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FOR IMMEDIATE RELEASE:

Office of Finance Announces Third Quarter 2006 Combined Operating Highlights

The FHLBanks Office of Finance is pleased to announce third quarter 2006 preliminary combined unaudited operating highlights for the Federal Home Loan Banks. These highlights have been prepared from unaudited 2006 quarterly financial information of each FHLBank and are subject to change. As all twelve Federal Home Loan Banks have effective SEC registration statements, current individual financial reports and other SEC filings can be obtained by searching the EDGAR database.

Balance Sheet Highlights:

Combined total assets increased to \$1.0 trillion at September 30, 2006 compared with \$997 billion at the close of 2005. Advances (secured loans to members) increased 4% to \$644 billion and represented 63% of total assets. Investments rose 1% to \$270 billion, and member mortgage assets, at \$100 billion, were down 5% from year-end. The principal investments of the FHLBanks are mortgage-backed securities, overnight and term Federal funds sold, commercial paper and GSE securities.

Operating and Capital Results:

Combined net income for the three months ended September 30, 2006 decreased 27% to \$661 million, compared with \$910 million for the three months ended September 30, 2005. Of the overall decrease in net income, \$224 million relates to one Bank that included a \$245 million net gain on the sale of certain investment securities in last year's third quarter. In addition, six Banks reported decreases in net income for the quarter of approximately \$140 million primarily due to the timing effect of derivatives and hedging activities in other income. These decreases were partially offset by five Banks with increases in net income of approximately \$125 million, primarily due to the effect of higher interest rates on higher average capital balances, combined with higher average interest-earning assets outstanding. Combined net income for the nine months ended September 30, 2006 increased 3% to \$1,929 million, compared with \$1,871 million for the same period one year earlier. Total combined capital rose to \$45 billion at September 30, 2006, a 2% increase from year-end 2005. FHLBank Affordable Housing Program contributions were \$75 million in the third quarter of 2006, down from \$100 million in the third quarter of 2005, due to the decrease in earnings. FHLBank Affordable Housing Program contributions were \$218 million in the first nine months of 2006, up from \$209 million in the first nine months of 2005, due to the increase in earnings for that period.

Return to Scheduled Combined Financial Reporting:

As of August 8, 2006, all twelve FHLBank SEC registrations were effective, and all have current financial reports on the SEC EDGAR database. On November 8, 2006, the 2005 Combined Financial Report was published, marking a major milestone in our return to scheduled combined financial reporting. At this time, we expect to announce operating highlights for 2006 during February 2007. It is also expected that scheduled combined financial reporting will resume with the publication of the 2006 Combined Financial Report by March 31, 2007, and continue with subsequent quarterly reports for 2007.



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, and providing members a viable alternative to the secondary mortgage market via the mortgage programs, while paying a dividend. The FHLBanks also help members with other local housing and community development needs through self-funded affordable housing programs.

The FHLBanks have delivered nearly 75 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.

Statements contained in this release may be “forward-looking statements.” By their nature, these forward-looking statements, including those related to the publication of financial reports, 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: 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; 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 FAS 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 OF website, www.fhlb-of.com, and in reports filed by each FHLBank with the Securities and Exchange Commission.