



April 29, 2011

FOR IMMEDIATE RELEASE:

Office of Finance Announces Preliminary Unaudited 2011 First Quarter Combined Operating Highlights for the Federal Home Loan Banks

These highlights are prepared from the unaudited financial information of each Federal Home Loan Bank (FHLBank) and are subject to change. This announcement contains unaudited individual and combined FHLBank balance sheet and income statement highlights as of and for the three months ended March 31, 2011 and comparative periods, attached as Tables I and II. Each of the FHLBanks announced preliminary unaudited financial highlights as of and for the three months ended March 31, 2011, filing a Form 8-K with the SEC.

The FHLBank System (System) continued to fulfill its mission by providing readily available and favorably priced wholesale funding to members and supporting the System’s commitment to affordable housing. The System’s liquidity position remained strong during the first quarter of 2011, as did its ability to effectively fund member advances.

Balance Sheet

Total assets were \$848.7 billion at March 31, 2011, a decrease of 3 percent from \$878.1 billion at December 31, 2010, driven by a \$33.5 billion decline in advances. Total GAAP capital increased \$1.1 billion to \$44.8 billion, as a result of an improvement in accumulated other comprehensive income (loss) and growth in retained earnings, partially offset by a decrease in capital stock outstanding.

(Dollars in millions)	March 31, 2011	December 31, 2010	Variance
ASSETS			
Investments	\$ 328,456	\$ 330,470	\$ (2,014)
Advances	445,090	478,589	(33,499)
Mortgage loans held for portfolio, net	58,426	61,191	(2,765)
Other	16,771	7,859	8,912
Total assets	\$ 848,743	\$ 878,109	(29,366)
LIABILITIES			
Consolidated discount notes	\$ 184,325	\$ 194,431	(10,106)
Consolidated bonds	585,221	606,567	(21,346)
Total consolidated obligations	769,546	800,998	(31,452)
Mandatorily redeemable capital stock	6,427	7,066	(639)
Other liabilities	27,966	26,304	1,662
Total liabilities	803,939	834,368	(30,429)
CAPITAL			
Capital stock	41,278	41,735	(457)
Retained earnings	7,749	7,552	197
Accumulated other comprehensive income (loss)	(4,223)	(5,546)	1,323
Total capital (GAAP)	44,804	43,741	1,063
Total liabilities and capital	\$ 848,743	\$ 878,109	(29,366)
Regulatory capital	\$ 56,461	\$ 57,362	(901)



Advances declined 7 percent during the first quarter of 2011 resulting from decreased member demand, regular maturities and continuing prepayments. Advance demand remained subdued because of continued availability of alternative funding sources as well as high deposit balances and low demand for loans at member institutions. Consolidated obligations declined 4 percent, consistent with the decline in total assets, due to maturities, redemptions and repurchases of higher-cost, longer-term debt.

Although total GAAP capital increased during the three months ended March 31, 2011, total regulatory capital decreased \$901 million to \$56.5 billion primarily because of decreases in mandatorily redeemable capital stock of \$639 million and capital stock outstanding of \$457 million, partially offset by retained earnings growth of \$197 million. 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, which is included in regulatory capital.

Net Income

The increase in net income for the three months ended March 31, 2011 was primarily the result of improvements in other non-interest income (loss), partially offset by a decrease in net interest income.

(Dollars in millions)	Three Months Ended March 31,		
	2011	2010	Variance
Net interest income after provision for credit losses	\$ 1,041	\$ 1,227	\$ (186)
Other non-interest income (loss)	(290)	(549)	259
Other expense	261	223	38
Assessments	132	130	2
Net income	<u>\$ 358</u>	<u>\$ 325</u>	<u>\$ 33</u>

Net Interest Income

Although the net interest margin remained flat, the decrease in net interest income for the three months ended March 31, 2011 was driven by a decline in interest income that exceeded the decline in interest expense, as well as an increase in the provision for credit losses on mortgage loans.

(Dollars in millions)	Three Months Ended March 31,		
	2011	2010	Variance
Interest income:			
Advances	\$ 898	\$ 1,212	\$ (314)
Prepayment fees on advances, net	58	32	26
Investments	1,395	1,585	(190)
Mortgage loans held for portfolio and other	703	846	(143)
Total interest income	<u>3,054</u>	<u>3,675</u>	<u>(621)</u>
Interest expense:			
Consolidated obligations	1,958	2,407	(449)
Deposits and other borrowings	34	33	1
Total interest expense	<u>1,992</u>	<u>2,440</u>	<u>(448)</u>
Net interest income before provision for credit losses	1,062	1,235	(173)
Provision for credit losses	21	8	13
Net interest income after provision for credit losses	<u>\$ 1,041</u>	<u>\$ 1,227</u>	<u>\$ (186)</u>
Net interest margin	0.49%	0.49%	-



The decrease in interest income was due primarily to declines in the average balance of advances, run-off of higher-yielding investments and mortgage loans, and lower yields on other interest-earning assets, partially offset by higher prepayment fees. Interest expense also decreased, driven primarily by declines in average debt outstanding, ongoing retirement of higher-cost consolidated bonds prior to maturity, lower interest rates on newer issuances and shifts from consolidated bonds to consolidated discount notes.

Other Non-Interest Income (Loss)

The improvement in other non-interest income (loss) was primarily the result of lower net losses in the mark-to-market of certain financial instruments carried at fair value, offset by an increase in net other-than-temporary impairment losses.

(Dollars in millions)	Three Months Ended March 31,		
	2011	2010	Variance
Net other-than-temporary impairment losses	\$ (275)	\$ (233)	\$ (42)
Net losses on advances, consolidated obligations and other liabilities held under fair value option	(60)	(104)	44
Net gains (losses) on derivatives and hedging activities	130	(254)	384
Net gains (losses) on trading securities	(71)	29	(100)
Other, net	(14)	13	(27)
Total other non-interest income (loss)	\$ (290)	\$ (549)	\$ 259

Other non-interest income (loss) was positively affected by mark-to-market gains on derivatives and lower mark-to-market losses on advances and consolidated obligations held under the fair value option, partially offset by mark-to-market losses on trading securities. Mark-to-market adjustments create variability due to changes in the fair value of derivatives and certain other financial instruments that are carried at fair value. Continued uncertainty about the future condition of the U.S. housing markets and the domestic economy, as well as ongoing deterioration in the credit performance of loan collateral underlying certain private-label MBS, resulted in additional other-than-temporary impairment losses during the first quarter of 2011. Assumptions regarding collateral performance included higher projected loss severities compared to prior quarters, reflecting anticipated increases in foreclosure and liquidation costs.

Assessments

Affordable Housing Program (AHP) and Resolution Funding Corporation (REFCORP) assessments were generally unchanged for the three months ended March 31, 2011, despite the increase in net income, as these assessments reflect the fact that only FHLBanks with positive net income are required to make contributions to the AHP and REFCORP.

(Dollars in millions)	Three Months Ended March 31,		
	2011	2010	Variance
AHP	\$ 41	\$ 40	\$ 1
REFCORP	91	90	1
Total assessments	\$ 132	\$ 130	\$ 2



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 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 or 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, including those resulting from changes in credit ratings; 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 April 29, 2011 Press Release
Balance Sheet Highlights
Unaudited
(Dollars in millions)

	Combined (1)		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
ASSETS														
Investments (2)	\$ 328,456	\$ 330,470	\$ 25,908	\$ 27,134	\$ 16,855	\$ 16,739	\$ 20,813	\$ 18,752	\$ 39,876	\$ 39,879	\$ 32,080	\$ 33,314	\$ 19,274	\$ 19,785
Advances	445,090	478,589	25,939	28,035	75,487	81,200	26,659	29,708	81,257	89,258	28,292	30,181	17,679	18,275
Mortgage loans held for portfolio, net	58,426	61,191	3,165	3,246	1,271	1,266	4,254	4,483	1,915	2,039	7,459	7,770	6,468	6,702
Other	16,771	7,859	584	232	3,261	1,007	473	444	585	622	3,495	366	480	168
Total assets	\$ 848,743	\$ 878,109	\$ 55,596	\$ 58,647	\$ 96,874	\$ 100,212	\$ 52,199	\$ 53,387	\$ 123,633	\$ 131,798	\$ 71,326	\$ 71,631	\$ 43,901	\$ 44,930
LIABILITIES														
Total consolidated obligations	\$ 769,546	\$ 800,998	\$ 50,513	\$ 53,628	\$ 88,037	\$ 91,134	\$ 46,175	\$ 47,211	\$ 110,554	\$ 119,113	\$ 65,315	\$ 65,700	\$ 39,776	\$ 40,800
Mandatorily redeemable capital stock	6,427	7,066	107	90	59	63	33	34	531	529	331	357	658	658
Other liabilities	27,966	26,304	1,631	1,653	3,835	3,871	1,930	1,981	4,448	4,210	2,147	2,051	1,476	1,525
Total liabilities	803,939	834,368	52,251	55,371	91,931	95,068	48,138	49,226	115,533	123,852	67,793	68,108	41,910	42,983
CAPITAL														
Capital stock	41,278	41,735	3,647	3,665	4,323	4,529	3,804	3,986	7,263	7,224	3,096	3,092	1,614	1,610
Retained earnings	7,749	7,552	269	249	717	712	400	397	1,160	1,124	445	438	437	427
Accumulated other comprehensive income (loss)	(4,223)	(5,546)	(571)	(638)	(97)	(97)	(143)	(222)	(323)	(402)	(8)	(7)	(60)	(90)
Total capital (GAAP) (3)	44,804	43,741	3,345	3,276	4,943	5,144	4,061	4,161	8,100	7,946	3,533	3,523	1,991	1,947
Total liabilities and capital	\$ 848,743	\$ 878,109	\$ 55,596	\$ 58,647	\$ 96,874	\$ 100,212	\$ 52,199	\$ 53,387	\$ 123,633	\$ 131,798	\$ 71,326	\$ 71,631	\$ 43,901	\$ 44,930
Regulatory Capital (3) (4)	\$ 56,461	\$ 57,362	\$ 4,022	\$ 4,004	\$ 5,106	\$ 5,310	\$ 4,238	\$ 4,419	\$ 8,954	\$ 8,877	\$ 3,872	\$ 3,887	\$ 2,709	\$ 2,695

	Chicago (4)		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
ASSETS												
Investments (2)	\$ 47,494	\$ 46,239	\$ 17,380	\$ 18,640	\$ 10,547	\$ 12,269	\$ 15,544	\$ 14,846	\$ 52,413	\$ 52,582	\$ 30,479	\$ 30,499
Advances	17,893	18,901	27,963	29,253	21,805	25,456	17,779	19,368	92,005	95,599	12,332	13,355
Mortgage loans held for portfolio, net	16,960	18,294	7,202	7,421	194	207	4,371	4,173	2,205	2,381	2,962	3,209
Other	1,664	682	296	255	624	1,758	322	319	4,821	1,861	165	145
Total assets	\$ 84,011	\$ 84,116	\$ 52,841	\$ 55,569	\$ 33,170	\$ 39,690	\$ 38,016	\$ 38,706	\$ 151,444	\$ 152,423	\$ 45,938	\$ 47,208
LIABILITIES												
Total consolidated obligations	\$ 76,219	\$ 76,270	\$ 48,217	\$ 50,999	\$ 29,802	\$ 36,448	\$ 33,860	\$ 35,226	\$ 138,415	\$ 140,647	\$ 42,926	\$ 44,076
Mandatorily redeemable capital stock	531	530	7	7	18	8	17	19	3,102	3,749	1,033	1,022
Other liabilities	4,239	4,367	1,870	1,733	1,517	1,244	2,399	1,678	1,807	1,079	684	928
Total liabilities	80,989	81,167	50,094	52,739	31,337	37,700	36,276	36,923	143,324	145,475	44,643	46,026
CAPITAL												
Capital stock	2,332	2,333	2,118	2,183	1,428	1,601	1,392	1,454	8,496	8,282	1,765	1,776
Retained earnings	1,125	1,099	565	556	462	452	369	352	1,663	1,609	61	73
Accumulated other comprehensive income (loss)	(435)	(483)	64	91	(57)	(63)	(21)	(23)	(2,039)	(2,943)	(531)	(667)
Total capital (GAAP) (3)	3,022	2,949	2,747	2,830	1,833	1,990	1,740	1,783	8,120	6,948	1,295	1,182
Total liabilities and capital	\$ 84,011	\$ 84,116	\$ 52,841	\$ 55,569	\$ 33,170	\$ 39,690	\$ 38,016	\$ 38,706	\$ 151,444	\$ 152,423	\$ 45,938	\$ 47,208
Regulatory Capital (3) (4)	\$ 4,988	\$ 4,962	\$ 2,689	\$ 2,746	\$ 1,908	\$ 2,061	\$ 1,778	\$ 1,826	\$ 13,261	\$ 13,640	\$ 2,860	\$ 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) 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.

(4) 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 the Designated Amount of subordinated notes (subject to 20 percent annual phase outs of \$200 million beginning on June 14, 2011) in calculating compliance with its regulatory capital ratio.



FHLBanks Office of Finance
Table II to April 29, 2011 Press Release
Income Statement Highlights
 Unaudited
 (Dollars in millions)

	Combined (1)		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net interest income after provision for credit losses	\$ 1,041	\$ 1,227	\$ 67	\$ 68	\$ 132	\$ 105	\$ 36	\$ 59	\$ 131	\$ 153	\$ 68	\$ 68	\$ 59	\$ 62
Other non-interest income (loss)	(290)	(549)	(21)	(22)	14	(10)	(16)	(29)	(39)	(59)	4	4	(18)	(6)
Other expense	261	223	15	15	49	21	16	16	22	29	14	13	13	12
Assessments	132	130	8	8	26	20	1	4	19	17	16	16	8	12
Net income (loss)	\$ 358	\$ 325	\$ 23	\$ 23	\$ 71	\$ 54	\$ 3	\$ 10	\$ 51	\$ 48	\$ 42	\$ 43	\$ 20	\$ 32

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net interest income after provision for credit losses	\$ 119	\$ 136	\$ 56	\$ 52	\$ 42	\$ 64	\$ 59	\$ 62	\$ 256	\$ 357	\$ 21	\$ 42
Other non-interest income (loss)	(47)	(106)	(6)	2	(6)	(25)	(13)	(82)	(142)	(195)	(15)	(19)
Other expense	36	28	15	13	20	17	13	10	32	36	18	15
Assessments	10	1	9	11	4	6	9	-	22	33	-	2
Net income (loss)	\$ 26	\$ 1	\$ 26	\$ 30	\$ 12	\$ 16	\$ 24	\$ (30)	\$ 60	\$ 93	\$ (12)	\$ 6

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