



February 23, 2011

FOR IMMEDIATE RELEASE:

Office of Finance Announces Preliminary Unaudited 2010 Combined Operating Highlights for the Federal Home Loan Banks

These highlights have been prepared from the unaudited financial information of each Federal Home Loan Bank (FHLBank) and are subject to change. This announcement also contains unaudited balance sheet and income statement highlights as of and for the three months and year ended December 31, 2010 and comparative periods. Each of the FHLBanks has announced preliminary unaudited financial highlights as of and for the year ended December 31, 2010, filing a Form 8-K with the SEC. Individual and combined FHLBank balance sheet and income statement highlights are attached as Tables I, II and III to this press release.

Balance Sheet and Capital

Total assets were \$878 billion at December 31, 2010, a decrease of 14 percent from \$1,016 billion at December 31, 2009. Total GAAP capital increased \$932 million to \$43,741 million driven by growth in retained earnings and improvements in accumulated other comprehensive income (loss), partially offset by decreases in capital stock outstanding.

(Dollars in millions)	December 31,		Variance
	2010	2009	
Advances	\$ 478,589	\$ 631,159	\$ (152,570)
Investments	330,470	284,351	46,119
Mortgage loans held for portfolio, net	61,191	71,437	(10,246)
Other	7,859	28,636	(20,777)
Total assets	878,109	1,015,583	(137,474)
Consolidated discount notes	194,431	198,532	(4,101)
Consolidated bonds	606,567	736,344	(129,777)
Total Consolidated obligations	800,998	934,876	(133,878)
Capital stock	41,735	44,982	(3,247)
Retained earnings	7,552	6,033	1,519
Accumulated other comprehensive income (loss)	(5,546)	(8,206)	2,660
Total GAAP capital	43,741	42,809	932
Regulatory capital	57,361	60,161	(2,800)

Advances declined 24 percent during 2010 through normal paydowns and prepayments. This decline was driven primarily by low FHLBank member loan demand as a result of high deposit levels at member financial institutions and continued availability of alternative funding sources. A 16 percent increase in investments partially offset the advances decline. Additionally, mortgage loans held for portfolio continued to decrease through maturities and prepayments. Consolidated obligations declined 14 percent, mirroring the decline in total assets, due to maturities, redemptions and repurchases of higher-cost, longer-term debt.

Although total GAAP capital increased during 2010, total regulatory capital decreased \$2,800 million to \$57,361 million primarily due to net capital stock redemptions of \$3,247 million and decreases in mandatorily redeemable capital stock (MRCS) of \$1,072 million, partially offset by retained earnings growth of \$1,519 million. The difference between GAAP capital and regulatory capital relates primarily to accumulated other comprehensive income (loss), which is excluded from regulatory capital, and MRCS, which is included in regulatory capital.



Net Income

Changes in net income for the three months and year ended December 31, 2010 were driven primarily by improvements in other non-interest income (loss), which includes other-than-temporary impairment losses (OTTI), partially offset by modest decreases in net interest income.

(Dollars in millions)	For the Three Months Ended			For the Year Ended		
	December 31,			December 31,		
	2010	2009	Variance	2010	2009	Variance
Net interest income after provision for credit losses	\$ 1,241	\$ 1,328	\$ (87)	\$ 5,176	\$ 5,414	\$ (238)
Other non-interest income (loss)	1	(317)	318	(1,436)	(1,786)	350
Other expense	(308)	(259)	(49)	(932)	(943)	11
Assessments	(236)	(200)	(36)	(727)	(830)	103
Net income	\$ 698	\$ 552	\$ 146	\$ 2,081	\$ 1,855	\$ 226

Net Interest Income

During the three months and year ended December 31, 2010, the FHLBanks experienced declines in both interest income and interest expense and an increase in the provision for credit losses on mortgage loans held for portfolio, leading to an overall decrease in net interest income after provision for credit losses.

(Dollars in millions)	For the Three Months Ended			For the Year Ended		
	December 31,			December 31,		
	2010	2009	Variance	2010	2009	Variance
Interest income:						
Advances	\$ 988	\$ 1,422	\$ (434)	\$ 4,606	\$ 9,763	\$(5,157)
Prepayment fees on advances, net	157	42	115	533	166	367
Investments	1,453	1,636	(183)	6,180	7,104	(924)
Mortgage loans held for portfolio and other	743	891	(148)	3,191	3,876	(685)
Total interest income	3,341	3,991	(650)	14,510	20,909	(6,399)
Interest expense:						
Consolidated obligations	2,036	2,627	(591)	9,129	15,330	(6,201)
Deposits and other borrowings	39	32	7	147	147	-
Total interest expense	2,075	2,659	(584)	9,276	15,477	(6,201)
Net interest income before provision for credit losses	1,266	1,332	(66)	5,234	5,432	(198)
Provision for credit losses	(25)	(4)	(21)	(58)	(18)	(40)
Net interest income after provision for credit losses	\$ 1,241	\$ 1,328	\$ (87)	\$ 5,176	\$ 5,414	\$ (238)
Net interest margin	0.56%	0.50%	0.06%	0.55%	0.46%	0.09%

The decrease in interest income was primarily the result of declines in advances, run-off of higher yielding investments and mortgage loans, and lower yields on interest-earning assets in the current low interest-rate environment. Decreases in interest income were partially offset by higher prepayment fees on advances. Interest expense also decreased, driven by decreases in average debt outstanding, low interest rates and a shift from consolidated bonds to consolidated discount notes. In the aggregate, the net interest margin improvement was driven primarily by the higher prepayment fees and lower funding costs.



Other Non-Interest Income (Loss)

The primary drivers of other non-interest income (loss) are the credit quality of mortgage loans underlying private-label mortgage-backed securities (MBS) and the effect of interest-rate changes on the fair value of certain financial instruments.

(Dollars in millions)	For the Three Months Ended			For the Year Ended		
	December 31,			December 31,		
	2010	2009	Variance	2010	2009	Variance
Net other -than-temporary impairment losses	\$ (165)	\$ (436)	\$ 271	\$ (1,071)	\$ (2,431)	\$ 1,360
Net losses on advances, consolidated obligations and other liabilities held under fair value option	(31)	(22)	(9)	(106)	(457)	351
Net (losses) gains on derivatives and hedging activities	404	224	180	(302)	1,207	(1,509)
Net gains (losses) on trading securities	(196)	(104)	(92)	69	(140)	209
Other, net	(11)	21	(32)	(26)	35	(61)
Total other non-interest income (loss)	\$ 1	\$ (317)	\$ 318	\$ (1,436)	\$ (1,786)	\$ 350

Continued uncertainty about the future condition of the housing markets and the economy, as well as ongoing deterioration in the credit performance of loan collateral underlying certain private-label MBS, resulted in additional OTTI losses during 2010. However, the OTTI losses during 2010 decreased compared to a year earlier because of the relative stabilization in projected factors such as home prices that affect the expected cash flows of these securities. Additionally, other non-interest income (loss) is subject to variability due to changes in the fair value of derivatives and certain other financial instruments that are carried at fair value and subject to mark-to-market adjustments.

Assessments

The changes in Affordable Housing Program (AHP) and Resolution Funding Corporation (REFCORP) assessments reflect the improvement in net income before assessments and the fact that only FHLBanks with net income are required to make contributions to the AHP and REFCORP.

(Dollars in millions)	For the Three Months Ended			For the Year Ended		
	December 31,			December 31,		
	2010	2009	Variance	2010	2009	Variance
AHP	\$ 76	\$ 62	\$ 14	\$ 229	\$ 258	\$ (29)
REFCORP	160	138	22	498	572	(74)
Total assessments	\$ 236	\$ 200	\$ 36	\$ 727	\$ 830	\$ (103)



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, providing members a viable alternative to the secondary mortgage market through their mortgage programs, and through the payment of dividends. Each FHLBank also helps members with other local housing and community development needs through self-funded affordable housing programs.

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 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 over 7,800 members in all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands. Please contact Kevin Kincaid at 703-467-3608 (kkincaid@fhlb-of.com) for additional information.

Statements contained in this release may be "forward-looking statements," including those statements related to financial performance, publication of financial reports and private-label mortgage-backed securities investments. 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. Such risks and uncertainties include 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 or collateral held by the FHLBanks as security; political events, including government-sponsored enterprise reform, 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; changes in investor demand for consolidated obligations and/or the terms of interest-rate exchange agreements; 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 Securities and Exchange Commission. Any duty to update these forward-looking statements is disclaimed.



FHLBanks Office of Finance
Table I to February 23, 2011 Press Release
Balance Sheet Highlights
Unaudited
(Dollar amounts in millions)

	Combined (1)		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009
Advances	\$ 478,589	\$ 631,159	\$ 28,035	\$ 37,591	\$ 81,200	\$ 94,349	\$ 29,708	\$ 41,177	\$ 89,258	\$ 114,580	\$ 30,181	\$ 35,818	\$ 18,275	\$ 22,443
Investments (2)	330,470	284,351	27,134	20,947	16,739	16,222	18,752	17,173	39,879	32,940	33,314	24,193	19,785	14,994
Mortgage loans held for portfolio, net	61,191	71,437	3,246	3,506	1,266	1,317	4,483	5,163	2,039	2,522	7,770	9,366	6,702	7,272
Other	7,859	28,636	232	443	1,007	2,573	444	1,778	622	1,269	366	2,010	168	1,890
Total assets	878,109	1,015,583	58,647	62,487	100,212	114,461	53,387	65,291	131,798	151,311	71,631	71,387	44,930	46,599
Consolidated obligations	800,998	934,876	53,628	57,687	91,134	104,836	47,211	59,313	119,113	138,577	65,700	64,409	40,800	42,158
Capital stock	41,735	44,982	3,665	3,643	4,529	5,059	3,986	4,018	7,224	8,124	3,092	3,063	1,610	1,726
Retained earnings	7,552	6,033	249	142	712	689	397	389	1,124	873	438	412	427	349
Total accumulated other comprehensive income (loss)	(5,546)	(8,206)	(638)	(1,021)	(97)	(145)	(222)	(694)	(402)	(744)	(7)	(8)	(90)	(329)
Total GAAP capital	43,741	42,809	3,276	2,764	5,144	5,603	4,161	3,713	7,946	8,253	3,523	3,467	1,947	1,746

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009	December 31, 2010	2009
Advances	\$ 18,901	\$ 24,148	\$ 29,253	\$ 35,720	\$ 25,456	\$ 47,263	\$ 19,368	\$ 22,254	\$ 95,599	\$ 133,559	\$ 13,355	\$ 22,257
Investments (2)	46,239	36,793	18,640	20,790	12,269	13,492	14,846	16,348	52,582	47,006	30,499	23,817
Mortgage loans held for portfolio, net	18,294	23,838	7,421	7,717	207	259	4,173	3,334	2,381	3,037	3,209	4,106
Other	682	3,295	255	430	1,758	4,078	319	696	1,861	9,260	145	914
Total assets	84,116	88,074	55,569	64,657	39,690	65,092	38,706	42,632	152,423	192,862	47,208	51,094
Consolidated obligations	76,270	80,364	50,999	59,912	36,448	60,278	35,226	39,112	140,647	180,299	44,076	48,264
Capital stock	2,333	2,328	2,183	2,461	1,601	2,532	1,454	1,603	8,282	8,575	1,776	1,850
Retained earnings	1,099	708	556	484	452	356	352	355	1,609	1,239	73	52
Total accumulated other comprehensive income (loss)	(483)	(658)	91	(34)	(63)	(66)	(23)	(12)	(2,943)	(3,584)	(667)	(909)
Total GAAP capital	2,949	2,378	2,830	2,911	1,990	2,822	1,783	1,946	6,948	6,230	1,182	993

The table below presents individual FHLBank regulatory capital as of December 31, 2010. The difference between GAAP capital and regulatory capital relates primarily to accumulated other comprehensive income (loss), which is excluded from regulatory capital, and mandatorily redeemable capital stock (MRCS), which is included in regulatory capital.

Total Regulatory Capital at 12/31/10	
Boston	\$ 4,004
New York	5,310
Pittsburgh	4,419
Atlanta	8,877
Cincinnati	3,887
Indianapolis	2,695
Chicago (3)	\$ 4,962
Des Moines	2,746
Dallas	2,061
Topeka	1,826
San Francisco	13,639
Seattle	2,871

(1) The sum of the individual FHLBank balance sheet amounts may not agree to the combined balance sheet amounts due to interbank combining adjustments.

(2) Investments consist of interest-bearing deposits, deposits with other FHLBanks, securities purchased under agreements to resell, federal funds sold, trading securities, available-for-sale securities and held-to-maturity securities.

(3) Regulatory capital for the FHLBank of Chicago is defined as the sum of the paid-in value of capital stock and mandatorily redeemable capital stock (together defined as regulatory capital stock) plus retained earnings. The Finance Agency allows the FHLBank of Chicago to include a Designated Amount of subordinated notes when determining compliance with its regulatory capital ratio.



FHLBanks Office of Finance
Table II to February 23, 2011 Press Release
Income Statement Highlights

Unaudited
(Dollar amounts in millions)

	Combined (1)		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	For the Three Months Ended		For the Three Months Ended		For the Three Months Ended		For the Three Months Ended		For the Three Months Ended		For the Three Months Ended		For the Three Months Ended	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income after provision for credit losses	\$ 1,241	\$ 1,328	\$ 74	\$ 88	\$ 109	\$ 114	\$ 64	\$ 69	\$ 131	\$ 162	\$ 74	\$ 74	\$ 66	\$ 66
Net other-than-temporary impairment losses	(165)	(436)	(25)	(73)	(1)	(7)	(13)	(65)	(11)	(52)	-	-	(2)	(15)
Other income (loss), excluding OTTI	166	119	-	5	40	48	(6)	8	27	29	4	13	10	-
Other expense	(308)	(259)	(17)	(14)	(30)	(24)	(21)	(17)	(37)	(27)	(17)	(20)	(18)	(18)
Assessments	(236)	(200)	(8)	-	(31)	(35)	(3)	-	(29)	(30)	(17)	(18)	(15)	(9)
Net income (loss)	698	552	24	6	87	96	21	(5)	81	82	44	49	41	24

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	For the Three Months Ended		For the Three Months Ended		For the Three Months Ended		For the Three Months Ended		For the Three Months Ended		For the Three Months Ended	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income after provision for credit losses	\$ 228	\$ 129	\$ 80	\$ 66	\$ 47	\$ 51	\$ 57	\$ 62	\$ 270	\$ 406	\$ 44	\$ 44
Net other-than-temporary impairment losses	(16)	(58)	-	-	-	(1)	-	(1)	(73)	(116)	(24)	(48)
Other income (loss), excluding OTTI	16	(11)	10	7	9	21	(1)	14	35	(14)	(6)	-
Other expense	(49)	(39)	(22)	(17)	(25)	(18)	(13)	(13)	(41)	(39)	(19)	(14)
Assessments	(47)	-	(18)	(15)	(8)	(14)	(11)	(16)	(51)	(63)	2	-
Net income (loss)	132	21	50	41	23	39	32	46	140	174	(3)	(18)

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



FHLBanks Office of Finance
Table III to February 23, 2011 Press Release
Income Statement Highlights
Unaudited
(Dollar amounts in millions)

	Combined (1)		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net interest income after provision for credit losses	\$ 5,176	\$ 5,414	\$ 291	\$ 310	\$ 456	\$ 698	\$ 236	\$ 266	\$ 558	\$ 404	\$ 262	\$ 387	\$ 266	\$ 273
Net other-than-temporary impairment losses	(1,071)	(2,431)	(84)	(444)	(9)	(21)	(159)	(229)	(143)	(316)	-	-	(70)	(60)
Other income (loss), excluding OTTI	(365)	645	(2)	7	27	185	2	24	42	411	20	38	11	2
Other expense	(932)	(943)	(60)	(60)	(98)	(84)	(68)	(98)	(79)	(113)	(56)	(59)	(55)	(50)
Assessments	(727)	(830)	(38)	-	(100)	(207)	(3)	-	(100)	(103)	(62)	(98)	(41)	(45)
Net income (loss)	2,081	1,855	107	(187)	276	571	8	(37)	278	283	164	268	111	120

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net interest income after provision for credit losses	\$ 756	\$ 570	\$ 403	\$ 196	\$ 234	\$ 76	\$ 248	\$ 258	\$ 1,294	\$ 1,781	\$ 176	\$ 214
Net other-than-temporary impairment losses	(163)	(437)	-	-	(2)	(4)	(4)	(1)	(331)	(608)	(106)	(311)
Other income (loss), excluding OTTI	36	(70)	(162)	56	(12)	204	(151)	109	(273)	(340)	20	(12)
Other expense	(131)	(128)	(60)	(53)	(77)	(75)	(47)	(44)	(145)	(132)	(62)	(53)
Assessments	(132)	-	(48)	(53)	(38)	(53)	(12)	(85)	(146)	(186)	(7)	-
Net income (loss)	366	(65)	133	146	105	148	34	237	399	515	21	(162)

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