



September 4, 2007

FOR IMMEDIATE RELEASE

FHLBanks See Strong Growth in Mission Assets in August

In light of the recent extraordinary events affecting credit markets, the Office of Finance is releasing the following information regarding the strong growth in FHLBank mission assets and consolidated obligations.

During the month of August, members increased participation in FHLBank borrowing programs. As of August 31, 2007, advances (collateralized loans to members) outstanding for the FHLBanks on a combined basis were \$769 billion, up by \$110 billion from July 31, 2007. Consolidated obligations outstanding were \$1,087 billion, up \$110 billion from July 31, 2007. Of this amount, \$82 billion was attributable to an increase in discount notes to \$249 billion outstanding and \$28 billion was due to a rise in bonds outstanding to \$838 billion.

The primary business of the FHLBanks is to provide members with collateralized loans and other credit products; simply put, to provide primary liquidity to the U.S. housing market. The current FHLBank membership is comprised of virtually all types of regulated financial institutions, including commercial banks, savings associations, thrifts, credit unions and insurance companies.

Mike Thomas, President & CEO of the Federal Home Loan Bank of Chicago and 2007 Chairman of the FHLBank Presidents' Conference, said, "Members can be comfortable that the triple-A rated Home Loan Bank System is able to efficiently access capital markets to fund advance demand in this period of market stress."

In 2007, the FHLBanks celebrate 75 years of delivering innovation and service to their member institutions in support of the U.S. housing market. The FHLBanks currently have 8,100 members in all 50 states, American Samoa, Guam, Puerto Rico, the Northern Mariana and U.S. Virgin Islands. Please call Mike Ciota at 703-467-3608 (ciota@fhlb-of.com) for additional information.

All dollar amounts referenced are at par before SFAS 133, and other accounting and interbank adjustments.

Statements contained in this release may be "forward-looking statements." By their nature, these forward-looking statements, including those related to the ability of the FHLBanks to perform their mission and provide liquidity, are subject to risks and uncertainties related to the operations of the FHLBanks and the business environment, all of which are difficult to predict and many of which are beyond the control of the FHLBanks. These risks and uncertainties



could cause actual results to differ materially from those expressed or implied in forward-looking statements or could affect the extent to which a particular objective, projection, estimate or prediction is realized. Such risks and uncertainties include the following: changes in interest rates, housing prices, employment rates and the general economy; the size and volatility of the residential mortgage market; demand for FHLBank advances; volatility of market prices, rates, and indices or other factors, including natural disasters, that could affect the value of investments 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, and the ability to attract and retain skilled individuals; the pace of technological change and the ability to develop and support technology and information systems; loss of large members through mergers and similar activities; changes in investor demand for consolidated obligations and/or the terms of interest-rate exchange agreements and similar agreements; the application of accounting rules, such as SFAS 133; 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 website: www.fhlb-of.com, and in reports filed by each FHLBank with the SEC.