



February 27, 2009

## FOR IMMEDIATE RELEASE:

### Ten Federal Home Loan Banks Release Unaudited 2008 Financial Results

To date, 10 Federal Home Loan Banks have released unaudited 2008 financial results. Each of the FHLBanks of Atlanta and Seattle is still completing its 2008 financial reporting processes.

Attached are balance sheet and income statement highlights for the 10 FHLBanks that have released 2008 financial results and have filed a Form 8-K with the SEC. The attached highlights have been prepared from the unaudited financial information of each of these 10 FHLBanks and are subject to change. Each individual FHLBank manages its operations independently and is responsible for establishing its own accounting and financial reporting policies in accordance with accounting principles generally accepted in the United States of America (GAAP). The FHLBanks' accounting and financial reporting policies and practices are not necessarily always identical because different policies and/or presentations are permitted under GAAP in certain circumstances. The FHLBanks also do not necessarily use the same dealer prices, models and assumptions in determining the fair values of their respective assets, liabilities and derivatives.

Please refer to the individual FHLBank web sites and EDGAR filings for more complete information. Of the 10 FHLBanks that have released 2008 financial results, the FHLBanks of Boston (\$232 million), Dallas (\$68 million), Pittsburgh (\$188 million), San Francisco (\$103 million) and Topeka (\$63 million) each reported a net loss for the fourth quarter of 2008.

Combined operating highlights for the FHLBanks will be published after all 12 FHLBanks have completed 2008 financial reporting.

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 loan 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 innovation and service to the U.S. housing market for 76 years, and currently have more than 8,000 members in all 50 states including 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 and the accompanying Tables I and II may be "forward-looking statements." These statements may use forward-looking terminology, such as "anticipates," "believes," "could," "estimates," "may," "should," "will," or their negatives or other variations on these terms. By their nature, these forward-looking statements, including those related to financial performance, expected non-GAAP economic losses related to private-label mortgage-backed investment securities and preparation of combined 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: 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; 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 web site, [www.fhlb-of.com](http://www.fhlb-of.com), and in reports filed by each FHLBank with the Securities and Exchange Commission. Any duty to update these forward-looking statements is hereby disclaimed.*



**FHLBanks Office of Finance**  
**Table I to February 27, 2009 Press Release**  
**Balance Sheet Highlights**  
**Unaudited**  
**(Dollar amounts in millions)**

	<b>Boston</b>		<b>New York</b>		<b>Pittsburgh</b>		<b>Cincinnati</b>		<b>Indianapolis</b>	
	<b>12/31/2008</b>	<b>12/31/2007</b>	<b>12/31/2008</b>	<b>12/31/2007</b>	<b>12/31/2008</b>	<b>12/31/2007</b>	<b>12/31/2008</b>	<b>12/31/2007</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
<b>ASSETS</b>										
Advances	\$ 56,926	\$ 55,680	\$ 109,153	\$ 82,090	\$ 62,153	\$ 68,798	\$ 53,916	\$ 53,310	\$ 31,249	\$ 26,770
Investments (1)	18,907	17,863	26,365	24,979	21,798	24,691	35,325	24,678	15,757	19,636
Mortgage loans held for portfolio, net	4,154	4,091	1,457	1,492	6,165	6,220	8,632	8,928	8,780	9,397
Total assets	80,396	78,200	137,540	109,245	90,806	100,936	98,206	87,335	56,860	56,055
<b>LIABILITIES</b>										
Consolidated obligations, net	74,726	73,410	128,579	101,117	84,263	93,298	91,729	81,616	52,163	52,425
<b>CAPITAL</b>										
Total capital stock	3,585	3,164	5,585	4,368	3,982	3,995	3,962	3,473	1,879	2,003
Retained earnings	23	226	383	418	170	296	326	287	283	202
Total capital (2)	3,473	3,388	5,867	4,751	4,135	4,285	4,282	3,755	2,091	2,199
Total liabilities and capital	80,396	78,200	137,540	109,245	90,806	100,936	98,206	87,335	56,860	56,055

	<b>Chicago</b>		<b>Des Moines</b>		<b>Dallas</b>		<b>Topeka</b>		<b>San Francisco</b>	
	<b>12/31/2008</b>	<b>12/31/2007</b>	<b>12/31/2008</b>	<b>12/31/2007</b>	<b>12/31/2008</b>	<b>12/31/2007</b>	<b>12/31/2008</b>	<b>12/31/2007</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
<b>ASSETS</b>										
Advances	\$ 38,140	\$ 30,221	\$ 41,897	\$ 40,412	\$ 60,920	\$ 46,298	\$ 35,820	\$ 32,057	\$ 235,664	\$ 251,034
Investments (1)	21,183	23,571	15,368	9,243	17,388	16,001	19,436	20,516	60,671	64,913
Mortgage loans held for portfolio, net	32,087	34,623	10,685	10,802	327	381	3,024	2,352	3,712	4,132
Total assets	92,129	89,027	68,129	60,736	78,933	63,458	58,557	55,305	321,244	322,446
<b>LIABILITIES</b>										
Consolidated obligations, net	84,771	81,699	62,784	56,065	73,360	56,975	53,683	51,109	304,933	303,696
<b>CAPITAL</b>										
Total capital stock	2,386	2,661	2,781	2,717	3,224	2,394	2,240	2,091	9,616	13,403
Retained earnings	540	659	382	361	216	212	157	209	176	227
Total capital (2)	2,287	3,069	3,017	3,052	3,438	2,605	2,395	2,298	9,785	13,627
Total liabilities and capital	92,129	89,027	68,129	60,736	78,933	63,458	58,557	55,305	321,244	322,446

(1) Investments consist of held-to-maturity securities, available-for-sale securities, trading securities, interest-bearing deposits, securities purchased under agreements to resell, and Federal funds sold.

(2)

<b>Total Regulatory Capital*</b>			
Boston	\$ 3,701	Chicago	\$ 4,327
New York	6,113	Des Moines	3,174
Pittsburgh	4,171	Dallas	3,530
Cincinnati	4,399	Topeka	2,432
Indianapolis	2,701	San Francisco	13,539

\* Total regulatory capital is defined as the sum of the amounts paid for Class A and Class B capital stock, retained earnings, any general allowance for losses and any other amount from sources available to absorb losses that the Finance Agency has determined by regulation to be appropriate to include in determining total capital. Total regulatory capital also includes mandatorily redeemable capital stock.

Sources: Each FHLBank's 2008 earnings release/Third Quarter 2008 Combined Financial Report. Each individual FHLBank manages its operations independently and is responsible for establishing its own accounting and financial reporting policies in accordance with accounting principles generally accepted in the United States of America (GAAP). The FHLBanks' accounting and financial reporting policies and practices are not necessarily always identical because different policies and/or presentations are permitted under GAAP in certain circumstances.



**FHLBanks Office of Finance**  
**Table II to February 27, 2009 Press Release**  
**Income Statement Highlights**  
**Unaudited**  
**(Dollar amounts in millions)**

	<b>Boston</b>		<b>New York</b>		<b>Pittsburgh</b>		<b>Cincinnati</b>		<b>Indianapolis</b>	
	<b>For the Years Ended</b>		<b>For the Years Ended</b>		<b>For the Years Ended</b>		<b>For the Years Ended</b>		<b>For the Years Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>		<b>December 31,</b>		<b>December 31,</b>		<b>December 31,</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Total interest income	\$ 2,720	\$ 3,366	\$ 4,059	\$ 4,776	\$ 3,352	\$ 4,278	\$ 3,189	\$ 4,348	\$ 2,117	\$ 2,622
Total interest expense	2,387	3,053	3,364	4,277	3,070	3,911	2,825	3,927	1,839	2,415
Net interest income	333	313	695	499	282	367	364	421	278	207
Other-than-temporary impairment (OTTI) charges (1)	339	-	-	-	266	-	-	-	-	-
Affordable Housing Program	-	22	30	37	2	26	27	31	22	14
REFCORP	-	50	65	81	5	59	59	67	46	31
Total assessments	-	72	95	118	7	85	86	98	68	45
Net income (loss) (2)	(73)	198	259	323	19	237	236	269	184	122

	<b>Chicago</b>		<b>Des Moines</b>		<b>Dallas</b>		<b>Topeka</b>		<b>San Francisco</b>	
	<b>For the Years Ended</b>		<b>For the Years Ended</b>		<b>For the Years Ended</b>		<b>For the Years Ended</b>		<b>For the Years Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>		<b>December 31,</b>		<b>December 31,</b>		<b>December 31,</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Total interest income	\$ 3,772	\$ 4,479	\$ 2,368	\$ 2,461	\$ 2,294	\$ 2,886	\$ 1,889	\$ 2,749	\$ 11,017	\$ 13,771
Total interest expense	3,570	4,201	2,123	2,290	2,144	2,663	1,643	2,517	9,586	12,840
Net interest income	202	278	245	171	150	223	246	232	1,431	931
Other-than-temporary impairment (OTTI) charges (1)	292	-	-	-	-	-	5	-	590	-
Affordable Housing Program	-	12	14	12	9	15	3	17	53	73
REFCORP	-	28	32	26	20	32	7	38	115	163
Total assessments	-	40	46	38	29	47	10	55	168	236
Net income (loss) (2)	(119)	111	127	101	79	130	28	150	461	652

(1) OTTI, which stands for other-than-temporary impairment, is an accounting term. Under generally accepted accounting principles in the United States of America (GAAP), a company must evaluate its investment securities portfolio to determine whether any of the investment securities are other-than-temporarily impaired. If the company determines that it does not expect to collect all of the contractual amounts due on an individual investment security over the life of the investment security, the company must mark the investment security down from its carrying value to its current fair value, even if the company intends to hold the investment security to maturity. An OTTI accounting loss must be booked during the period that the investment security is determined to be other-than-temporarily impaired, even if the estimated credit loss is not expected to be incurred for some time, even years later. The amount of the OTTI charge for an individual investment security is not the amount of the estimated credit loss. Instead, the charge equals the difference between the carrying amount of the investment security and its current fair value. The fair value is generally related to the value of the investment security in the current market, even if the investment security is to be held to maturity. Once the investment security is marked to fair value, any increase in fair value in future periods does not increase the carrying value of the investment security or increase the company's income. Instead, the difference between the OTTI charge and the estimated aggregate credit loss on the investment security is accreted (added) to interest income over the remaining life of the investment security. Each of the FHLBanks reporting OTTI charges in 2008 related to certain non-agency private-label mortgage-backed investment securities (MBS) believes that its OTTI charges recorded during 2008 exceed its estimated expected economic losses because the fair value of the affected investment securities was determined in an illiquid,



distressed market. In today's inactive MBS market, the fair values of non-agency MBS have declined dramatically. In the case of the FHLBanks reporting OTTI charges, the OTTI charges on the affected investment securities are greater than the current estimated aggregate credit losses on these securities as of December 31, 2008. Each of the FHLBanks reporting OTTI accounting charges in 2008 estimates its current non-GAAP expected economic losses relating to those charges as follows: FHLBank of Boston -- \$22 million; FHLBank of Pittsburgh -- \$94 million; FHLBank of Chicago -- \$8 million; FHLBank of Topeka -- \$3 million; and FHLBank of San Francisco -- \$27 million. The FHLBanks' portfolio monitoring is ongoing, and further deterioration in delinquency and loss rates and real estate values may cause an additional increase in estimated and actual economic losses. Each of these FHLBanks believes it has the ability and intent to hold substantially all of these investment securities for a sufficient time to allow for any anticipated recovery of unrealized losses as it receives cash flows from these instruments in the future. However, since the FHLBanks are required to record the entire fair value loss based on current market conditions, and since the fair value losses in excess of expected credit losses will be treated similarly to a purchase discount on the OTTI security, the FHLBanks expect to earn future additional interest income over the remaining life of these securities approximating the difference between the fair value OTTI losses and expected credit losses. The FHLBanks could recognize additional OTTI charges and non-GAAP estimated economic losses on their private-label residential MBS and home equity loan investments if delinquency and/or loss rates on mortgages and/or home equity loans continue to increase after December 31, 2008, and/or residential real estate values continue to decline, which was the case during the fourth quarter of 2008. The FHLBanks' portfolio monitoring is ongoing, and further deterioration in delinquency and loss rates and real estate values may also cause an increase in estimated and actual economic losses. The FHLBanks' assumptions may have a significant effect on reported fair values and non-GAAP estimated economic losses of private-label residential MBS and home equity loan investments, and the income and expense related thereto. The use of different assumptions, as well as changes in market conditions, could result in materially different net income and retained earnings. The FHLBanks do not necessarily use the same dealer prices, models and assumptions in determining the fair values and non-GAAP estimated economic losses of their private-label residential MBS and home equity loan investments. Please refer to the individual FHLBank web sites and EDGAR filings for more complete information.

(2) The FHLBanks of Boston (\$232 million), Dallas (\$68 million), Pittsburgh (\$188 million), San Francisco (\$103 million) and Topeka (\$63 million) each reported a net loss for the fourth quarter of 2008.

Sources: Each FHLBank's 2008 earnings release/2007 Combined Financial Report. Each individual FHLBank manages its operations independently and is responsible for establishing its own accounting and financial reporting policies in accordance with accounting principles generally accepted in the United States of America (GAAP). The FHLBanks' accounting and financial reporting policies and practices are not necessarily always identical because different policies and/or presentations are permitted under GAAP in certain circumstances.