

## CREDIT ANALYSIS

# Federal Home Loan Banks

Reston, Virginia, United States

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### Summary Rating Rationale

The Aaa rating of the Federal Home Loan Bank System (FHLBanks or System) reflects its consistent risk-adjusted earnings, solid asset quality, unique position as a key funding source to its member institutions, as well as the substantial support of the U.S. Government. The ratings of the FHLBanks reflect the combination of the following elements: 1) a baseline credit assessment (BCA) of 5 (on a scale of 1 to 21, where 1 represents lowest credit risk), 2) Aaa local currency deposit ceiling of the U.S. Government, 3) high dependence between the FHLBanks and the U.S. Government, and 4) high support between the two.

The FHLBank System's baseline credit assessment reflects its solid asset quality, consistent risk-adjusted profitability, as well as the benefits associated with the joint and several liability for the FHLBanks' debt. Asset quality remains a core strength of the FHLBank System, having never incurred a credit loss on an advance, which represents over 53.4% of total assets as of September 30, 2011. The FHLBank System's profitability reflects the lower risk profile of the System. The System's ROAA has been very stable - standard deviation of .08% from year-end 2007 through the nine months ended September 30, 2011, a very low amount. The FHLBanks' standard deviation of ROAA compares with a 0.46% standard deviation of ROAA for all Aa-rated banks. However, the FHLBank System's ROAA of .27% for the same period is much lower than the 1.14% ROAA of Aa-rated banks.

This Credit Analysis provides an in-depth discussion of credit rating(s) for Federal Home Loan Banks and should be read in conjunction with Moody's most recent Credit Opinion and rating information available on [Moody's website](#).

## Business Overview

The Federal Home Loan Banks are one of the largest GSEs in the U.S. with total assets of \$778.3 billion as of September 30, 2011. The System, comprised of 12 regional FHLBanks, was created by the U.S. Congress in 1932 to provide member institutions with a stable source of funding to support the domestic residential housing market. Each FHLBank has its own employees, management and board of directors. The funding of each FHLBank is sourced almost entirely from consolidated debt securities that are issued through the FHLBank System's Office of Finance. The U.S. Government does not guarantee any of the FHLBanks' debt securities. The FHLBank System is regulated by the Federal Housing Finance Agency (FHFA).

The FHLBanks' primary business is extending advances (i.e., loans) to members. Members generally use these funds to support mortgages held in their portfolio. The vast majority of advances are collateralized with single-family mortgages, and members must post collateral to borrow from their FHLBank. The members can also borrow to fund low-income housing, which assists them in achieving certain Community Reinvestment Act (CRA) requirements.

In addition to making advances, the FHLBanks also purchase loans through either the Mortgage Partnership Finance<sup>®</sup> (MPF<sup>®</sup>) Program or the Mortgage Purchase Program (MPP). Though its size has been in decline in recent years, MPF<sup>®</sup> and MPP programs were significant at one time, representing 12.9% of FHLBank System assets as of June 30, 2004. FHLBanks also provide other credit products, such as interest rate swaps and letters of credit, as well as safekeeping and settlement services to member and nonmember borrowers, which include some state and city housing finance agencies. FHLBanks also invest in securities, principally MBS, subject to an investment limit of three times regulatory capital.

The 12 regional FHLBanks are each cooperatively owned by their respective members or former members in certain cases. Membership in the system is voluntary and consists of commercial banks, thrifts, insurance companies, credit unions and community development financial institutions. A member's designated home office determines which regional FHLBank it will join. As a result, holding companies with multiple financial institution charters, each with different designated home offices, may have membership in more than one FHLBank. Members may receive dividends on their shares from the profits of their respective FHLBank.

## Key Issue - GSE Reform

GSE reform remains elusive. At the earliest, progress could occur after the 2012 presidential election. To date, the reform is primarily focused on the roles of Fannie Mae and Freddie Mac. However, the FHLBanks are likely to be included in the reform, though the impact remains uncertain. Moody's will monitor GSE reform as it progresses, as well as its impact on the FHLBanks.

## Analysis of Rating Considerations

Ratings of the FHLBank System reflect the stand-alone credit risk profile of the FHLBanks, as well as the likelihood that the System's combined debt obligations would benefit from the support by the U.S. Government. Specifically, the FHLBank System's ratings reflect the combination of the following elements: 1) a baseline credit assessment of 5 (on a scale of 1 to 21, where 1 represents lowest credit risk), 2) Aaa local currency deposit ceiling of the U.S. Government, 3) high dependence between the FHLBanks and the U.S. Government, and 4) high support between the two.

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### Baseline Credit Assessment

The baseline credit assessment of 5 for the FHLBank System reflects the joint and several liability for the debt among the 12 FHLBanks, as well as the System's strong asset quality and consistent earnings generation. Moody's BCAs are Moody's opinions of stand-alone financial strength of a government-related issuer (the probability that the institution will require extraordinary support from an external party).

### Asset Quality

*Asset Quality Remains Strong and is Key System Strength, but Risks Exist With Private Label Securities Portfolio*

The quality of the FHLBanks' assets continues to be strong and is a key credit strength. The FHLBanks' assets are comprised primarily of advances (i.e., secured loans to members), investment securities and to a lesser extent, of mortgages acquired through the FHLBanks' MPP and MPF programs.

The FHLBanks' asset quality on its advances has been consistently outstanding, and we expect this to continue. To date, no credit loss has ever been incurred on an advance. The FHLBanks' assets consist primarily of advances, investments and mortgage loans purchased from members. Advances represented 53.4% of assets at September 30, 2011, compared to 54.5% at December 31, 2010. Advances have declined due to strong bank liquidity as a result of deposit growth and modest loan growth at banks. Moody's expects advance growth to remain tepid through 2012.

The FHLBanks' collateral requirements on advances, and their preferred creditor status, supports credit quality in the event a member defaults on its advances. Each FHLBank has individual credit approval power, and establishes its own underwriting standards and eligible collateral, within FHFA guidelines. Eligible collateral includes current first-lien residential mortgages (overwhelmingly single-family) or securities backed by such mortgages, federal agency securities, FHLBank deposits and other real estate-related assets approved by the relevant FHLBank's board of directors. Expanded collateral rules also allow for small business loans, agriculture loans or securities representing a whole interest in such loans. Members/borrowers are also subject to monthly monitoring, and the FHLBanks can request additional collateral.

The FHLBanks maintain a \$220.6 billion investment portfolio, which contains both mortgage and non-mortgage related investments. The mortgage-related investment portfolios consist primarily of \$99.6<sup>1</sup> billion of GSE MBS securities (45% of the investment portfolio), \$31.4<sup>1</sup> billion of private label securities (14% of the investment portfolio), and \$13.3<sup>1</sup> billion of government guaranteed securities (6% of the investment portfolio). Based on UPB, the private-label securities (PLS) portfolio consists of \$17.7 billion of prime (44.7% of PLS), \$20.2 billion of Alt-A (50.9% of PLS) and \$1.1 billion of sub-prime (4.4% of PLS). During the period from 2009 through the 3<sup>rd</sup> quarter of 2011, the FHLBanks

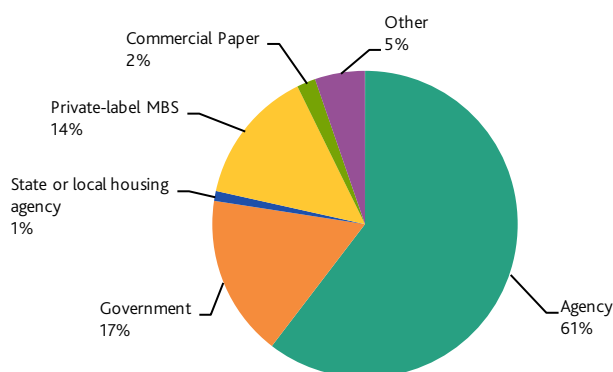
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<sup>1</sup> Amounts are based on fair value for available-for-sale and trading securities and carrying value for held-to-maturity securities.

recorded \$4.27 billion in other-than-temporary impairment (OTTI) charges in earnings. Moody's believes that the FHLBanks have the capital (\$40.3 billion) to absorb future expected losses on this portfolio; however, OTTI charges will continue to dampen earnings, albeit at lower levels.

The FHLBanks' \$76.1 billion non-MBS portfolio primarily consist of high-quality liquid investments such as bank certificates of deposit (\$16.2 billion), GSE debt (\$25.2 billion), TLGP (\$19.6 billion) and government guaranteed student loans (\$8.4 billion).

FIGURE 1  
FHLBanks Investment Portfolio Mix  
(9/30/2011)



Source: FHLBanks Reports

### *Mortgage Programs Carry Higher Credit Risk, but Have Performed Well*

The FHLBanks' conforming mortgage loan programs, MPF and Mortgage Purchase Program (MPP) provide members with an alternative to Fannie Mae and Freddie Mac execution. MPF and MPP programs grew rapidly since their inception in 1999 through 2004. At September 30, 2011, mortgage assets comprised \$55.3 billion or 7.1% of the System's assets, versus 12.3% as of year-end 2004.

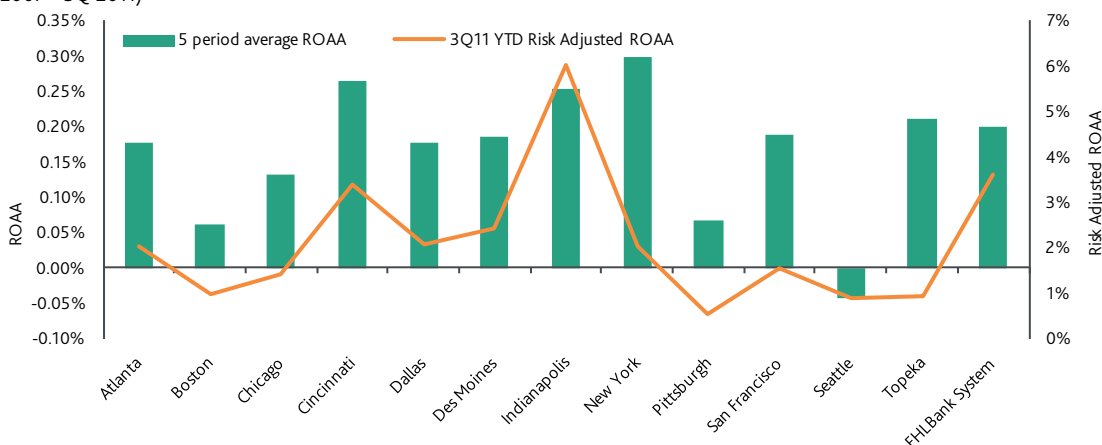
The FHLBanks' mortgage assets are more susceptible to credit loss, and in particular, carry heightened operational complexity relative to the FHLBanks' core lending business. However, credit risks are being managed well. The credit performance of MPF and MPP programs has been very good to date exceeding that of Fannie Mae and Freddie Mac. This excellent track record reflects the high quality of mortgage assets purchased into FHLBanks' MPF and MPP programs. In addition, risk-based capital must be held against the member assets or pools of assets where the implied credit rating is lower than Aa. As of September 30, 2011, the delinquency rate on MPF and MPP loans were 192 basis points and 198 basis points, respectively, well below industry averages. In addition, net charge-offs totaled \$14 million year-to-date through September 30, 2011.

### Profitability

#### *Consistent Though Modest Profit Generation*

The FHLBanks generate consistent albeit modest returns given the stability and low risk profile of their core low-margin advance businesses. The chart below shows the FHLBanks' risk-adjusted return (i.e., ROAA as a percentage of the standard deviation of ROAA over the past five periods). Individual bank profitability is a function of business mix and competitive pressures, as well as competency in risk mitigation. Variability in returns on assets is moderate due to consistency in business mix, as well as strong interest rate and credit risk management at most FHLBanks.

FIGURE 2  
Return on Assets and Risk Adjusted Performance  
(2007 – 3Q 2011)

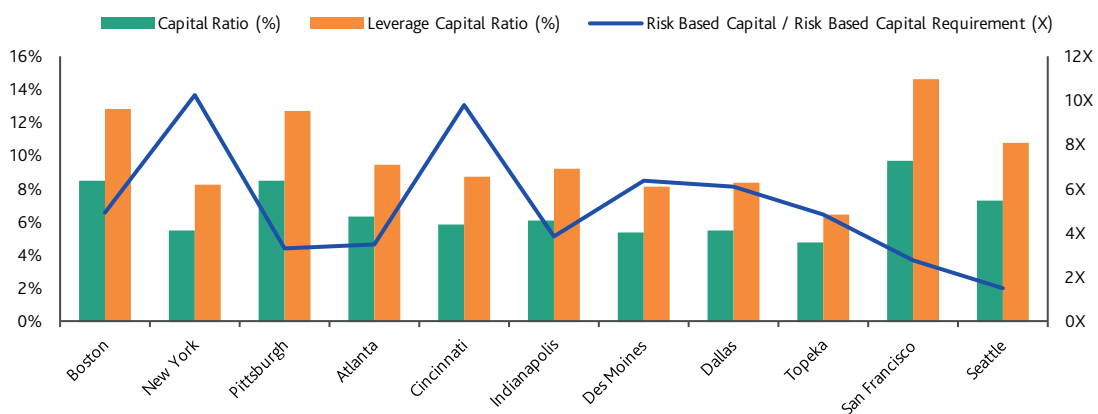


Source: FHLBanks Reports and Moody's

### Capital Adequacy

As shown in the chart below, capital levels vary among the FHLBanks, and in Moody's view, capital ratios should not be viewed in isolation from the risk profiles of individual FHLBanks. Differentiation in capital levels is directly tied to the business risks faced by each FHLBank. This is underscored by the ability of the FHFA to require that individual FHLBanks maintain capital levels above the minimum regulatory thresholds. Moody's believes that risk profiles and the associated financial strengths of individual FHLBanks are not uniform.

FIGURE 3  
FHLBanks Capital Ratios  
(9/30/2011)

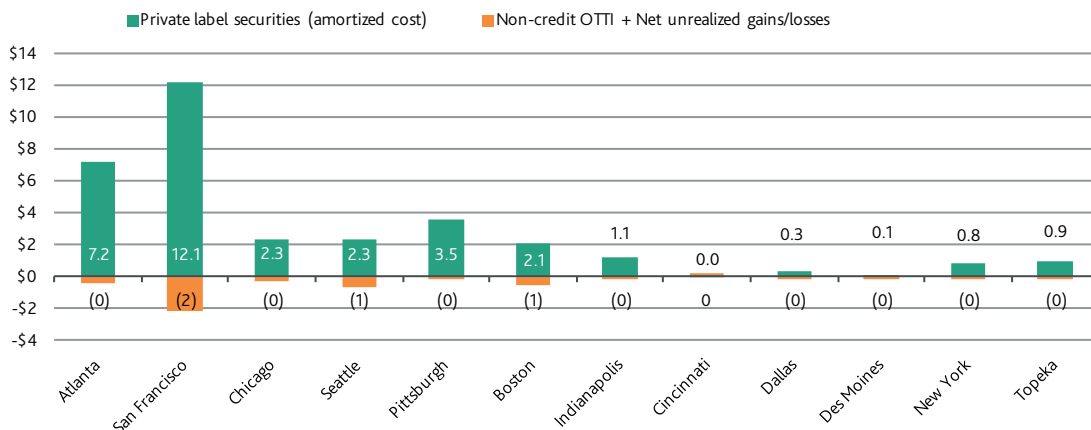


Source: FHLBanks Reports

Permanent capital is defined as Class B stock plus retained earnings and mandatorily redeemable stock, while total regulatory capital includes Class A stock, permanent capital, mandatorily redeemable stock and applicable loss allowances. The FHLBanks must maintain total regulatory capital levels equal to 4% of total assets. However, only permanent capital satisfies the risk-based capital requirement. Risk-based capital is defined as the sum of credit risk, market risk, and operational risk capital requirements. The FHLBanks are also subject to a 5% minimum leverage capital to total assets ratio. Leverage capital equals 150% of permanent capital plus the sum of all other regulatory capital. As of September 30,

2011, each FHLBank's regulatory capital to asset ratio was at least 4.8% (minimum regulatory capital ratio requirement is 4.0%) and its leverage ratio was at least 6.4% (minimum leverage ratio requirement is 5.0%).

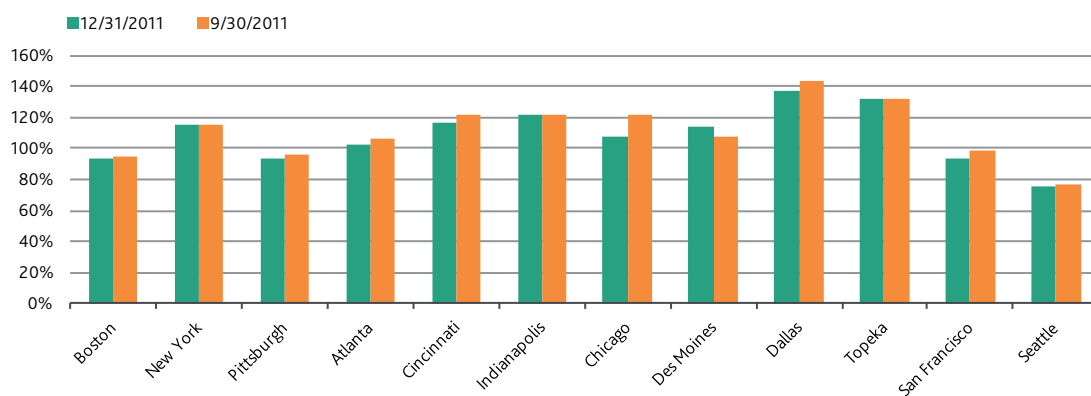
FIGURE 4  
**FHLBanks Gross Unrealized Losses (\$ in billions)**  
 (9/30/11)



Source: FHLBanks Reports and Moody's

The FHLBanks have a substantial exposure to private-label RMBS securities. These securities are typically classified as held-to-maturity and reported at carrying value for accounting purposes. The fair value and carrying value of PLS<sup>2</sup> (both classified as HTM and AFS) was \$31.4 billion, compared with a cost basis of \$35.4 billion as of September 30, 2011. The FHLBanks' have recorded \$4.27 billion in credit-related OTTI since 2009. Moody's believes the remaining economic loss related to these securities is manageable.

FIGURE 5  
**Market Value of Equity as a % of Capital Stock**



Source: FHLBanks Reports

Another way to view capital levels at the FHLBanks is based on their market value of equity (MVE). Differences between FHLBank MVE is largely a result of 1) the FHLBank's exposure to RMBS, 2) the

<sup>2</sup> Private-label securities include mortgages backed by residential MBS, commercial MBS and home equity loans.

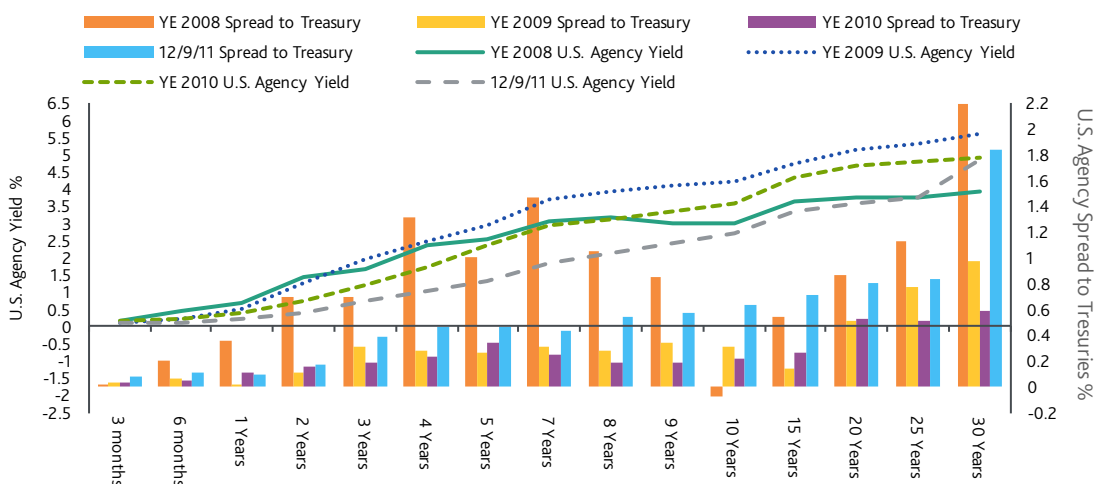
RMBS carrying value (e.g., book value less impairments) relative to market prices, and 3) the level of the FHLBank's retained earnings.

**Liquidity and Funding**

The FHLBanks' GSE status has enabled them to fund their obligations at very tight margins to U.S. Treasury securities. As shown in the chart below, agency spreads mostly widened in 2011 from historical lows in 2010.

FIGURE 6

**US Agencies Yield and Spread**



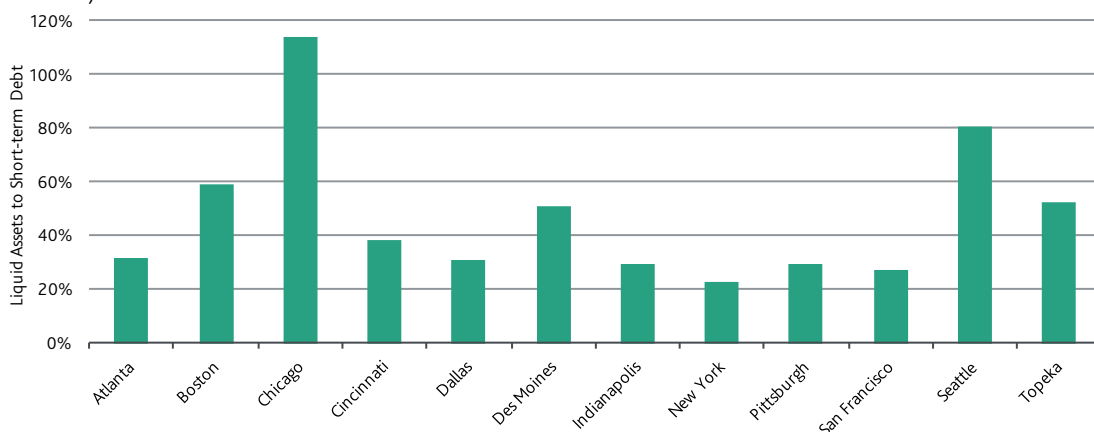
Source: Bloomberg

The FHLBanks' internal sources of liquidity are modest. Each FHLBank is required to maintain sufficient liquidity, through short-term investments, in an amount at least equal to that FHLBank's anticipated cash outflows under two different scenarios. The first scenario assumes that the FHLBank cannot access the capital markets for 15 days and during that time members do not renew their maturing, prepaid and called advances. The second scenario assumes that the FHLBank cannot access the capital market for five days and during that period, members renew maturing and called advances. All FHLBanks were in compliance with these requirements as of September 30, 2011.

FIGURE 7

**FHLBanks Liquidity**

(9/30/2011)



Source: FHLBanks Reports

As of September 30, 2011, the FHLBanks had approximately \$399.7 billion in short-term debt which includes deposits, discount notes and bonds maturing within a one-year period. In total, short-term debt comprised about 57% of total debt - a very high figure. This amount has decreased over the past two years as long-term funding in the agency market normalized.

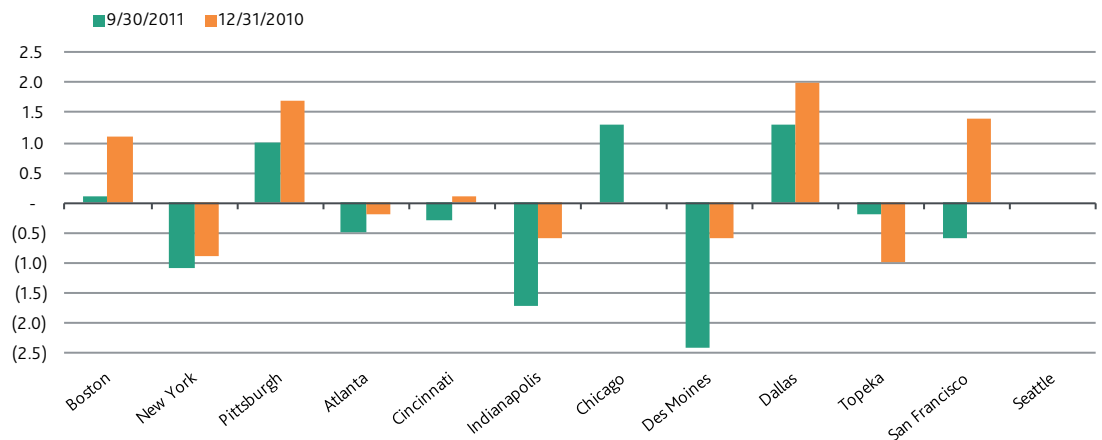
Liquid assets include cash, cash equivalents, interest-bearing deposits, federal funds, repurchase agreements, as well as a portfolio of highly rated trading and available-for-sale investment securities. Liquid assets represented approximately 46% of short-term debt as of September 30, 2011. In addition, the FHLBanks \$4 billion line of credit with the U.S. Treasury provides modest liquidity support and is indicative of symbolic support from the U.S. Government.

### Interest Rate Risk

Each FHLBank conservatively manages its interest rate risk exposures through the use of debt with similar characteristics, as well as through the use of derivative contracts. One of the measures the FHLBanks use to gauge their interest rate risk is duration gap between the durations of assets and liabilities, which ranged between a positive 1.3 months and a negative 2.4 months as of September 30, 2011. As the chart below shows, interest-rate risk exposures are moderate, and are not uniform among the FHLBanks, reflecting different exposure, risk management strategies and asset mix.

FIGURE 8

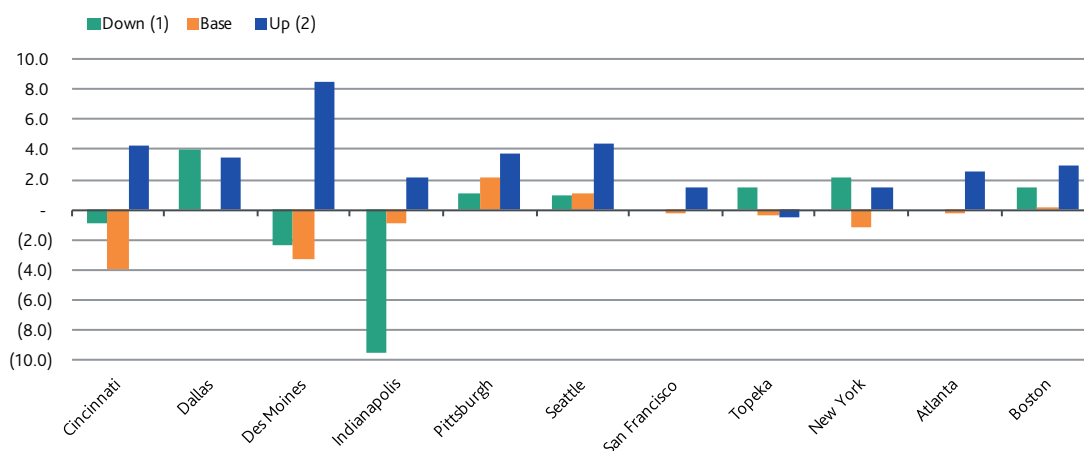
#### Duration Gap (in months)



Source: FHLBanks Reports

In addition to managing and gauging their risk exposures to duration gap, many of the FHLBanks utilize duration of equity and value-at-risk measurements as part of their interest and market risk management.

FIGURE 9  
Duration of Equity (in years)  
9/30/2011



Source: FHLBanks Reports

- (1) Applicable regulation restricts the down rate from assuming a negative interest rate. Therefore, each FHLBank adjusts the down rate accordingly.  
(2) Up = 200 basis points.

Growth in the FHLBanks' MPP and MPF mortgage programs in the first half of this decade elevated interest rate risks to those FHLBanks particularly active in this line of business. However, as FHLBanks decrease their MPP and MPF activities, interest rate risk should subside. While we believe that these risks are well managed on the whole, it varies from FHLBank to FHLBank; the challenge of interest rate risk management should add to the FHLBanks' risk profile.

### Other Considerations

#### *Structural Support Mechanisms Underpin FHLBanks' Financial Strength*

The joint and several liability of the individual FHLBanks for the consolidated debt securities (rated Aaa) issued in the name of the System is a major structural support of the FHLBank System. The FHLBanks' debt securities, which include consolidated bonds and consolidated discount notes, are neither obligations of, nor guaranteed by, the U.S. Government. Rather, consolidated obligations are the general unsecured joint and several obligations of the twelve FHLBanks. The financial strength of the FHLBank System is sound, and the joint and several liability contributes to the overall strength of the FHLBank System by narrowing any ratings differences among the FHLBanks that would exist were ratings to exclude the joint and several feature. As a result, the BCAs of the weakest FHLBanks are increased and the ratings of the strongest are lowered. The joint and several liability has never been tested in this cooperative system. In addition, the FHFA has the authority to force FHLBank consolidation from the current level of twelve FHLBanks, though the statute requires the FHFA to establish at least eight districts and to charter a FHLBank for each of those districts. The consolidation of a FHLBank is an additional level of support for the System that, in Moody's opinion, would likely occur prior to enforcement of the joint and several liability provisions or assistance from the U.S. Government.

Obligations such as subordinated debt, derivatives, letters of credit and deposits issued by each FHLBank are the obligation of that FHLBank alone, and do not benefit from the joint and several guarantee, and therefore are *de facto* subordinate to the FHLBank System's Consolidated Obligations (COs). Each FHLBank is rated independently (all 12 FHLBanks are rated Aaa for their bank deposit ratings).

## Regulatory actions

### *FHLBank of Seattle*

The FHLBank of Seattle is operating under a Consent Arrangement with the FHFA. The Consent Arrangement establishes requirements for capital management, asset composition, as well as other operational and risk management improvements. It also establishes certain thresholds, which once met, allows the FHLBank of Seattle to begin repurchasing excess capital stock from members. The Consent Arrangement began on October 25, 2010.

### *FHLBank of Chicago*

The FHLBank of Chicago is operating under a cease and desist order (C&D) from the FHFA. Under the terms of the C&D, the FHLBank of Chicago submitted a revised capital plan and implementation strategy. On September 30, 2011, the FHLBank of Chicago received approval from the Finance Agency to implement its new capital plan as of January 1, 2012. While for the time being it will still need to seek the FHFA's approval for any capital repurchases or redemptions, the regulator has agreed to terminate the C&D's higher capital requirements, so FHLBank Chicago will be subject to the same regulatory capital ratios as other FHLBanks. As a result, its minimum capital-to-asset ratio will revert to 4.00% from 4.50%. As of September 30, 2011, the FHLBank of Chicago's capital ratio stood at 6.86%.

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## Dependence & Support

Moody's considers each of the FHLBanks to be a Government-related Issuer (GRI). GRIs are companies owned fully or partly by the government or with a special mandate or charter from the government. The Joint-Default Analysis (JDA) methodology for GRIs systematically incorporates into the rating of a firm's standalone credit risk profile as well as the likelihood that a government would provide support to that firm's debt obligations.

The JDA rating model requires four parameters to derive the final rating. The starting point of the methodology is an assessment of the Government-related Issuer's intrinsic — or standalone — financial strength, referred to as a BCA. The BCA explicitly excludes the likelihood of extraordinary government support in the event a bailout is required. The key considerations regarding the FHLBanks' BCA are discussed above in the Analysis of Key Rating Considerations. The model's other inputs include the rating of the U.S. Government, the probability of government support, and the degree of default dependence.

Moody's makes an assessment of the likelihood that the government would step in and bail out a GRI if it were to experience a catastrophic loss. An explicit guarantee would be an example of full support (S=100%). In this case, the default risk faced by a GRI's bondholders is simply the joint default risk of the GRI and the supporting government — in turn, a function of their respective baseline ratings and the dependence factor. At the other extreme, where support is non-existent, the default risk faced by an investor is simply the baseline default risk of the GRI. In most cases, however, support for a GRI cannot be characterized as a guarantee, in which case judgment is required to place support along a continuum. We rarely assume that government support for a GRI is non-existent (S=0%), but is instead a positive value that is itself a function of several factors. Among these factors are the percentage of state ownership, national importance of the GRI, privatization status and political tolerance towards government intervention.

Default dependence is defined as the chance that the economic conditions that might precipitate a government default will force the issuer to default at the same time. The maximum possible

dependence holds if, given a default by the supporting government, the GRI will default with certainty. In other words, the baseline credit profiles of the government and the GRI are inextricably linked. In such a situation, the joint-default risk will equal the sovereign's default risk. Any ratings on such fully supported obligations would therefore be capped at the sovereign's rating. Minimum possible dependence holds if, given a default by the supporting government, the GRI's default risk (absent extraordinary support) remains consistent with its baseline default risk assessment. In other words, their default risks are independent of one another and the joint-default risk is therefore equal to the product of their respective default probabilities.

High dependence and support levels for the FHLBank System reflects the importance of the System to its member institutions and their ability to support housing finance and community development. The FHLBanks are an important and relatively inexpensive source of credit to their member institutions. Housing remains a key political issue in the United States, and the FHLBanks' successful role in facilitating housing finance is therefore an important rating factor.

### Baseline Credit Assessment of FHLBanks

The FHLBank System's debt ratings and the FHLBanks' deposit ratings are derived by (1) evaluating the stand-alone financial strength of each FHLBank exclusive of cooperative or government support, (2) incorporating cooperative support from the remaining FHLBanks and (3) incorporating government support to the FHLBank System.

In coming to the BCA for the FHLBank System, Moody's considers the individual BCAs of each of the FHLBanks as well as the profile of the FHLBank System as if it were one, combined entity. The FHLBank System's BCA of 5 provides "lift" to the FHLBanks with lower BCAs due to Moody's assumption of very high support from the System to each of the FHLBanks. In addition, Moody's believes the FHLBank System enjoys a very high level of support from the U.S. Government which provides further lift to the ratings on the senior debt of the FHLBank System and the deposits of each of the FHLBanks.

The BCAs' of the FHLBanks of Cincinnati, Indianapolis and New York are 4 (Aa3 equivalent), while the BCAs of the FHLBanks of Dallas, Des Moines, San Francisco and Topeka are 5 (A1 equivalent). The BCAs of the FHLBanks of Atlanta, Boston and Pittsburgh are 6 (A2 equivalent), and the BCAs of the FHLBanks of Chicago and Seattle are 9 (Baa2 equivalent). The BCA for each of the FHLBanks reflect their differing business profiles, and also importantly, their individual exposure to losses from their private label securities portfolios.

## Annual Statistics

<b>Federal Home Loan Banks</b>					
(\$ in billions)	2011(1)	2010	2009	2008	2007
<b>Period-end Balances</b>					
Total Cash & Investments	304	334	309	327	299
Total Advances	415	479	631	929	875
Total Assets	778	878	1,016	1,349	1,274
Total Deposits	16	14	16	15	22
Total Consolidated Obligations	703	801	935	1,258	1,179
Total Stockholders Equity	40	44	43	51	54
<b>Capital Adequacy</b>					
Equity / Assets (%)	5.2	5.0	4.2	3.8	4.2
Average Equity / Average Assets (%)	5.1	4.5	4.0	4.1	4.3
Total Liabilities / Equity (X)	18.3	19.1	22.7	25.3	22.8
Total Deposits / Total Liabilities (%)	2.2	1.7	1.6	1.2	1.8
Consol. Obligations / Total Liab. (%)	95.2	96.0	96.1	97.0	96.6
Consol. Obligations / Equity (X)	17.4	18.3	21.8	24.5	22.0
Consol. Obligations + Deposits / Equity (X)	17.8	18.6	22.2	24.8	22.4
Equity / Total Advances (%)	9.7	9.1	6.8	5.5	6.1
Average Equity / Average Advances (%)	9.8	8.0	6.2	6.0	6.7
Cash Dividends / Net Income (%)	38.2	26.0	31.9	94.9	52.8
<b>Profitability</b>					
Return on Period-end Assets (%)	0.2	0.3	0.2	0.1	0.2
Return on Average Assets (%)	0.2	0.3	0.2	0.1	0.3
Return on Period-end Equity (%)	3.6	6.3	4.3	2.3	5.3
Return on Average Equity (%)	3.3	6.4	4.0	2.2	6.0
Interest Expense / Interest Revenue (%)	64.7	63.9	74.0	88.5	92.1
Net Interest Income / Net Income (%)	284.6	251.5	292.8	434.7	159.7
Net Interest Income / Operating Exp. (%)	484.7	608.6	668.1	716.3	632.5
Net Interest Margin (%)	0.49	0.73	0.47	0.39	0.42
Net Income / Net Revenues (%)	50.3	54.8	50.9	41.7	60.9
Net Revenues / Average Equity (%)	6.6	11.7	7.8	5.2	9.9
Operating Expenses / Net Revenues (%)	29.6	22.6	22.3	25.3	15.4
Operating Expenses / Average Assets (%)	0.1	0.1	0.1	0.1	0.1
<b>Liquidity</b>					
Liquid Assets / Total Assets (%)	23.5	22.3	15.8	10.5	11.6
Liquid Assets / Total Liabilities (%)	24.8	23.5	16.5	11.0	12.1
Total Advances / Total Assets (%)	53.4	54.5	62.1	68.8	68.7

**Federal Home Loan Banks**

(\$ in billions)	2011(1)	2010	2009	2008	2007
<b>Balance Sheet Composition (% Assets):</b>					
<i>Assets:</i>					
<i>Cash &amp; Investments:</i>					
Cash and due from banks	1.8	0.4	2.4	1.5	0.0
Total Investments	37.3	37.6	28.0	22.7	23.4
Total Cash & Investments	39.1	38.1	30.4	24.2	23.5
Advances to Members	53.4	54.5	62.1	68.8	68.7
<i>Liabilities &amp; Stockholders Equity</i>					
Total Deposits	2.1	1.6	1.6	1.1	1.7
<i>Consolidated Obligations:</i>					
Discount Notes	22.1	22.1	19.5	32.6	29.5
Bonds	68.1	69.1	72.5	60.7	63.0
Total Consolidated Obligations	90.3	91.2	92.1	93.3	92.5
Total Liabilities	94.8	95.0	95.8	96.2	95.8
<i>Stockholders Equity:</i>					
Capital Stock	4.6	4.8	4.4	3.7	3.9
Total Retained Earnings	1.1	0.9	0.6	0.2	0.3
Total Stockholders Equity	5.2	5.0	4.2	3.8	4.2

[1] For the first 9 months ended September 30, 2011

## Moody's Related Research

### Credit Opinion:

- » [Federal Home Loan Banks, August 2011](#)

### Special Comments:

- » [Implications of a U.S. Rating Action on the Ratings of U.S. Financial Institutions, July 2011 \(134384\)](#)
- » [US Rules on Voluntary FHLBanks Merger Are Credit Positive, December 2011 \(137838\)](#)
- » [A Diminished Federal Home Loan Bank System Would Weaken US Banks, October 2011 \(136697\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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