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FOR IMMEDIATE RELEASE

FHLBank of Seattle Announcement on Risk-Based Capital

Yesterday, the Federal Home Loan Bank of Seattle announced that ongoing turmoil in the capital and mortgage markets has caused a continued decline in the market value of its private-label mortgage-backed securities, and as a result, the Bank will likely report a risk-based capital deficiency at December 31, 2008.

The FHLBank of Seattle has filed a Form 8-K regarding this matter, which also contains a letter to Bank members. This filing can be viewed by searching the EDGAR database.

The FHLBanks have delivered innovation and service to the U.S. housing market for 76 years, and currently have over 8,100 members in all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, and the Northern Mariana and the U.S. Virgin Islands. Please contact Michael Ciota at 703-467-3608 (ciota@fhlb-of.com) for additional information.