



July 30, 2019

FOR IMMEDIATE RELEASE:

Office of Finance Announces Second Quarter 2019 Combined Operating Highlights for the Federal Home Loan Banks

The second quarter 2019 highlights are prepared from the preliminary unaudited financial information of each Federal Home Loan Bank (FHLBank) and are subject to change. The combined and individual FHLBank balance sheet and income statement highlights are attached as Tables I and II. Each of the FHLBanks has released its unaudited financial results for the period ended June 30, 2019, and filed a Form 8-K with the U.S. Securities and Exchange Commission.

Highlights

Net income was \$709 million and \$1,609 million for the three and six months ended June 30, 2019, decreases of 27% and 12% compared to the three and six months ended June 30, 2018. Balance sheet highlights as of June 30, 2019, compared to December 31, 2018, were:

- Total assets were \$1,122.0 billion, an increase of 2%.
- Total liabilities were \$1,064.9 billion, an increase of 2%.
- Total GAAP capital was \$57.1 billion, a decrease of 2%.

Balance Sheet

<i>(Dollars in millions)</i>	June 30, 2019	December 31, 2018	Change
Assets			
Cash and due from banks	\$ 669	\$ 522	\$ 147
Investments	360,212	306,790	53,422
Advances	689,384	728,767	(39,383)
Mortgage loans held for portfolio, net	66,545	62,534	4,011
Other assets	5,196	4,237	959
Total assets	\$ 1,122,006	\$ 1,102,850	\$ 19,156
Consolidated obligations			
Discount notes	\$ 426,335	\$ 426,034	\$ 301
Bonds	621,846	603,491	18,355
Total consolidated obligations	1,048,181	1,029,525	18,656
Mandatorily redeemable capital stock	1,237	1,062	175
Other liabilities	15,487	13,919	1,568
Total liabilities	1,064,905	1,044,506	20,399
Capital			
Capital stock	36,661	38,498	(1,837)
Retained earnings	20,017	19,504	513
Accumulated other comprehensive income (loss)	423	342	81
Total capital (GAAP)	57,101	58,344	(1,243)
Total liabilities and capital	\$ 1,122,006	\$ 1,102,850	\$ 19,156
Regulatory capital	\$ 57,915	\$ 59,064	\$ (1,149)
GAAP capital-to-assets ratio	5.09%	5.29%	(0.20)%
Regulatory capital-to-assets ratio	5.16%	5.36%	(0.20)%



As of June 30, 2019, total assets and total liabilities each increased 2% and total GAAP capital decreased 2%, compared to December 31, 2018.

- Advances totaled \$689.4 billion at June 30, 2019, a decrease of 5% due primarily to a decrease in short-term advances, principally those made to large members.
- Investments were \$360.2 billion at June 30, 2019, an increase of 17% driven by an increase in liquidity investments, primarily U.S. Treasury obligations and federal funds sold.
- Mortgage loans held for portfolio, net increased 6% to \$66.5 billion at June 30, 2019, as the FHLBanks continued to grow their mortgage loan portfolios.
- Consolidated obligations totaled \$1,048.2 billion at June 30, 2019, an increase of 2% in line with the increase in total assets and mainly consisted of a 3% increase in short-term consolidated bonds.
- Capital stock was \$36.7 billion at June 30, 2019, a decrease of 5% resulting from the net repurchases and redemptions of activity-based capital stock driven by the decrease in advances.
- Retained earnings grew to \$20.0 billion at June 30, 2019, an increase of 3% resulting from net income of \$1,609 million, partially offset by dividends of \$1,111 million.

Income Statement

<i>(Dollars in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Interest income						
Advances	\$ 4,592	\$ 3,967	\$ 625	\$ 9,364	\$ 7,314	\$ 2,050
Investments	2,367	1,872	495	4,655	3,504	1,151
Mortgage loans held for portfolio	550	480	70	1,112	943	169
Other interest income	—	3	(3)	2	3	(1)
Total interest income	7,509	6,322	1,187	15,133	11,764	3,369
Interest expense						
Consolidated obligations - Discount notes	2,526	1,776	750	5,087	3,291	1,796
Consolidated obligations - Bonds	3,821	3,167	654	7,554	5,788	1,766
Other interest expense	59	47	12	115	88	27
Total interest expense	6,406	4,990	1,416	12,756	9,167	3,589
Net interest income	1,103	1,332	(229)	2,377	2,597	(220)
Provision (reversal) for credit losses	—	(1)	1	1	1	—
Net interest income after provision (reversal) for credit losses	1,103	1,333	(230)	2,376	2,596	(220)
Non-interest income (loss)						
Net gains (losses) on investment securities	312	11	301	417	(50)	467
Net gains (losses) on financial instruments held under fair value option	42	(26)	68	65	(55)	120
Net gains (losses) on derivatives and hedging activities	(366)	37	(403)	(474)	92	(566)
Other	45	37	8	88	76	12
Total non-interest income (loss)	33	59	(26)	96	63	33
Non-interest expense	346	311	35	680	623	57
Affordable Housing Program assessments	81	110	(29)	183	207	(24)
Net income	\$ 709	\$ 971	\$ (262)	\$ 1,609	\$ 1,829	\$ (220)
Net interest margin	0.41%	0.48%	(0.07)%	0.44%	0.47%	(0.03)%



Net Income

Net income was \$709 million and \$1,609 million for the three and six months ended June 30, 2019, decreases of 27% and 12% compared to the three and six months ended June 30, 2018, primarily the result of decreases in net interest income.

Net Interest Income

Net interest income after provision for credit losses was \$1,103 million and \$2,376 million for the three and six months ended June 30, 2019, decreases of 17% and 8% compared to the three and six months ended June 30, 2018. Net interest margin was 0.41% and 0.44% for the three and six months ended June 30, 2019, decreases of 7 and 3 basis points compared to the three and six months ended June 30, 2018.

- Interest income grew to \$7,509 million and \$15,133 million for the three and six months ended June 30, 2019, increases of 19% and 29% compared to the three and six months ended June 30, 2018. These increases were the result of higher yields on interest-earning assets, principally advances, driven by higher short-term interest rates. The yields on average interest-earning assets were 2.76% and 2.80% for the three and six months ended June 30, 2019, increases of 47 and 68 basis points compared to the three and six months ended June 30, 2018.
- Interest expense was \$6,406 million and \$12,756 million for the three and six months ended June 30, 2019, increases of 28% and 39% compared to the three and six months ended June 30, 2018. These increases were the result of higher yields on consolidated bonds and consolidated discount notes, driven by higher short-term interest rates. The yields on average consolidated obligations were 2.48% and 2.49% for the three and six months ended June 30, 2019, increases of 57 and 75 basis points compared to the three and six months ended June 30, 2018.

Non-Interest Income

Non-interest income was \$33 million for the three months ended June 30, 2019, a decrease of \$26 million compared to the three months ended June 30, 2018, due primarily to net losses on derivatives and hedging activities, partially offset by net gains on investment securities. Non-interest income was \$96 million for the six months ended June 30, 2019, an increase of \$33 million compared to the six months ended June 30, 2018, resulting primarily from net gains on investment securities, offset by net losses on derivatives and hedging activities.

Non-Interest Expense

Non-interest expense was \$346 million and \$680 million for the three and six months ended June 30, 2019, increases of 11% and 9% compared to the three and six months ended June 30, 2018. Non-interest expense consists principally of compensation and benefits and other operating expenses.

Affordable Housing Program Assessments

Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were \$81 million and \$183 million for the three and six months ended June 30, 2019, decreases of 26% and 12% compared to the three and six months ended June 30, 2018.



About the FHLBanks

Each 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 approximately 6,800 members serving all 50 states, the District of Columbia, and U.S. territories. Please contact Nancy Nowalk at 703-467-3608 or nnowalk@fhlb-of.com for additional information.

Statements contained in this release may be "forward-looking statements," including those statements related to financial performance. 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. These risks and uncertainties include, but are not limited to, the following: changes in interest rates and housing prices; changes to and replacement of the London Interbank Offered Rate benchmark interest rate; 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, including collateral held by the FHLBanks as security; political events, including legislative, regulatory, judicial, or other developments, that affect the FHLBanks, their members, counterparties, dealers of consolidated obligations, or investors in consolidated obligations; competitive forces, including other sources of funding available to FHLBank members; changes in investor demand for consolidated obligations, including those resulting from changes in credit ratings and/or the terms of derivative transactions; 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 U. S. Securities and Exchange Commission. Any duty to update these forward-looking statements is disclaimed.



FHLBanks Office of Finance
Table I to Combined Operating Highlights
Balance Sheet Highlights
 Unaudited

<i>(Dollars in millions)</i>	Combined ⁽¹⁾		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Assets												
Cash and due from banks	\$ 669	\$ 522	\$ 29	\$ 10	\$ 49	\$ 85	\$ 66	\$ 72	\$ 95	\$ 35	\$ 22	\$ 10
Investments	360,212	306,790	13,963	15,900	44,418	35,443	25,515	20,076	46,645	44,309	42,444	33,614
Advances	689,384	728,767	37,097	43,193	102,429	105,179	81,827	82,476	101,776	108,462	42,869	54,822
Mortgage loans held for portfolio, net	66,545	62,534	4,421	4,299	2,986	2,927	4,667	4,462	328	360	10,639	10,501
Other assets	5,196	4,237	270	191	692	747	446	401	848	1,310	450	256
Total assets	\$ 1,122,006	\$ 1,102,850	\$ 55,780	\$ 63,593	\$ 150,574	\$ 144,381	\$ 112,521	\$ 107,487	\$ 149,692	\$ 154,476	\$ 96,424	\$ 99,203
Liabilities												
Consolidated obligations												
Discount notes	\$ 426,335	\$ 426,034	\$ 26,425	\$ 33,066	\$ 62,380	\$ 50,640	\$ 35,010	\$ 36,897	\$ 64,833	\$ 66,025	\$ 41,493	\$ 46,944
Bonds	621,846	603,491	25,293	25,912	78,729	84,154	70,881	64,299	75,468	79,114	48,780	45,659
Total consolidated obligations	1,048,181	1,029,525	51,718	58,978	141,109	134,794	105,891	101,196	140,301	145,139	90,273	92,603
Mandatorily redeemable capital stock	1,237	1,062	17	32	6	6	344	24	1	1	23	23
Other liabilities	15,487	13,919	871	976	1,912	1,834	1,230	891	2,020	1,689	1,297	1,247
Total liabilities	1,064,905	1,044,506	52,606	59,986	143,027	136,634	107,465	102,111	142,322	146,829	91,593	93,873
Capital												
Capital stock	36,661	38,498	1,995	2,529	5,841	6,066	3,643	4,027	5,196	5,486	3,806	4,320
Retained earnings	20,017	19,504	1,417	1,395	1,748	1,694	1,299	1,276	2,138	2,110	1,037	1,023
Accumulated other comprehensive income (loss)	423	342	(238)	(317)	(42)	(13)	114	73	36	51	(12)	(13)
Total capital (GAAP)	57,101	58,344	3,174	3,607	7,547	7,747	5,056	5,376	7,370	7,647	4,831	5,330
Total liabilities and capital	\$ 1,122,006	\$ 1,102,850	\$ 55,780	\$ 63,593	\$ 150,574	\$ 144,381	\$ 112,521	\$ 107,487	\$ 149,692	\$ 154,476	\$ 96,424	\$ 99,203
Regulatory capital	\$ 57,915	\$ 59,064	\$ 3,429	\$ 3,956	\$ 7,595	\$ 7,766	\$ 5,286	\$ 5,327	\$ 7,335	\$ 7,597	\$ 4,866	\$ 5,366

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Assets												
Cash and due from banks	\$ 76	\$ 101	\$ 27	\$ 28	\$ 218	\$ 119	\$ 52	\$ 35	\$ 12	\$ 15	\$ 23	\$ 13
Investments	24,442	20,886	36,739	32,684	39,140	31,777	32,406	29,551	19,443	10,306	35,180	32,381
Advances	33,891	32,728	51,141	52,628	101,288	106,323	38,779	40,794	31,099	28,730	67,189	73,434
Mortgage loans held for portfolio, net	11,363	11,385	8,265	7,103	8,324	7,835	3,034	2,186	9,192	8,410	3,327	3,066
Other assets	378	312	387	414	504	461	247	207	332	254	1,043	432
Total assets	\$ 70,150	\$ 65,412	\$ 96,559	\$ 92,857	\$ 149,474	\$ 146,515	\$ 74,518	\$ 72,773	\$ 60,078	\$ 47,715	\$ 106,762	\$ 109,326
Liabilities												
Consolidated obligations												
Discount notes	\$ 22,645	\$ 20,895	\$ 44,893	\$ 43,166	\$ 36,934	\$ 42,879	\$ 39,657	\$ 35,732	\$ 27,163	\$ 20,608	\$ 24,901	\$ 29,182
Bonds	42,727	40,265	43,941	42,250	103,223	93,772	29,481	31,932	29,517	23,967	73,915	72,276
Total consolidated obligations	65,372	61,160	88,834	85,416	140,157	136,651	69,138	67,664	56,680	44,575	98,816	101,458
Mandatorily redeemable capital stock	174	169	323	313	203	255	7	7	3	4	138	227
Other liabilities	1,405	1,033	2,020	1,839	1,637	2,061	1,554	1,337	814	682	1,144	1,111
Total liabilities	66,951	62,362	91,177	87,568	141,997	138,967	70,699	69,008	57,497	45,261	100,098	102,796
Capital												
Capital stock	2,049	1,931	1,678	1,698	5,304	5,414	2,583	2,555	1,599	1,524	2,967	2,949
Retained earnings	1,093	1,077	3,663	3,536	2,120	2,050	1,156	1,082	950	914	3,397	3,346
Accumulated other comprehensive income (loss)	57	42	41	55	53	84	80	128	32	16	300	235
Total capital (GAAP)	3,199	3,050	5,382	5,289	7,477	7,548	3,819	3,765	2,581	2,454	6,664	6,530
Total liabilities and capital	\$ 70,150	\$ 65,412	\$ 96,559	\$ 92,857	\$ 149,474	\$ 146,515	\$ 74,518	\$ 72,773	\$ 60,078	\$ 47,715	\$ 106,762	\$ 109,326
Regulatory capital	\$ 3,316	\$ 3,178	\$ 5,664	\$ 5,547	\$ 7,627	\$ 7,719	\$ 3,745	\$ 3,643	\$ 2,552	\$ 2,442	\$ 6,502	\$ 6,522

(1) The sum of the individual FHLBank balance sheet amounts may not agree to the combined balance sheet amounts due to combining adjustments.



FHLBanks Office of Finance
Table II to Combined Operating Highlights
Income Statement Highlights

Unaudited

Three Months Ended June 30,												
<i>(Dollars in millions)</i>	Combined ⁽¹⁾		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net interest income after provision (reversal) for credit losses	\$ 1,103	\$ 1,333	\$ 58	\$ 79	\$ 164	\$ 207	\$ 109	\$ 115	\$ 132	\$ 131	\$ 98	\$ 129
Non-interest income (loss)	33	59	4	1	(1)	—	(11)	8	4	21	(3)	(12)
Non-interest expense	346	311	22	21	43	35	22	22	32	33	23	22
Affordable Housing Program assessments	81	110	4	6	12	17	8	10	11	12	8	10
Net income (loss)	<u>\$ 709</u>	<u>\$ 971</u>	<u>\$ 36</u>	<u>\$ 53</u>	<u>\$ 108</u>	<u>\$ 155</u>	<u>\$ 68</u>	<u>\$ 91</u>	<u>\$ 93</u>	<u>\$ 107</u>	<u>\$ 64</u>	<u>\$ 85</u>
	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net interest income after provision (reversal) for credit losses	\$ 60	\$ 69	\$ 116	\$ 132	\$ 147	\$ 167	\$ 63	\$ 76	\$ 48	\$ 69	\$ 110	\$ 154
Non-interest income (loss)	4	30	21	9	3	8	23	—	4	(2)	(7)	5
Non-interest expense	25	22	52	46	43	32	25	22	18	17	48	43
Affordable Housing Program assessments	4	8	9	10	11	14	7	5	3	5	6	12
Net income (loss)	<u>\$ 35</u>	<u>\$ 69</u>	<u>\$ 76</u>	<u>\$ 85</u>	<u>\$ 96</u>	<u>\$ 129</u>	<u>\$ 54</u>	<u>\$ 49</u>	<u>\$ 31</u>	<u>\$ 45</u>	<u>\$ 49</u>	<u>\$ 104</u>

Six Months Ended June 30,												
<i>(Dollars in millions)</i>	Combined ⁽¹⁾		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net interest income after provision (reversal) for credit losses	\$ 2,376	\$ 2,596	\$ 144	\$ 159	\$ 341	\$ 400	\$ 239	\$ 223	\$ 276	\$ 266	\$ 220	\$ 247
Non-interest income (loss)	96	63	(3)	3	12	(19)	(7)	10	11	48	(21)	(16)
Non-interest expense	680	623	41	42	83	69	47	44	71	68	46	44
Affordable Housing Program assessments	183	207	10	12	27	31	19	19	22	25	16	19
Net income (loss)	<u>\$ 1,609</u>	<u>\$ 1,829</u>	<u>\$ 90</u>	<u>\$ 108</u>	<u>\$ 243</u>	<u>\$ 281</u>	<u>\$ 166</u>	<u>\$ 170</u>	<u>\$ 194</u>	<u>\$ 221</u>	<u>\$ 137</u>	<u>\$ 168</u>
	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net interest income after provision (reversal) for credit losses	\$ 117	\$ 140	\$ 234	\$ 256	\$ 306	\$ 324	\$ 135	\$ 144	\$ 111	\$ 135	\$ 254	\$ 302
Non-interest income (loss)	7	36	39	9	8	16	39	3	17	(9)	8	(3)
Non-interest expense	48	45	102	88	82	65	49	46	35	32	91	92
Affordable Housing Program assessments	8	14	18	18	24	28	13	10	9	9	18	22
Net income (loss)	<u>\$ 68</u>	<u>\$ 117</u>	<u>\$ 153</u>	<u>\$ 159</u>	<u>\$ 208</u>	<u>\$ 247</u>	<u>\$ 112</u>	<u>\$ 91</u>	<u>\$ 84</u>	<u>\$ 85</u>	<u>\$ 153</u>	<u>\$ 185</u>

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