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FOR IMMEDIATE RELEASE

FHLBank of Seattle Releases Unaudited 2008 Financial Results

Today, the Federal Home Loan Bank of Seattle announced unaudited financial results for 2008.

The FHLBank of Seattle recorded a \$241.2 million loss for the fourth quarter, and a \$199.4 million loss for 2008. The 2008 loss is primarily attributable to \$304.2 million in other-than-temporary impairment charges on certain private-label mortgage-backed securities. As a result of the OTTI charges, Seattle is reporting an accumulated deficit at year-end. In addition, the distressed prices of certain held-to-maturity mortgage-backed securities resulted in a risk-based-capital deficiency at yearend and as of February 28, 2009. The FHLBank of Seattle remains in compliance with its required leverage and capital-to-assets ratios. For additional information, please refer to the FHLBank of Seattle web site (www.fhlbsea.com).

Under Federal Housing Finance Agency regulations, a Federal Home Loan Bank that fails to meet any regulatory capital requirement may not declare a dividend or redeem or repurchase capital stock, and the Finance Agency could require additional actions. A detailed discussion of the FHLBanks' Capital Structure and Requirements is available on the main page of the Office of Finance web site (www.fhlb-of.com).

The FHLBank of Seattle 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.

Eleven FHLBanks have now completed the publication of preliminary results for 2008. The Office of Finance expects to publish 2008 operating highlights after the FHLBank of Atlanta completes its 2008 financial reporting process.

The FHLBanks have delivered innovation and service to the U.S. housing market for over 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.

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 financial performance, and release of financial information, 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 HLBanks. 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 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.fhlf-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.