



April 30, 2019

**FOR IMMEDIATE RELEASE:**

**Office of Finance Announces First Quarter 2019 Combined Operating Highlights for the Federal Home Loan Banks**

The first quarter 2019 highlights are prepared from the preliminary 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 March 31, 2019, and filed a Form 8-K with the U.S. Securities and Exchange Commission.

**Highlights**

Net income was \$900 million for the three months ended March 31, 2019, an increase of 5% compared to the three months ended March 31, 2018. Balance sheet highlights as of March 31, 2019, compared to December 31, 2018 were:

- Total assets were \$1,082.5 billion, a decrease of 2%.
- Total liabilities were \$1,026.3 billion, a decrease of 2%.
- Total GAAP capital was \$56.2 billion, a decrease of 4%.

**Balance Sheet**

<i>(Dollars in millions)</i>	March 31, 2019	December 31, 2018	Change
<b>Assets</b>			
Cash and due from banks	\$ 539	\$ 522	\$ 17
Investments	341,416	306,790	34,626
Advances	671,382	728,767	(57,385)
Mortgage loans held for portfolio, net	64,076	62,534	1,542
Other assets	5,043	4,237	806
<b>Total assets</b>	<b>\$ 1,082,456</b>	<b>\$ 1,102,850</b>	<b>\$ (20,394)</b>
<b>Consolidated obligations</b>			
Discount notes	\$ 407,053	\$ 426,034	\$ (18,981)
Bonds	602,535	603,491	(956)
Total consolidated obligations	1,009,588	1,029,525	(19,937)
Mandatorily redeemable capital stock	1,035	1,062	(27)
Other liabilities	15,672	13,919	1,753
<b>Total liabilities</b>	<b>1,026,295</b>	<b>1,044,506</b>	<b>(18,211)</b>
<b>Capital</b>			
Capital stock	35,785	38,498	(2,713)
Retained earnings	19,849	19,504	345
Accumulated other comprehensive income (loss)	527	342	185
<b>Total capital (GAAP)</b>	<b>56,161</b>	<b>58,344</b>	<b>(2,183)</b>
<b>Total liabilities and capital</b>	<b>\$ 1,082,456</b>	<b>\$ 1,102,850</b>	<b>\$ (20,394)</b>
<b>Regulatory capital</b>	<b>\$ 56,669</b>	<b>\$ 59,064</b>	<b>\$ (2,395)</b>
<b>GAAP capital-to-assets ratio</b>	<b>5.19%</b>	<b>5.29%</b>	<b>(0.10)%</b>
<b>Regulatory capital-to-assets ratio</b>	<b>5.24%</b>	<b>5.36%</b>	<b>(0.12)%</b>



As of March 31, 2019, total assets and total liabilities each decreased 2% and total GAAP capital decreased 4%, compared to December 31, 2018.

- Advances totaled \$671.4 billion at March 31, 2019, a decrease of 8% due primarily to a decrease in short-term advances, principally those made to large members.
- Investments were \$341.4 billion at March 31, 2019, an increase of 11% driven by an increase in liquidity investments, primarily federal funds sold and U.S. Treasury obligations.
- Mortgage loans held for portfolio, net increased 2% to \$64.1 billion at March 31, 2019, as the FHLBanks continued to grow their mortgage loan portfolios.
- Consolidated obligations totaled \$1,009.6 billion at March 31, 2019, a decrease of 2% in line with the decrease in total assets and mainly consisted of a 4% decrease in consolidated discount notes.
- Capital stock was \$35.8 billion at March 31, 2019, a decrease of 7% resulting from the net repurchases and redemptions of activity-based capital stock driven by the decrease in advances.
- Retained earnings grew to \$19.8 billion at March 31, 2019, an increase of 2% resulting from net income of \$900 million, partially offset by dividends of \$570 million.

## Income Statement

<i>(Dollars in millions)</i>	Three Months Ended March 31,		
	2019	2018	Change
<b>Interest income</b>			
Advances	\$ 4,772	\$ 3,347	\$ 1,425
Investments	2,288	1,632	656
Mortgage loans held for portfolio	562	463	99
Other interest income	2	—	2
<b>Total interest income</b>	<b>7,624</b>	<b>5,442</b>	<b>2,182</b>
<b>Interest expense</b>			
Consolidated obligations - Discount notes	2,561	1,515	1,046
Consolidated obligations - Bonds	3,733	2,621	1,112
Other interest expense	56	41	15
<b>Total interest expense</b>	<b>6,350</b>	<b>4,177</b>	<b>2,173</b>
<b>Net interest income</b>	<b>1,274</b>	<b>1,265</b>	<b>9</b>
Provision (reversal) for credit losses	1	2	(1)
<b>Net interest income after provision (reversal) for credit losses</b>	<b>1,273</b>	<b>1,263</b>	<b>10</b>
<b>Non-interest income (loss)</b>			
Net gains (losses) on investment securities	105	(61)	166
Net gains (losses) on financial instruments held under fair value option	23	(29)	52
Net gains (losses) on derivatives and hedging activities	(108)	55	(163)
Other	43	39	4
<b>Total non-interest income (loss)</b>	<b>63</b>	<b>4</b>	<b>59</b>
Non-interest expense	334	312	22
Affordable Housing Program assessments	102	97	5
<b>Net income</b>	<b>\$ 900</b>	<b>\$ 858</b>	<b>\$ 42</b>
<b>Net interest margin</b>	<b>0.47%</b>	<b>0.45%</b>	<b>0.02%</b>



### **Net Income**

Net income was \$900 million for the three months ended March 31, 2019, an increase of 5% compared to the three months ended March 31, 2018, resulting primarily from an increase in non-interest income.

### **Net Interest Income**

Net interest income after provision for credit losses was \$1,273 million for the three months ended March 31, 2019, an increase of 1% compared to the three months ended March 31, 2018. Net interest margin improved to 0.47% for the three months ended March 31, 2019, an increase of 2 basis points compared to the three months ended March 31, 2018.

- Interest income grew to \$7,624 million for the three months ended March 31, 2019, an increase of 40% compared to the three months ended March 31, 2018. This increase was the result of higher yields on interest-earning assets, principally advances, driven by the higher interest-rate environment. The yield on average interest-earning assets was 2.84% for the three months ended March 31, 2019, an increase of 90 basis points compared to the three months ended March 31, 2018.
- Interest expense was \$6,350 million for the three months ended March 31, 2019, an increase of 52% compared to the three months ended March 31, 2018. This increase was the result of higher yields on consolidated bonds and consolidated discount notes, driven by the higher interest-rate environment. The yield on average consolidated obligations was 2.50% for the three months ended March 31, 2019, an increase of 93 basis points compared to the three months ended March 31, 2018.

### **Non-Interest Income**

Non-interest income was \$63 million for the three months ended March 31, 2019, an increase of \$59 million compared to the three months ended March 31, 2018, due primarily to net gains on investment securities and net gains on financial instruments held under fair value option, partially offset by net losses on derivatives and hedging activities.

### **Non-Interest Expense**

Non-interest expense was \$334 million for the three months ended March 31, 2019, an increase of 7% compared to the three months ended March 31, 2018. Non-interest expense consists principally of compensation and benefits and other operating expenses.

### **Affordable Housing Program Assessments**

Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were \$102 million for the three months ended March 31, 2019, an increase of 5% compared to the three months ended March 31, 2018.



### **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 6,800 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](mailto: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; changes to and replacement of the London Interbank Offered Rate benchmark interest rate; 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, dealers of consolidated obligations, or investors in consolidated obligations; 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](http://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.*



**FHLBanks Office of Finance**  
**Table I to Combined Operating Highlights**  
**Balance Sheet Highlights**  
 Unaudited

	Combined <sup>(1)</sup>		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
<i>(Dollars in millions)</i>												
<b>Assets</b>												
Cash and due from banks	\$ 539	\$ 522	\$ 28	\$ 10	\$ 83	\$ 85	\$ 80	\$ 72	\$ 70	\$ 35	\$ 21	\$ 10
Investments	341,416	306,790	15,544	15,900	39,753	35,443	21,491	20,076	46,781	44,309	37,550	33,614
Advances	671,382	728,767	32,152	43,193	99,132	105,179	75,233	82,476	90,929	108,462	54,880	54,822
Mortgage loans held for portfolio, net	64,076	62,534	4,368	4,299	2,941	2,927	4,526	4,462	346	360	10,519	10,501
Other assets	5,043	4,237	236	191	666	747	442	401	814	1,310	408	256
<b>Total assets</b>	<b>\$ 1,082,456</b>	<b>\$ 1,102,850</b>	<b>\$ 52,328</b>	<b>\$ 63,593</b>	<b>\$ 142,575</b>	<b>\$ 144,381</b>	<b>\$ 101,772</b>	<b>\$ 107,487</b>	<b>\$ 138,940</b>	<b>\$ 154,476</b>	<b>\$ 103,378</b>	<b>\$ 99,203</b>
<b>Liabilities</b>												
Consolidated obligations												
Discount notes	\$ 407,053	\$ 426,034	\$ 23,586	\$ 33,066	\$ 53,036	\$ 50,640	\$ 26,731	\$ 36,897	\$ 61,166	\$ 66,025	\$ 44,212	\$ 46,944
Bonds	602,535	603,491	24,914	25,912	80,150	84,154	68,629	64,299	69,186	79,114	52,124	45,659
Total consolidated obligations	1,009,588	1,029,525	48,500	58,978	133,186	134,794	95,360	101,196	130,352	145,139	96,336	92,603
Mandatorily redeemable capital stock	1,035	1,062	17	32	6	6	24	24	1	1	23	23
Other liabilities	15,672	13,919	847	976	2,008	1,834	1,229	891	1,664	1,689	1,942	1,247
<b>Total liabilities</b>	<b>1,026,295</b>	<b>1,044,506</b>	<b>49,364</b>	<b>59,986</b>	<b>135,200</b>	<b>136,634</b>	<b>96,613</b>	<b>102,111</b>	<b>132,017</b>	<b>146,829</b>	<b>98,301</b>	<b>93,873</b>
<b>Capital</b>												
Capital stock	35,785	38,498	1,830	2,529	5,671	6,066	3,746	4,027	4,753	5,486	4,059	4,320
Retained earnings	19,849	19,504	1,412	1,395	1,728	1,694	1,304	1,276	2,126	2,110	1,031	1,023
Accumulated other comprehensive income (loss)	527	342	(278)	(317)	(24)	(13)	109	73	44	51	(13)	(13)
<b>Total capital (GAAP)</b>	<b>56,161</b>	<b>58,344</b>	<b>2,964</b>	<b>3,607</b>	<b>7,375</b>	<b>7,747</b>	<b>5,159</b>	<b>5,376</b>	<b>6,923</b>	<b>7,647</b>	<b>5,077</b>	<b>5,330</b>
<b>Total liabilities and capital</b>	<b>\$ 1,082,456</b>	<b>\$ 1,102,850</b>	<b>\$ 52,328</b>	<b>\$ 63,593</b>	<b>\$ 142,575</b>	<b>\$ 144,381</b>	<b>\$ 101,772</b>	<b>\$ 107,487</b>	<b>\$ 138,940</b>	<b>\$ 154,476</b>	<b>\$ 103,378</b>	<b>\$ 99,203</b>
<b>Regulatory capital</b>	<b>\$ 56,669</b>	<b>\$ 59,064</b>	<b>\$ 3,260</b>	<b>\$ 3,956</b>	<b>\$ 7,405</b>	<b>\$ 7,766</b>	<b>\$ 5,074</b>	<b>\$ 5,327</b>	<b>\$ 6,880</b>	<b>\$ 7,597</b>	<b>\$ 5,113</b>	<b>\$ 5,366</b>

  

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
<b>Assets</b>												
Cash and due from banks	\$ 73	\$ 101	\$ 25	\$ 28	\$ 81	\$ 119	\$ 47	\$ 35	\$ 13	\$ 15	\$ 19	\$ 13
Investments	21,700	20,886	35,394	32,684	38,271	31,777	30,041	29,551	18,522	10,306	36,494	32,381
Advances	32,830	32,728	50,776	52,628	99,228	106,323	36,097	40,794	29,863	28,730	70,262	73,434
Mortgage loans held for portfolio, net	11,398	11,385	7,578	7,103	7,943	7,835	2,594	2,186	8,701	8,410	3,160	3,066
Other assets	382	312	349	414	520	461	258	207	328	254	642	432
<b>Total assets</b>	<b>\$ 66,383</b>	<b>\$ 65,412</b>	<b>\$ 94,122</b>	<b>\$ 92,857</b>	<b>\$ 146,043</b>	<b>\$ 146,515</b>	<b>\$ 69,037</b>	<b>\$ 72,773</b>	<b>\$ 57,427</b>	<b>\$ 47,715</b>	<b>\$ 110,577</b>	<b>\$ 109,326</b>
<b>Liabilities</b>												
Consolidated obligations												
Discount notes	\$ 21,254	\$ 20,895	\$ 39,639	\$ 43,166	\$ 44,994	\$ 42,879	\$ 37,369	\$ 35,732	\$ 26,785	\$ 20,608	\$ 28,281	\$ 29,182
Bonds	40,376	40,265	47,047	42,250	91,979	93,772	26,746	31,932	27,400	23,967	74,094	72,276
Total consolidated obligations	61,630	61,160	86,686	85,416	136,973	136,651	64,115	67,664	54,185	44,575	102,375	101,458
Mandatorily redeemable capital stock	174	169	315	313	237	255	7	7	4	4	227	227
Other liabilities	1,441	1,033	1,792	1,839	1,474	2,061	1,203	1,337	759	682	1,329	1,111
<b>Total liabilities</b>	<b>63,245</b>	<b>62,362</b>	<b>88,793</b>	<b>87,568</b>	<b>138,684</b>	<b>138,967</b>	<b>65,325</b>	<b>69,008</b>	<b>54,948</b>	<b>45,261</b>	<b>103,931</b>	<b>102,796</b>
<b>Capital</b>												
Capital stock	1,985	1,931	1,660	1,698	5,182	5,414	2,432	2,555	1,508	1,524	2,959	2,949
Retained earnings	1,084	1,077	3,608	3,536	2,092	2,050	1,121	1,082	943	914	3,400	3,346
Accumulated other comprehensive income (loss)	69	42	61	55	85	84	159	128	28	16	287	235
<b>Total capital (GAAP)</b>	<b>3,138</b>	<b>3,050</b>	<b>5,329</b>	<b>5,289</b>	<b>7,359</b>	<b>7,548</b>	<b>3,712</b>	<b>3,765</b>	<b>2,479</b>	<b>2,454</b>	<b>6,646</b>	<b>6,530</b>
<b>Total liabilities and capital</b>	<b>\$ 66,383</b>	<b>\$ 65,412</b>	<b>\$ 94,122</b>	<b>\$ 92,857</b>	<b>\$ 146,043</b>	<b>\$ 146,515</b>	<b>\$ 69,037</b>	<b>\$ 72,773</b>	<b>\$ 57,427</b>	<b>\$ 47,715</b>	<b>\$ 110,577</b>	<b>\$ 109,326</b>
<b>Regulatory capital</b>	<b>\$ 3,244</b>	<b>\$ 3,178</b>	<b>\$ 5,583</b>	<b>\$ 5,547</b>	<b>\$ 7,511</b>	<b>\$ 7,719</b>	<b>\$ 3,560</b>	<b>\$ 3,643</b>	<b>\$ 2,455</b>	<b>\$ 2,442</b>	<b>\$ 6,586</b>	<b>\$ 6,522</b>

(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 March 31,												
<i>(Dollars in millions)</i>	Combined <sup>(1)</sup>		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net interest income after provision (reversal) for credit losses	\$ 1,273	\$ 1,263	\$ 86	\$ 80	\$ 177	\$ 193	\$ 130	\$ 108	\$ 144	\$ 135	\$ 122	\$ 118
Non-interest income (loss)	63	4	(7)	2	13	(19)	4	2	7	27	(18)	(4)
Non-interest expense	334	312	19	21	40	34	25	22	39	35	23	22
Affordable Housing Program assessments	102	97	6	6	15	14	11	9	11	13	8	9
<b>Net income (loss)</b>	<b>\$ 900</b>	<b>\$ 858</b>	<b>\$ 54</b>	<b>\$ 55</b>	<b>\$ 135</b>	<b>\$ 126</b>	<b>\$ 98</b>	<b>\$ 79</b>	<b>\$ 101</b>	<b>\$ 114</b>	<b>\$ 73</b>	<b>\$ 83</b>
	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net interest income after provision (reversal) for credit losses	\$ 57	\$ 71	\$ 118	\$ 124	\$ 159	\$ 157	\$ 72	\$ 68	\$ 63	\$ 66	\$ 144	\$ 148
Non-interest income (loss)	3	6	18	—	5	8	16	3	13	(7)	15	(8)
Non-interest expense	23	23	50	42	39	33	24	24	17	15	43	49
Affordable Housing Program assessments	4	6	9	8	13	14	6	5	6	4	12	10
<b>Net income (loss)</b>	<b>\$ 33</b>	<b>\$ 48</b>	<b>\$ 77</b>	<b>\$ 74</b>	<b>\$ 112</b>	<b>\$ 118</b>	<b>\$ 58</b>	<b>\$ 42</b>	<b>\$ 53</b>	<b>\$ 40</b>	<b>\$ 104</b>	<b>\$ 81</b>

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