 million on all other investment securities classified as available-for-sale due primarily to changes in interest rates; and
- Net fair value increases of $533 million from hedging activities due to changes in the market value of derivatives designated as cash flow hedges under GAAP.

(Dollars in millions)	December 31, 2013	December 31, 2012	Change
Assets			
Investments	$ 242,863	$ 265,825	$ (22,962)
Advances	498,599	425,750	72,849
Mortgage loans held for portfolio, net	44,442	49,423	(4,981)
Other assets	48,296	21,454	26,842
Total assets	**$ 834,200**	**$ 762,452**	**$ 71,748**
Liabilities			
Consolidated obligations			
Discount notes	$ 293,296	$ 216,282	$ 77,014
Bonds	473,845	475,856	(2,011)
Total consolidated obligations	767,141	692,138	75,003
Mandatorily redeemable capital stock	4,998	6,929	(1,931)
Other liabilities	16,988	20,838	(3,850)
Total liabilities	**789,127**	**719,905**	**69,222**
Capital			
Capital stock	33,375	33,535	(160)
Retained earnings	12,206	10,522	1,684
Accumulated other comprehensive income (loss)	(508)	(1,510)	1,002
Total capital (GAAP)	**45,073**	**42,547**	**2,526**
Total liabilities and capital	**$ 834,200**	**$ 762,452**	**$ 71,748**
Total combined regulatory capital	**$ 50,578**	**$ 50,987**	**$ (409)**
Total GAAP capital-to-assets ratio	**5.40%**	**5.58%**	**(0.18)%**
Combined regulatory capital-to-assets ratio	**6.06%**	**6.69%**	**(0.63)%**

Net Income

Net income for the three months and year ended December 31, 2013 was $680 million and $2,527 million, an increase of $19 million and a decrease of $79 million compared to the same periods in 2012. The increase for the three months ended December 31, 2013 resulted primarily from an improvement in non-interest income, partially offset by lower net interest income and higher non-interest expense. The decrease for the year ended December 31, 2013 was due to lower net interest income, partially offset by an improvement in non-interest income and lower non-interest expense.

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(Dollars in millions)	Three Months Ended December 31, 2013	2012	Change	Year Ended December 31, 2013	2012	Change
Net interest income after provision (reversal) for credit losses	$ 894	$ 987	$ (93)	$ 3,434	$ 4,031	$ (597)
Non-interest income (loss)	150	(1)	151	329	(154)	483
Non-interest expense	280	250	30	943	975	(32)
Assessments	84	75	9	293	296	(3)
Net income (loss)	**$ 680**	**$ 661**	**$ 19**	**$ 2,527**	**$ 2,606**	**$ (79)**

Net Interest Income

Net interest income after provision for credit losses for the three months and year ended December 31, 2013 was $894 million and $3,434 million, decreases of 9% and 15% compared to the same periods in 2012. Net interest margin for the three months and year ended December 31, 2013 was 0.43% and 0.44%, decreases of 9 basis points compared to each of the same periods in 2012.

- Interest income was $2,082 million and $8,413 million for the three months and year ended December 31, 2013, decreases of 13% and 17% 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 $1,194 million and $4,998 million for the three months and year ended December 31, 2013, decreases of 15% and 19% 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.

(Dollars in millions)	Three Months Ended December 31, 2013	2012	Change	Year Ended December 31, 2013	2012	Change
Interest income						
Advances	$ 641	$ 703	$ (62)	$ 2,559	$ 3,106	$ (547)
Prepayment fees on advances, net	37	114	(77)	138	341	(203)
Investments	956	1,065	(109)	3,847	4,555	(708)
Mortgage loans and other	448	514	(66)	1,869	2,192	(323)
Total interest income	**2,082**	**2,396**	**(314)**	**8,413**	**10,194**	**(1,781)**
Interest expense						
Consolidated obligations	1,123	1,352	(229)	4,759	5,995	(1,236)
Deposits and other borrowings	71	55	16	239	147	92
Total interest expense	**1,194**	**1,407**	**(213)**	**4,998**	**6,142**	**(1,144)**
Net interest income	**888**	**989**	**(101)**	**3,415**	**4,052**	**(637)**
Provision (reversal) for credit losses	(6)	2	(8)	(19)	21	(40)
Net interest income after provision (reversal) for credit losses	**$ 894**	**$ 987**	**$ (93)**	**$ 3,434**	**$ 4,031**	**$ (597)**
Net interest margin	**0.43%**	**0.52%**	**(0.09)%**	**0.44%**	**0.53%**	**(0.09)%**

Non-Interest Income

Non-interest income for the three months and year ended December 31, 2013 was $150 million and $329 million, improvements of $151 million and $483 million compared to the same periods in 2012. These improvements were

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due primarily to net gains on derivatives and hedging activities, litigation settlement gains, and lower credit-related other-than-temporary impairment charges, partially offset by higher losses on trading securities and net losses on debt extinguishments.

- Net gains from derivatives and hedging activities of $111 million and $416 million for the three months and year ended December 31, 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.
- Litigation settlement gains were $198 million and $202 million for the three months and year ended December 31, 2013. Several of the FHLBanks agreed to settle certain claims arising from investments in private-label mortgage-backed securities.
- Credit-related other-than-temporary impairment charges on private-label mortgage-backed securities of $2 million and $15 million for the three months and year ended December 31, 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 $59 million and $284 million for the three months and year ended December 31, 2013 were due primarily to changes in interest rates and credit spreads.
- Net losses on debt extinguishments were $113 million and $103 million for the three months and year ended December 31, 2013 compared to net losses of $7 million and $81 million for the same periods in 2012.

	Three Months Ended December 31,			Year Ended December 31,		
(Dollars in millions)	2013	2012	Change	2013	2012	Change
Net other-than-temporary impairment losses	$ (2)	$ (18)	$ 16	$ (15)	$ (112)	$ 97
Net gains (losses) on derivatives and hedging activities	111	57	54	416	47	369
Net gains (losses) on trading securities	(59)	(55)	(4)	(284)	(152)	(132)
Gains on litigation settlement, net	198	—	198	202	2	200
Net gains (losses) on financial instruments held under fair value option	(18)	(20)	2	(18)	(5)	(13)
Net gains (losses) on debt extinguishments	(113)	(7)	(106)	(103)	(81)	(22)
Other	33	42	(9)	131	147	(16)
Total non-interest income (loss)	**$ 150**	**$ (1)**	**$ 151**	**$ 329**	**$ (154)**	**$ 483**

Non-Interest Expense

Non-interest expense for the three months and year ended December 31, 2013 was $280 million and $943 million, an increase of 12% and a decrease of 3% compared to the same periods in 2012. The decrease for the year ended December 31, 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 December 31,			Year Ended December 31,		
(Dollars in millions)	2013	2012	Change	2013	2012	Change
Compensation and benefits	$ 156	$ 129	$ 27	$ 544	$ 508	$ 36
Other operating expenses	100	96	4	345	331	14
Federal Housing Finance Agency	15	15	—	52	72	(20)
Other expense	9	10	(1)	2	64	(62)
Total non-interest expense	**$ 280**	**$ 250**	**$ 30**	**$ 943**	**$ 975**	**$ (32)**

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Assessments

Affordable Housing Program assessments for the three months and year ended December 31, 2013 were $84 million and $293 million, an increase of 12% and a decrease of 1% compared to the same periods in 2012. Affordable Housing Program assessments result from individual FHLBank income subject to assessments.

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 approximately 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 derivative transactions; implementation of accounting rules; and the ability to introduce new FHLBank products and services and successfully manage the risks associated with those products and services. Investors are encouraged to consider these and other risks and uncertainties that are discussed in periodic combined financial reports posted on the Office of Finance web site, www.fhlb-of.com, and in reports filed by each FHLBank with the U. S. Securities and Exchange Commission. Any duty to update these forward-looking statements is disclaimed.

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FHLBanks Office of Finance
Table I to February 21, 2014 Combined Operating Highlights
Balance Sheet Highlights
Unaudited

(Dollars in millions)	Combined[1]		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Assets														
Investments	$ 242,863	$ 265,825	$ 12,981	$ 15,554	$ 20,085	$ 17,459	$ 13,876	$ 19,057	$ 26,944	$ 30,454	$ 22,364	$ 19,950	$ 10,780	$ 16,845
Advances	498,599	425,750	27,517	20,790	90,765	75,888	50,247	40,498	89,588	87,503	65,270	53,944	17,337	18,130
Mortgage loans held for portfolio, net	44,442	49,423	3,368	3,479	1,927	1,843	3,224	3,533	918	1,244	6,819	7,530	6,190	6,001
Other assets	48,296	21,454	772	386	15,556	7,799	3,324	1,528	4,866	4,504	8,728	138	3,479	252
Total assets	$ 834,200	$ 762,452	$ 44,638	$ 40,209	$ 128,333	$ 102,989	$ 70,671	$ 64,616	$ 122,316	$ 123,705	$ 103,181	$ 81,562	$ 37,786	$ 41,228
Liabilities														
Consolidated obligations														
Discount notes	$ 293,296	$ 216,282	$ 16,061	$ 8,639	$ 45,870	$ 29,780	$ 28,237	$ 24,148	$ 32,202	$ 31,737	$ 38,210	$ 30,840	$ 7,435	$ 8,924
Bonds	473,845	475,856	23,466	26,120	73,276	64,784	37,698	35,136	80,728	82,947	58,163	44,346	26,584	27,408
Total consolidated obligations	767,141	692,138	39,527	34,759	119,146	94,564	65,935	59,284	112,930	114,684	96,373	75,186	34,019	36,332
Mandatorily redeemable capital stock	4,998	6,929	977	216	24	23	—	432	24	40	116	211	17	451
Other liabilities	16,988	20,838	1,297	1,668	2,675	2,911	1,043	1,472	2,710	2,706	1,382	1,628	1,366	2,229
Total liabilities	789,127	719,905	41,801	36,643	121,845	97,498	66,978	61,188	115,664	117,430	97,871	77,025	35,402	39,012
Capital														
Capital stock	33,375	33,535	2,530	3,455	5,571	4,797	2,962	2,815	4,883	4,898	4,698	4,010	1,610	1,634
Retained earnings	12,206	10,522	789	588	999	894	686	559	1,657	1,435	621	538	752	591
Accumulated other comprehensive income (loss)	(508)	(1,510)	(482)	(477)	(82)	(200)	45	54	112	(58)	(9)	(11)	22	(9)
Total capital (GAAP)	45,073	42,547	2,837	3,566	6,488	5,491	3,693	3,428	6,652	6,275	5,310	4,537	2,384	2,216
Total liabilities and capital	$ 834,200	$ 762,452	$ 44,638	$ 40,209	$ 128,333	$ 102,989	$ 70,671	$ 64,616	$ 122,316	$ 123,705	$ 103,181	$ 81,562	$ 37,786	$ 41,228
Total combined regulatory capital	$ 50,578	$ 50,987	$ 4,297	$ 4,259	$ 6,594	$ 5,714	$ 3,648	$ 3,806	$ 6,563	$ 6,373	$ 5,435	$ 4,759	$ 2,379	$ 2,677

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Assets												
Investments	$ 36,402	$ 40,750	$ 20,131	$ 13,433	$ 13,131	$ 16,200	$ 8,705	$ 10,775	$ 35,260	$ 40,528	$ 22,546	$ 25,039
Advances	23,489	14,530	45,650	26,614	15,979	18,395	17,425	16,573	44,395	43,750	10,935	9,135
Mortgage loans held for portfolio, net	7,695	10,432	6,557	6,952	91	121	5,949	5,941	905	1,289	798	1,058
Other assets	1,211	3,872	666	368	1,021	1,039	1,871	530	5,214	854	1,591	186
Total assets	$ 68,797	$ 69,584	$ 73,004	$ 47,367	$ 30,222	$ 35,755	$ 33,950	$ 33,819	$ 85,774	$ 86,421	$ 35,870	$ 35,418
Liabilities												
Consolidated obligations												
Discount notes	$ 31,089	$ 31,260	$ 38,137	$ 8,675	$ 5,984	$ 6,984	$ 10,890	$ 8,669	$ 24,194	$ 5,209	$ 14,989	$ 21,417
Bonds	31,987	32,569	30,195	34,345	21,487	25,698	20,057	21,974	53,207	70,310	17,414	10,497
Total consolidated obligations	63,076	63,829	68,332	43,020	27,471	32,682	30,947	30,643	77,401	75,519	32,403	31,914
Mandatorily redeemable capital stock	5	6	9	9	3	5	5	6	2,071	4,343	1,748	1,187
Other liabilities	1,951	2,301	1,206	1,504	1,001	1,297	1,196	1,449	593	946	581	746
Total liabilities	65,032	66,136	69,547	44,533	28,475	33,984	32,148	32,098	80,065	80,808	34,732	33,847
Capital												
Capital stock	1,670	1,650	2,692	2,063	1,124	1,217	1,252	1,264	3,460	4,160	923	1,572
Retained earnings	2,028	1,691	678	622	656	572	568	482	2,394	2,247	287	226
Accumulated other comprehensive income (loss)	67	107	87	149	(33)	(18)	(18)	(25)	(145)	(794)	(72)	(227)
Total capital (GAAP)	3,765	3,448	3,457	2,834	1,747	1,771	1,802	1,721	5,709	5,613	1,138	1,571
Total liabilities and capital	$ 68,797	$ 69,584	$ 73,004	$ 47,367	$ 30,222	$ 35,755	$ 33,950	$ 33,819	$ 85,774	$ 86,421	$ 35,870	$ 35,418
Total combined regulatory capital	$ 3,703	$ 3,347	$ 3,379	$ 2,694	$ 1,782	$ 1,794	$ 1,824	$ 1,752	$ 7,925	$ 10,750	$ 2,958	$ 2,985

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

FHLBanks Office of Finance
Table II to February 21, 2014 Combined Operating Highlights
Income Statement Highlights
Unaudited

Three Months Ended December 31,

(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	$ 894	$ 987	$ 60	$ 82	$ 118	$ 108	$ 61	$ 68	$ 81	$ 95	$ 82	$ 91	$ 65	$ 61
Non-interest income (loss)	150	(1)	53	(6)	7	11	15	9	76	14	7	(4)	41	(5)
Non-interest expense	280	250	18	17	26	26	27	20	35	38	17	15	17	16
Assessments	84	75	10	6	10	9	5	5	12	7	8	7	9	5
Net income (loss)	$ 680	$ 661	$ 85	$ 53	$ 89	$ 84	$ 44	$ 52	$ 110	$ 64	$ 64	$ 65	$ 80	$ 35

	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	$ 120	$ 134	$ 64	$ 57	$ 34	$ 38	$ 59	$ 52	$ 128	$ 171	$ 33	$ 39
Non-interest income (loss)	(46)	(2)	(4)	(7)	4	(1)	(3)	(9)	(5)	(28)	6	1
Non-interest expense	30	21	19	17	18	19	15	12	35	35	23	17
Assessments	5	11	4	4	2	2	4	3	14	14	2	2
Net income (loss)	$ 39	$ 100	$ 37	$ 29	$ 18	$ 16	$ 37	$ 28	$ 74	$ 94	$ 14	$ 21

Year Ended December 31,

(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	$ 3,434	$ 4,031	$ 258	$ 315	$ 422	$ 466	$ 198	$ 210	$ 336	$ 370	$ 335	$ 307	$ 242	$ 234
Non-interest income (loss)	329	(154)	43	(22)	13	32	48	7	166	55	20	13	69	(13)
Non-interest expense	943	975	65	63	96	97	81	73	127	125	64	58	68	60
Assessments	293	296	24	23	34	40	17	14	37	30	30	27	25	18
Net income (loss)	$ 2,527	$ 2,606	$ 212	$ 207	$ 305	$ 361	$ 148	$ 130	$ 338	$ 270	$ 261	$ 235	$ 218	$ 143

	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	$ 452	$ 563	$ 219	$ 241	$ 148	$ 161	$ 216	$ 217	$ 483	$ 849	$ 138	$ 126
Non-interest income (loss)	(20)	(35)	(35)	(49)	20	2	(31)	(44)	5	(164)	10	24
Non-interest expense	56	111	62	68	70	73	53	51	128	134	80	71
Assessments	33	42	12	13	10	9	13	12	52	60	7	8
Net income (loss)	$ 343	$ 375	$ 110	$ 111	$ 88	$ 81	$ 119	$ 110	$ 308	$ 491	$ 61	$ 71

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