



May 15, 2009

FOR IMMEDIATE RELEASE:

First Quarter 2009 Combined Financial Report Will Be Delayed as the Federal Home Loan Banks Adopt a Common Framework for OTTI Analysis

Five FHLBanks Delay First Quarter 2009 SEC Form 10-Q Filings Due to the Adoption of the Framework

Seven FHLBanks File First Quarter 2009 SEC Form 10-Qs

The Office of Finance announced that the publication of the Federal Home Loan Banks' first quarter (Q1) 2009 Combined Financial Report will be delayed. All 12 FHLBanks are moving to adopt a common framework for determining other-than-temporary impairment (OTTI) with respect to private-label mortgage-backed securities in order to enhance financial reporting consistency among the FHLBanks, under the recent guidance provided by their regulator, the Federal Housing Finance Agency (FHFA). As a result, the FHLBanks of Boston, Chicago, Pittsburgh, Seattle and Topeka have each submitted a notification to the SEC that they will be filing their Q1 2009 Form 10-Q after completion of their OTTI analysis under the new framework.

Seven FHLBanks (Atlanta, Cincinnati, Dallas, Des Moines, Indianapolis, New York and San Francisco) have filed Q1 2009 Form 10-Qs with the SEC, reflecting the common OTTI framework. Current financial reports and other SEC filings for individual FHLBanks can be obtained by searching the EDGAR database.

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). As such, individual FHLBank accounting and financial reporting policies and practices are not necessarily always identical because different policies and/or presentations are permitted under GAAP in certain circumstances.

Accordingly, until Q1 2009, each of the 12 FHLBanks has employed different methodologies and processes for making OTTI determinations on private-label mortgage-backed securities. While these methodologies were in full compliance with GAAP, the FHLBanks and the Office of Finance recognize the importance of enhanced consistency in financial reporting. Working with the FHFA, the 12 FHLBanks have developed a uniform framework for completing their OTTI analyses, which is being adopted concurrently with new FASB guidance (FSP FAS 115-2 and FAS 124-2) concerning the recognition and presentation of other-than-temporary impairments.



Implementing the uniform OTTI analytical framework and adopting new FASB guidance has delayed the Q1 2009 SEC Form 10-Q filings of five FHLBanks, along with the Q1 2009 Combined Financial Report. The FHLBanks of Boston, Chicago, Pittsburgh, Seattle and Topeka have each determined that as a result of this effort, its Q1 2009 financial statements could not be completed by May 15th because each of these FHLBanks is in the process of significantly modifying its OTTI determination process in order to promote consistency among all 12 FHLBanks. With this new approach, there will be greater consistency among the 12 FHLBanks regarding their OTTI analyses, including the calculation of any expected credit losses for impaired securities.

Also today, Moody's Investors Service affirmed its Aaa senior debt and Prime-1 ratings of the FHLBank System with a stable outlook. Moody's also affirmed its Aaa bank deposit and Prime-1 ratings of all 12 FHLBanks. Additional information included in the Moody's announcement can be found on the Moody's web site.

The FHLBanks Q1 2009 Combined Financial Report is expected to be filed with the FHFA and available on the Office of Finance web site as soon as practical after all FHLBanks have filed Q1 2009 SEC Form 10-Qs.

About the FHLBanks

The FHLBanks serve the general public by providing liquidity to member financial institutions, thereby increasing the availability of credit for residential mortgages and community investments, and through other services for housing and community development. 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, and providing members a viable alternative to the secondary mortgage market via the mortgage loan programs, while paying a dividend. The FHLBanks also help members with other local housing and community development needs through self-funded affordable housing programs.

The FHLBanks have delivered innovation and service to the U.S. housing market for 77 years, and currently have more than 8,000 members in all 50 states including the District of Columbia, American Samoa, Guam, Puerto Rico, and the Northern Mariana and U.S. Virgin Islands. Please contact Mike Ciota at 703-467-3608 (ciota@fhlb-of.com) for additional information.

Statements contained in this release may be "forward-looking statements." These statements may use forward-looking terminology, such as "anticipates," "believes," "could," "estimates," "may," "should," "will," or their negatives or other variations on these terms. By their nature, these forward-looking statements, including those related to publication of financial reports and private-label mortgage-backed securities investments, are subject to risks and uncertainties related to the operations of the FHLBanks and the business environment, all of which are difficult to predict and many of which are beyond the control of the FHLBanks. These risks and uncertainties could cause actual results to differ materially from those expressed or implied in forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. Such risks and uncertainties include the following: changes in interest rates, housing prices, employment rates and the general economy; the size



and volatility of the residential mortgage market; demand for FHLBank advances; volatility of market prices, rates, and indices or other factors, including natural disasters, that could affect the value of investments or collateral held by the FHLBanks as security; political events, including legislative, regulatory, judicial or other developments 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, and the ability to attract and retain skilled individuals; the pace of technological change and the ability to develop and support technology and information systems; changes in investor demand for consolidated obligations and/or the terms of interest-rate exchange agreements and similar agreements; the application of accounting rules, such as SFAS 133 and other-than-temporary impairment; 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.fhlab-of.com, and in reports filed by each FHLBank with the Securities and Exchange Commission. Any duty to update these forward-looking statements is hereby disclaimed.