July 27, 2018

FOR IMMEDIATE RELEASE:

Office of Finance Announces Second Quarter 2018 Combined Operating Highlights for the Federal Home Loan Banks

The second quarter 2018 highlights are preliminary and 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 June 30, 2018, and filed a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was $971 million and $1,829 million for the three and six months ended June 30, 2018, increases of 15% and 10% compared to the same periods in 2017. Balance sheet highlights as of June 30, 2018, compared to December 31, 2017, were:

- Total assets were $1,130.2 billion, an increase of 2%.
- Total liabilities were $1,071.8 billion, an increase of 2%.
- Total GAAP capital was $58.4 billion, an increase of 3%.

Balance Sheet

(Dollars in millions)	June 30, 2018	December 31, 2017	Change
Assets			
Cash and due from banks	$ 1,599	$ 7,175	$ (5,576)
Investments	332,710	307,280	25,430
Advances	734,457	731,544	2,913
Mortgage loans held for portfolio, net	57,209	53,827	3,382
Other assets	4,260	3,625	635
Total assets	**$ 1,130,235**	**$ 1,103,451**	**$ 26,784**
Liabilities			
Consolidated obligations			
Discount notes	$ 412,839	$ 391,480	$ 21,359
Bonds	644,421	641,601	2,820
Total consolidated obligations	1,057,260	1,033,081	24,179
Mandatorily redeemable capital stock	1,206	1,272	(66)
Other liabilities	13,379	12,618	761
Total liabilities	**1,071,845**	**1,046,971**	**24,874**
Capital			
Capital stock	38,670	37,657	1,013
Retained earnings	18,914	18,099	815
Accumulated other comprehensive income (loss)	806	724	82
Total capital (GAAP)	**58,390**	**56,480**	**1,910**
Total liabilities and capital	**$ 1,130,235**	**$ 1,103,451**	**$ 26,784**
Regulatory capital	**$ 58,794**	**$ 57,027**	**$ 1,767**
GAAP capital-to-assets ratio	**5.17%**	**5.12%**	**0.05%**
Regulatory capital-to-assets ratio	**5.20%**	**5.17%**	**0.03%**

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As of June 30, 2018, total assets and total liabilities each increased 2%, and total GAAP capital increased 3%, compared to December 31, 2017.

- Advances totaled $734.5 billion at June 30, 2018, an increase of less than 1%.
- Investments were $332.7 billion at June 30, 2018, an increase of 8% driven by an increase in federal funds sold.
- Mortgage loans held for portfolio, net grew to $57.2 billion at June 30, 2018, an increase of 6% as mortgage loan purchases continued to outpace principal repayments.
- Consolidated obligations totaled $1,057.3 billion at June 30, 2018, an increase of 2% in line with the increase in total assets and consisted primarily of a 5% increase in consolidated discount notes.
- Capital stock was $38.7 billion at June 30, 2018, an increase of 3% resulting from the issuance of capital stock to members.
- Retained earnings grew to $18.9 billion at June 30, 2018, an increase of 5% resulting from net income of $1,829 million, partially offset by dividends of $1,019 million.

Income Statement

	Three Months Ended June 30,			Six Months Ended June 30,		
(Dollars in millions)	2018	2017	Change	2018	2017	Change
Interest income						
Advances	$ 3,967	$ 2,183	$ 1,784	$ 7,314	$ 3,722	$ 3,592
Investments	1,872	1,243	629	3,504	2,365	1,139
Mortgage loans held for portfolio	480	421	59	943	835	108
Other interest income	3	1	2	3	2	1
Total interest income	**6,322**	**3,848**	**2,474**	**11,764**	**6,924**	**4,840**
Interest expense						
Consolidated obligations - Discount notes	1,776	851	925	3,291	1,477	1,814
Consolidated obligations - Bonds	3,167	1,775	1,392	5,788	3,373	2,415
Other interest expense	47	33	14	88	65	23
Total interest expense	**4,990**	**2,659**	**2,331**	**9,167**	**4,915**	**4,252**
Net interest income	**1,332**	**1,189**	**143**	**2,597**	**2,009**	**588**
Provision (reversal) for credit losses	(1)	1	(2)	1	1	—
Net interest income after provision (reversal) for credit losses	**1,333**	**1,188**	**145**	**2,596**	**2,008**	**588**
Non-interest income (loss)						
Net other-than-temporary impairment losses	(5)	(8)	3	(7)	(13)	6
Net gains (losses) on trading securities	(21)	16	(37)	(82)	26	(108)
Net gains (losses) on derivatives and hedging activities	37	(17)	54	92	293	(201)
Gains on litigation settlements, net	1	—	1	1	139	(138)
Other	47	46	1	59	84	(25)
Total non-interest income (loss)	**59**	**37**	**22**	**63**	**529**	**(466)**
Non-interest expense	311	285	26	623	692	(69)
Affordable Housing Program assessments	110	96	14	207	189	18
Net income	**$ 971**	**$ 844**	**$ 127**	**$ 1,829**	**$ 1,656**	**$ 173**
Net interest margin	**0.48%**	**0.46%**	**0.02%**	**0.47%**	**0.38%**	**0.09%**

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Net Income

Net income was $971 million for the three months ended June 30, 2018, an increase of 15% compared to the same period in 2017, resulting primarily from an increase in net interest income. Net income was $1,829 million for the six months ended June 30, 2018, an increase of 10% compared to the same period in 2017, primarily the result of an increase in net interest income, partially offset by lower non-interest income.

Net Interest Income

Net interest income after provision (reversal) for credit losses was $1,333 million and $2,596 million for the three and six months ended June 30, 2018, increases of 12% and 29% compared to the same periods in 2017. Net interest margin improved to 0.48% and 0.47% for the three and six months ended June 30, 2018, increases of 2 and 9 basis points compared to the same periods in 2017. Net interest income, net interest margin, and yield on advances for the six months ended June 30, 2017, were negatively affected by the FHLBank of Atlanta's recording of $302 million of accelerated amortization, during the first quarter of 2017, due to prepayments of certain previously restructured and hedged advances. However, this accelerated amortization was offset by corresponding gains recorded in net gains (losses) on derivatives and hedging activities included in non-interest income during the same period.

- Interest income grew to $6,322 million and $11,764 million for the three and six months ended June 30, 2018, increases of 64% and 70% compared to the same periods in 2017. These increases were the result of higher yields on interest-earning assets, principally advances, driven by the higher interest-rate environment. The yields on average interest-earning assets were 2.29% and 2.12% for the three and six months ended June 30, 2018, increases of 82 and 79 basis points compared to the same periods in 2017.
- Interest expense was $4,990 million and $9,167 million for the three and six months ended June 30, 2018, increases of 88% and 87% compared to the same periods in 2017. These increases were the result of higher yields on consolidated bonds and consolidated discount notes, driven by the higher interest-rate environment. The yields on average interest-bearing liabilities were 1.91% and 1.74% for the three and six months ended June 30, 2018, increases of 84 and 75 basis points compared to the same periods in 2017.

Non-Interest Income

Non-interest income was $59 million for the three months ended June 30, 2018, an increase of $22 million compared to the same period in 2017, primarily the result of gains on derivatives and hedging activities, partially offset by losses on trading securities. Non-interest income was $63 million for the six months ended June 30, 2018, a decrease of $466 million compared to the same period in 2017, due primarily to lower gains on derivatives and hedging activities, lower gains on litigation settlements, and losses on trading securities. The decrease in gains on derivatives and hedging activities was due primarily to the prepayments of certain previously restructured and hedged advances at the FHLBank of Atlanta resulting in fair value hedge ineffectiveness gains, during the first quarter of 2017.

Non-Interest Expense

Non-interest expense was $311 million for the three months ended June 30, 2018, an increase of $26 million compared to the same period in 2017. Non-interest expense was $623 million for the six months ended June 30, 2018, a decrease of $69 million compared to the same period in 2017. The decrease for the six months ended June 30, 2018, was primarily the result of expenses incurred during the first quarter of 2017 related to a charge of $70 million by the FHLBank of New York to settle all claims related to the 2008 Lehman Brothers bankruptcy.

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Affordable Housing Program Assessments

Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were $110 million and $207 million for the three and six months ended June 30, 2018, increases of 15% and 10% compared to the same periods in 2017.

About the FHLBanks

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 6,900 members serving all 50 states, the District of Columbia, and U.S. territories. Please contact Nancy Nowalk at 703-467-3608 or nnowalk@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, but are not limited to, 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 collateral held by the FHLBanks as security; political events, including legislative, regulatory, judicial, or other developments, that affect the FHLBanks, their members, counterparties, underwriters, 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 Combined Operating Highlights
Balance Sheet Highlights
Unaudited

(Dollars in millions)	Combined[1] June 30, 2018	Combined[1] December 31, 2017	Boston June 30, 2018	Boston December 31, 2017	New York June 30, 2018	New York December 31, 2017	Pittsburgh June 30, 2018	Pittsburgh December 31, 2017	Atlanta June 30, 2018	Atlanta December 31, 2017	Cincinnati June 30, 2018	Cincinnati December 31, 2017
Assets												
Cash and due from banks	$ 1,599	$ 7,175	$ 47	$ 262	$ 158	$ 127	$ 162	$ 3,415	$ 804	$ 2,357	$ 16	$ 27
Investments	332,710	307,280	18,045	17,942	42,219	33,069	20,752	17,756	47,629	40,378	37,382	27,058
Advances	734,457	731,544	41,312	37,566	110,782	122,448	76,340	74,280	104,537	102,440	60,559	69,918
Mortgage loans held for portfolio, net	57,209	53,827	4,077	4,004	2,887	2,897	4,172	3,923	394	435	9,844	9,681
Other assets	4,260	3,625	195	588	514	377	388	289	807	956	271	211
Total assets	$ 1,130,235	$ 1,103,451	$ 63,676	$ 60,362	$ 156,560	$ 158,918	$ 101,814	$ 99,663	$ 154,171	$ 146,566	$ 108,072	$ 106,895
Liabilities												
Consolidated obligations												
Discount notes	$ 412,839	$ 391,480	$ 31,259	$ 27,721	$ 45,470	$ 49,614	$ 26,989	$ 36,193	$ 65,353	$ 50,139	$ 50,063	$ 46,211
Bonds	644,421	641,601	27,854	28,345	101,392	99,288	68,682	57,534	79,812	87,523	51,173	54,163
Total consolidated obligations	1,057,260	1,033,081	59,113	56,066	146,862	148,902	95,671	93,727	145,165	137,662	101,236	100,374
Mandatorily redeemable capital stock	1,206	1,272	32	36	18	20	5	5	2	1	23	30
Other liabilities	13,379	12,618	1,039	995	1,758	1,755	873	1,003	1,530	1,636	1,306	1,326
Total liabilities	1,071,845	1,046,971	60,184	57,097	148,638	150,677	96,549	94,735	146,697	139,299	102,565	101,730
Capital												
Capital stock	38,670	37,657	2,480	2,284	6,276	6,750	3,950	3,659	5,300	5,154	4,539	4,241
Retained earnings	18,914	18,099	1,356	1,308	1,625	1,546	1,215	1,158	2,079	2,003	984	940
Accumulated other comprehensive income (loss)	806	724	(344)	(327)	21	(55)	100	111	95	110	(16)	(16)
Total capital (GAAP)	58,390	56,480	3,492	3,265	7,922	8,241	5,265	4,928	7,474	7,267	5,507	5,165
Total liabilities and capital	$ 1,130,235	$ 1,103,451	$ 63,676	$ 60,362	$ 156,560	$ 158,918	$ 101,814	$ 99,663	$ 154,171	$ 146,566	$ 108,072	$ 106,895
Regulatory capital	$ 58,794	$ 57,027	$ 3,869	$ 3,628	$ 7,919	$ 8,316	$ 5,171	$ 4,822	$ 7,381	$ 7,157	$ 5,546	$ 5,211

	Indianapolis June 30, 2018	Indianapolis December 31, 2017	Chicago June 30, 2018	Chicago December 31, 2017	Des Moines June 30, 2018	Des Moines December 31, 2017	Dallas June 30, 2018	Dallas December 31, 2017	Topeka June 30, 2018	Topeka December 31, 2017	San Francisco June 30, 2018	San Francisco December 31, 2017
Assets												
Cash and due from banks	$ 87	$ 55	$ 29	$ 42	$ 201	$ 503	$ 35	$ 88	$ 16	$ 268	$ 44	$ 31
Investments	19,262	17,572	36,048	30,683	33,019	34,452	30,807	30,941	14,969	13,998	32,703	43,570
Advances	33,888	34,055	54,468	48,085	109,963	102,613	43,590	36,461	28,705	26,296	70,314	77,382
Mortgage loans held for portfolio, net	10,888	10,356	5,779	5,193	7,310	7,096	1,322	878	7,808	7,287	2,728	2,076
Other assets	327	311	407	352	488	435	186	156	255	228	419	326
Total assets	$ 64,452	$ 62,349	$ 96,731	$ 84,355	$ 150,981	$ 145,099	$ 75,940	$ 68,524	$ 51,753	$ 48,077	$ 106,208	$ 123,385
Liabilities												
Consolidated obligations												
Discount notes	$ 21,987	$ 20,358	$ 43,007	$ 41,191	$ 43,122	$ 36,682	$ 39,322	$ 32,511	$ 21,748	$ 20,421	$ 24,519	$ 30,440
Bonds	38,124	37,896	46,854	37,121	98,468	98,893	31,141	31,377	26,969	24,514	74,061	85,063
Total consolidated obligations	60,111	58,254	89,861	78,312	141,590	135,575	70,463	63,888	48,717	44,935	98,580	115,503
Mandatorily redeemable capital stock	180	164	314	311	373	385	1	6	4	5	255	309
Other liabilities	1,141	985	1,201	880	1,479	2,118	1,563	1,150	634	630	874	767
Total liabilities	61,432	59,403	91,376	79,503	143,442	138,078	72,027	65,044	49,355	45,570	99,709	116,579
Capital												
Capital stock	1,893	1,858	1,805	1,443	5,420	5,068	2,660	2,318	1,497	1,640	2,850	3,243
Retained earnings	1,042	976	3,428	3,297	1,977	1,839	1,008	942	876	841	3,319	3,245
Accumulated other comprehensive income (loss)	85	112	122	112	142	114	245	220	25	26	330	318
Total capital (GAAP)	3,020	2,946	5,355	4,852	7,539	7,021	3,913	3,480	2,398	2,507	6,499	6,806
Total liabilities and capital	$ 64,452	$ 62,349	$ 96,731	$ 84,355	$ 150,981	$ 145,099	$ 75,940	$ 68,524	$ 51,753	$ 48,077	$ 106,208	$ 123,385
Regulatory capital	$ 3,116	$ 2,998	$ 5,547	$ 5,051	$ 7,771	$ 7,292	$ 3,669	$ 3,266	$ 2,377	$ 2,486	$ 6,424	$ 6,797

(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 Combined Operating Highlights
Income Statement Highlights
Unaudited

Three Months Ended June 30,

(Dollars in millions)	Combined[(1)]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net interest income after provision (reversal) for credit losses	$ 1,333	$ 1,188	$ 79	$ 64	$ 207	$ 176	$ 115	$ 111	$ 131	$ 114	$ 129	$ 106
Non-interest income (loss)	59	37	1	1	—	1	8	8	21	12	(12)	10
Non-interest expense	311	285	21	20	35	32	22	21	33	30	22	19
Affordable Housing Program assessments	110	96	6	5	17	14	10	10	12	10	10	10
Net income (loss)	$ 971	$ 844	$ 53	$ 40	$ 155	$ 131	$ 91	$ 88	$ 107	$ 86	$ 85	$ 87

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net interest income after provision (reversal) for credit losses	$ 69	$ 65	$ 132	$ 116	$ 167	$ 170	$ 76	$ 61	$ 69	$ 65	$ 154	$ 144
Non-interest income (loss)	30	(4)	9	16	8	6	—	8	(2)	—	5	(16)
Non-interest expense	22	20	46	44	32	31	22	21	17	15	43	39
Affordable Housing Program assessments	8	4	10	9	14	15	5	4	5	5	12	9
Net income (loss)	$ 69	$ 37	$ 85	$ 79	$ 129	$ 130	$ 49	$ 44	$ 45	$ 45	$ 104	$ 80

Six Months Ended June 30,

(Dollars in millions)	Combined[(1)]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net interest income after provision (reversal) for credit losses	$ 2,596	$ 2,008	$ 159	$ 126	$ 400	$ 350	$ 223	$ 219	$ 266	$ (88)	$ 247	$ 209
Non-interest income (loss)	63	529	3	1	(19)	5	10	20	48	331	(16)	(1)
Non-interest expense	623	692	42	41	69	132	44	45	68	64	44	39
Affordable Housing Program assessments	207	189	12	9	31	22	19	19	25	18	19	17
Net income (loss)	$ 1,829	$ 1,656	$ 108	$ 77	$ 281	$ 201	$ 170	$ 175	$ 221	$ 161	$ 168	$ 152

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net interest income after provision (reversal) for credit losses	$ 140	$ 124	$ 256	$ 229	$ 324	$ 323	$ 144	$ 114	$ 135	$ 132	$ 302	$ 278
Non-interest income (loss)	36	(7)	9	26	16	41	3	16	(9)	9	(3)	96
Non-interest expense	45	40	88	86	65	63	46	43	32	31	92	119
Affordable Housing Program assessments	14	8	18	17	28	31	10	8	9	11	22	27
Net income (loss)	$ 117	$ 69	$ 159	$ 152	$ 247	$ 270	$ 91	$ 79	$ 85	$ 99	$ 185	$ 228

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