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FOR IMMEDIATE RELEASE

FHLBank of New York Implements New Capital Plan

The Office of Finance is pleased to announce that following the close of business on November 30, 2005, the Federal Home Loan Bank of New York exchanged its existing capital stock for new stock under the terms of its new capital plan. This action further enhances the financial strength of the FHLBank System, helping to assure continued service and stability to members, investors, and taxpayers.

Through the Gramm-Leach-Bliley Act, Congress reaffirmed the critical role the FHLBanks play in the U.S. financial system and, at the same time, modernized its capital structure. The legislation created new risk-based capital requirements and set minimum capital ratio requirements, including a minimum capital-to-asset ratio of 4.0 percent.

Commenting on the capital exchange, Alfred A. DelliBovi, New York President and CEO, said, "The Bank has implemented a new capital plan meeting the goals of maintaining the Bank's cooperative, conservative business model and of providing simplicity and continuity. The new capital structure more closely aligns member stock ownership with business activity. As a result, today we are better positioned for enhanced efficiency, plus our ability to provide value to our member lenders and the communities we serve is strengthened."

New York is the latest FHLBank to convert to a new capital plan, as required by the Gramm-Leach-Bliley Act. All FHLBanks, individually and as a whole, have consistently exceeded the 4.0 percent regulatory minimum capital to asset ratio, and all completed conversions have been in accordance with the Act.

The FHLBanks have delivered over 70 years of innovation and service to the U.S. housing market, and currently have over 8,100 members in all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, and the Northern Mariana and U.S. Virgin Islands. Please contact Mike Ciota at 703-467-3608 (ciota@fhlb-of.com) for additional information.