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FOR IMMEDIATE RELEASE:

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

Each of the Federal Home Loan Banks Announces Preliminary Unaudited First Quarter 2010 Financial Condition and Results of Operations

The Office of Finance is announcing preliminary first quarter 2010 combined operating highlights for the Federal Home Loan Banks (FHLBanks). These highlights have been prepared from the unaudited financial information of each FHLBank and are subject to change. This announcement also contains unaudited balance sheet and income statement highlights as of and for the quarter ended March 31, 2010 and applicable comparative periods, for each of the FHLBanks.

Each of the FHLBanks has announced preliminary unaudited financial highlights for the first quarter of 2010, filing a Form 8-K with the SEC that can be viewed, along with current financial reports and other SEC filings for individual FHLBanks, by searching the EDGAR database.

Balance Sheet and Capital Highlights

Combined total assets were \$966 billion at March 31, 2010, a decrease of 5% from \$1.016 trillion at December 31, 2009. Advances (secured loans to members) decreased 9% to \$572 billion and represented 59% of total assets at March 31, 2010. Generally, the growth or decline in advances reflects demand by members for liquidity and funding, driven by economic factors such as the availability to members of alternative funding, the interest-rate environment and the current state of the economy. Advances to FHLBank members at March 31, 2010 declined compared to December 31, 2009 due to the high deposit level at member financial institutions, low loan demand by FHLBank members and continued availability of more attractively priced sources of funding and/or sources of liquidity with lower collateral requirements. In addition, the financial condition of certain FHLBank members weakened in the first quarter of 2010, which reduced those members' borrowing capacity from FHLBanks due to tightened credit and collateral terms for advances.

Investments increased 9% to \$309 billion at March 31, 2010, and mortgage assets, at \$69 billion, were down 4% from December 31, 2009. The increase in investments is primarily attributable to short-term investments and investments in other U.S. obligations and government-sponsored enterprise mortgage-backed securities (MBS). The mortgage assets decreased due to the reduction of outstanding mortgage loan balances related to lower origination volumes, maturities and prepayments, and the continued effects of the credit crisis in the housing market.

Consolidated obligations are the principal source of funds used by the FHLBanks to make advances



and purchase investments and mortgages. Consolidated obligations outstanding were \$876 billion at March 31, 2010, a decrease of 6% from \$935 billion at December 31, 2009. Total consolidated obligations outstanding at March 31, 2010 consisted of discount notes (\$188 billion) and bonds (\$688 billion), decreases of 5% and 7% from December 31, 2009.

Total combined GAAP capital was \$42.8 billion at March 31, 2010, level with the balance at December 31, 2009. At March 31, 2010, combined regulatory capital was \$59.5 billion, compared to \$60.2 billion at December 31, 2009. 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 qualifies as regulatory capital. MRCS is subject to redemption restrictions, such as a five-year waiting period in most cases. At March 31, 2010, combined retained earnings totaled \$6.2 billion and combined accumulated other comprehensive income (loss) totaled \$(7.6) billion; this latter amount is mostly comprised of noncredit-related other-than-temporary impairment (OTTI) charges as discussed further below. MRCS at March 31, 2010 was \$8.2 billion, compared to \$8.1 billion at December 31, 2009.

Operating Results and Affordable Housing Program Contributions

Combined net income for the first quarter of 2010 was \$325 million, compared to combined net income of \$345 million recorded for the same period in the previous year. The \$20 million decrease in combined net income was primarily attributable to the net losses on derivative and hedging activities, which were partially offset by lower net other-than-temporary impairment losses and net losses on advances and consolidated bonds held at fair value, and net gains on trading securities. In general, derivatives and associated hedged instruments and certain assets and liabilities that are carried at fair value are held to the maturity, call, or put date. Therefore, for these financial instruments, nearly all of the cumulative net gains and losses that are unrealized gains or losses are either generally a matter of timing and will generally reverse over the remaining contractual terms, or are the reversal of gains recognized in prior periods of the hedged financial instrument, associated interest-rate exchange agreement, or financial instrument carried at fair value. However, there may be instances in which these instruments are terminated or sold prior to maturity or prior to the call or put dates, resulting in a realized gain or loss.

The FHLBanks of Atlanta (\$48 million), Boston (\$23 million), Chicago (\$1 million), Cincinnati (\$43 million), Dallas (\$16 million), Des Moines (\$30 million), Indianapolis (\$32 million), New York (\$54 million), Pittsburgh (\$10 million), San Francisco (\$93 million) and Seattle (\$6 million) each reported preliminary net income for the first quarter of 2010. The FHLBank of Topeka (-\$30 million) reported a preliminary net loss for the same period, primarily due to net losses on its derivative and hedging activities. The sum of the individual FHLBank net income (loss) amounts does not agree to the combined net income due to interbank combining adjustments that decreased net income by \$1 million for the first quarter of 2010.

The FHLBanks recognized \$233 million of credit-related OTTI charges on certain private-label MBS during the first quarter of 2010, a \$283 million, or 55%, decrease from the \$516 million of credit-related OTTI charges recorded during the first quarter of 2009. The first quarter 2010 OTTI charges resulted primarily from an increase in projected losses on the collateral underlying certain



private-label residential MBS and home equity loan investments. The reduction in credit losses attributable to OTTI compared with the same quarter a year ago primarily reflects some stabilization in certain factors affecting the expected performance of the mortgage loans underlying the FHLBanks' private-label MBS, such as home prices and unemployment rates.

The FHLBanks recognized \$173 million and \$4.7 billion of OTTI in combined other comprehensive income (loss) during the first quarter of 2010 and the first quarter of 2009. While the price levels of most private-label residential MBS and home equity loan investments have improved, weak housing markets, uncertain housing demand and depressed home prices adversely affected the valuation of certain private-label residential MBS, contributing to the additional noncredit-related OTTI charges recorded in accumulated other comprehensive income (loss) during the first quarter of 2010.

As noted above, the credit portion of FHLBank OTTI charges for the first quarter of 2010 resulted primarily from an increase in projected losses on the collateral underlying certain of the FHLBanks' private-label residential MBS and home equity loan investments. Each quarter, working with the FHLBank System OTTI Governance Committee, each FHLBank updates its OTTI analysis to reflect current loan performance and current housing market assumptions in its collateral loss projection models, which generate the projected losses. Several factors affected the projected losses including additional expected declines in housing prices compared to price levels at the end of 2009, followed by a slow housing price recovery, and limited refinancing opportunities for borrowers whose homes are now worth less than the balances on their mortgages. These trends led to lower projected prepayment rates, higher projected default rates and higher projected losses on defaulted loans.

Each FHLBank actively monitors the credit quality of its MBS. It is not possible to predict whether the FHLBanks will have additional OTTI charges in the future because that will depend on many factors, including economic, financial market and housing market conditions and the actual and projected performance of the loan collateral underlying the FHLBanks' MBS. If delinquency and/or loss rates on mortgages and/or home equity loans continue to increase, and/or there is a further decline in residential real estate values, the FHLBanks could experience reduced yields or additional losses on these investment securities. For additional information on individual FHLBanks, you may access all SEC filings on the EDGAR database.

The FHLBanks contributed \$40 million during the first quarter of 2010 to the Affordable Housing Program, compared to a contribution of \$57 million for the same period one year ago. The decrease in AHP assessments reflects the fact that only FHLBanks with net income are required to make contributions to the AHP and the level of aggregate gross net income among the FHLBanks was lower during the first quarter of 2010 compared to the first quarter of 2009.

The First Quarter 2010 Combined Financial Report for the FHLBanks is expected to be filed with the Federal Housing Finance Agency and available on the Office of Finance web site as soon as practicable after each FHLBank has filed its individual SEC Form 10-Q for the first quarter of 2010.



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. The accounting and financial reporting policies and practices of individual FHLBanks are not always identical because different policies and/or presentations are permitted under GAAP in certain circumstances.

The FHLBanks have delivered innovation and service to the U.S. housing market since 1932, and currently have over 8,000 members in all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, the Northern Mariana Islands and the 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 financial performance, 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 accounting for derivatives 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.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 hereby disclaimed.

FHLBanks Office of Finance
Table I to April 30, 2010 Press Release
Balance Sheet Highlights
Unaudited
(Dollar amounts in millions)

	Combined*		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Investments (1)	\$ 309,130	\$ 284,351	\$ 22,300	\$ 20,947	\$ 15,562	\$ 16,222	\$ 16,241	\$ 17,173	\$ 37,337	\$ 32,940	\$ 23,875	\$ 24,193	\$ 16,825	\$ 14,994
Advances	572,043	631,159	35,175	37,591	88,859	94,349	36,824	41,177	105,474	114,580	32,969	35,818	21,582	22,443
Mortgage loans held for portfolio, net	68,790	71,437	3,393	3,506	1,287	1,317	4,991	5,163	2,418	2,522	9,032	9,366	6,990	7,272
Total assets	965,747	1,015,583	61,569	62,487	107,239	114,461	58,656	65,291	146,281	151,311	67,796	71,387	47,072	46,599
Consolidated obligations, net	875,949	934,876	56,918	57,687	92,224	104,836	52,468	59,313	133,270	138,577	61,099	64,409	42,804	42,158
Capital stock	44,182	44,982	3,646	3,643	4,828	5,059	4,035	4,018	7,852	8,124	3,079	3,063	1,732	1,726
Retained earnings	6,203	6,033	165	142	672	689	399	389	916	873	416	412	373	349
Total accumulated other comprehensive income (loss)	(7,594)	(8,206)	(926)	(1,021)	(124)	(145)	(596)	(694)	(669)	(744)	(8)	(8)	(344)	(329)
Total capital (2)	42,791	42,809	2,885	2,764	5,376	5,603	3,838	3,713	8,099	8,253	3,487	3,467	1,761	1,746

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle			
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009		
Investments (1)			\$ 40,319	\$ 36,793	\$ 23,236	\$ 20,790	\$ 14,855	\$ 13,492	\$ 16,652	\$ 16,348	\$ 54,383	\$ 47,006	\$ 27,896	\$ 23,817
Advances			21,291	24,148	33,027	35,720	42,627	47,263	22,211	22,254	112,139	133,559	19,865	22,257
Mortgage loans held for portfolio, net			22,678	23,838	7,557	7,717	248	259	3,363	3,334	2,909	3,037	3,924	4,106
Total assets			86,069	88,074	64,623	64,657	58,697	65,092	42,458	42,632	173,851	192,862	51,822	51,094
Consolidated obligations, net			77,613	80,364	58,329	59,912	53,896	60,278	38,096	39,112	161,352	180,299	48,201	48,264
Capital stock			2,332	2,328	2,331	2,461	2,311	2,532	1,627	1,603	8,561	8,575	1,848	1,850
Retained earnings			709	708	500	484	370	356	315	355	1,326	1,239	58	52
Total accumulated other comprehensive income (loss)			(498)	(658)	23	(34)	(68)	(66)	(26)	(12)	(3,501)	(3,584)	(855)	(909)
Total capital (2)			2,543	2,378	2,854	2,911	2,613	2,822	1,916	1,946	6,386	6,230	1,051	993

*Note: The sum of the individual FHLBank balance sheet amounts may not agree to the combined balance sheet amounts due to interbank combining adjustments.

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

Total Regulatory Capital at 3/31/10 **			
Boston	\$ 3,903	Chicago	\$ 4,511
New York	5,610	Des Moines	2,838
Pittsburgh	4,442	Dallas	2,688
Atlanta	9,249	Topeka	1,959
Cincinnati	3,907	San Francisco	14,745
Indianapolis	2,856	Seattle	2,855

** Total regulatory capital is defined as the sum of the amounts paid for Class A and Class B capital stock, retained earnings, any general allowance for losses and any other amount from sources available to absorb losses that the Federal Housing Finance Agency has determined by regulation to be appropriate to include in determining total capital. Total regulatory capital also includes mandatorily redeemable capital stock. The total regulatory capital for Chicago includes an amount of \$1.0 billion for subordinated notes, which the FHLBank of Chicago is allowed to include in determining compliance with its regulatory capital requirements.

FHLBanks Office of Finance
Table II to April 30, 2010 Press Release
Income Statement Highlights
Unaudited
(Dollar amounts in millions)

	Combined*		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income (loss) after provision for credit losses	\$ 1,227	\$ 1,242	\$ 68	\$ 57	\$ 105	\$ 231	\$ 59	\$ 56	\$ 153	\$ 35	\$ 68	\$ 113	\$ 62	\$ 61
Net other-than-temporary impairment losses	(233)	(516)	(23)	(127)	(3)	(5)	(28)	(31)	(46)	(89)			(6)	(18)
Other non-interest (loss) income	(316)	47	1	2	(7)	(4)	(1)	2	(13)	79	4	12		(1)
Total other expense	223	247	15	15	21	20	16	50	29	27	13	12	12	12
Total assessments	130	181	8		20	54	4		17		16	30	12	8
Net income (loss)	325	345	23	(83)	54	148	10	(23)	48	(2)	43	83	32	22

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income (loss) after provision for credit losses	\$ 136	\$ 141	\$ 52	\$ 9	\$ 64	\$ (23)	\$ 62	\$ 62	\$ 357	\$ 434	\$ 42	\$ 74
Net other-than-temporary impairment losses	(44)	(86)			(1)		(2)		(60)	(88)	(20)	(72)
Other non-interest (loss) income	(62)	(65)	2	(3)	(24)	130	(80)	32	(135)	(148)	1	(7)
Total other expense	28	29	13	12	17	19	10	11	36	31	15	11
Total assessments	1		11		6	23		22	33	44	2	
Net income (loss)	1	(39)	30	(6)	16	65	(30)	61	93	123	6	(16)

*Note: The sum of the individual FHLBank income statement amounts may not agree to the combined income statement amounts due to interbank combining adjustments.