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FOR IMMEDIATE RELEASE:

Office of Finance Announces Fourth Quarter and Annual 2019 Combined Operating Highlights for the Federal Home Loan Banks

The fourth quarter and annual 2019 combined operating 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 statement of condition and statement of income highlights are attached as Tables I and II. Each of the FHLBanks has released its unaudited financial results for the period ended December 31, 2019, and filed a Form 8-K with the U.S. Securities and Exchange Commission.

Combined Highlights

Net income was \$892 million for the three months ended December 31, 2019, an increase of 13% compared to the three months ended December 31, 2018. Net income was \$3,190 million for the year ended December 31, 2019, a decrease of 10% compared to the year ended December 31, 2018. As of December 31, 2019, total assets were \$1,099.1 billion, a decrease of less than 1%, total liabilities were nearly flat at \$1,043.7 billion, and total GAAP capital was \$55.4 billion, a decrease of 5%, compared to December 31, 2018.

Combined Financial Condition

<i>(Dollars in millions)</i>	December 31, 2019	December 31, 2018	Change
Assets			
Cash and due from banks	\$ 4,960	\$ 522	\$ 4,438
Investments	374,995	306,790	68,205
Advances	641,519	728,767	(87,248)
Mortgage loans held for portfolio, net	72,492	62,534	9,958
Other assets	5,147	4,237	910
Total assets	\$ 1,099,113	\$ 1,102,850	\$ (3,737)
Consolidated obligations			
Discount notes	\$ 404,035	\$ 426,034	\$ (21,999)
Bonds	622,161	603,491	18,670
Total consolidated obligations	1,026,196	1,029,525	(3,329)
Mandatorily redeemable capital stock	1,378	1,062	316
Other liabilities	16,112	13,919	2,193
Total liabilities	1,043,686	1,044,506	(820)
Capital			
Capital stock	34,495	38,498	(4,003)
Retained earnings	20,588	19,504	1,084
Accumulated other comprehensive income (loss)	344	342	2
Total capital (GAAP)	55,427	58,344	(2,917)
Total liabilities and capital	\$ 1,099,113	\$ 1,102,850	\$ (3,737)
Regulatory capital	\$ 56,461	\$ 59,064	\$ (2,603)
GAAP capital-to-assets ratio	5.04%	5.29%	(0.25)%
Regulatory capital-to-assets ratio	5.14%	5.36%	(0.22)%



As of December 31, 2019, total assets and total liabilities each decreased less than 1%, and total GAAP capital decreased 5%, compared to December 31, 2018.

- Advances totaled \$641.5 billion at December 31, 2019, a decrease of 12% due primarily to a decrease in short-term advances, principally those made to large members.
- Investments were \$375.0 billion at December 31, 2019, an increase of 22% driven by an increase in liquidity investments, primarily U.S. Treasury obligations.
- Mortgage loans held for portfolio, net were \$72.5 billion at December 31, 2019, an increase of 16% as the FHLBanks continued to grow their mortgage loan portfolios.
- Consolidated obligations totaled \$1,026.2 billion at December 31, 2019, a decrease of less than 1% in line with the decrease in total assets.
- Capital stock was \$34.5 billion at December 31, 2019, a decrease of 10% due principally to the net repurchases and redemptions of activity-based capital stock driven primarily by the decrease in advances.
- Retained earnings grew to \$20.6 billion at December 31, 2019, an increase of 6% resulting from net income of \$3,190 million, partially offset by dividends of \$2,121 million.

Combined Results of Operations

<i>(Dollars in millions)</i>	Three Months Ended December 31,			Year Ended December 31,		
	2019	2018	Change	2019	2018	Change
Interest income						
Advances	\$ 3,446	\$ 4,527	\$ (1,081)	\$ 16,856	\$ 16,031	\$ 825
Investments	2,145	2,161	(16)	9,169	7,691	1,478
Mortgage loans held for portfolio	568	542	26	2,234	1,989	245
Other interest income	1	2	(1)	5	6	(1)
Total interest income	6,160	7,232	(1,072)	28,264	25,717	2,547
Interest expense						
Consolidated obligations - Discount notes	1,691	2,364	(673)	9,028	7,605	1,423
Consolidated obligations - Bonds	3,190	3,489	(299)	14,319	12,657	1,662
Other interest expense	56	60	(4)	235	199	36
Total interest expense	4,937	5,913	(976)	23,582	20,461	3,121
Net interest income	1,223	1,319	(96)	4,682	5,256	(574)
Provision (reversal) for credit losses	—	1	(1)	2	2	—
Net interest income after provision (reversal) for credit losses	1,223	1,318	(95)	4,680	5,254	(574)
Non-interest income (loss)						
Net gains (losses) on investment securities	(53)	76	(129)	464	5	459
Net gains (losses) on financial instruments held under fair value option	(21)	19	(40)	78	(54)	132
Net gains (losses) on derivatives and hedging activities	162	(197)	359	(449)	(81)	(368)
Other non-interest income (loss)	72	26	46	204	157	47
Total non-interest income (loss)	160	(76)	236	297	27	270
Non-interest expense	390	361	29	1,425	1,315	110
Affordable Housing Program assessments	101	90	11	362	404	(42)
Net income	\$ 892	\$ 791	\$ 101	\$ 3,190	\$ 3,562	\$ (372)
Net interest margin	0.45%	0.48%	(0.03)%	0.43%	0.48%	(0.05)%



Net income was \$892 million for the three months ended December 31, 2019, an increase of 13% compared to the three months ended December 31, 2018, resulting primarily from net gains in non-interest income, partially offset by a decrease in net interest income. Net income was \$3,190 million for the year ended December 31, 2019, a decrease of 10% compared to the year ended December 31, 2018, primarily resulting from a decrease in net interest income, partially offset by higher net gains in non-interest income.

Net interest income after provision for credit losses was \$1,223 million for the three months ended December 31, 2019, a decrease of 7% compared to the three months ended December 31, 2018.

- Interest income was \$6,160 million for the three months ended December 31, 2019, a decrease of 15% compared to the three months ended December 31, 2018, due to lower yields on interest-earning assets, principally advances, and the lower average balance of advances. The yield on average interest-earning assets was 2.29% for the three months ended December 31, 2019, a decrease of 37 basis points, driven by the lower interest-rate environment, compared to the three months ended December 31, 2018.
- Interest expense was \$4,937 million for the three months ended December 31, 2019, a decrease of 17% compared to the three months ended December 31, 2018, resulting primarily from lower rates on consolidated obligations. The rate on average consolidated obligations was 1.93% for the three months ended December 31, 2019, a decrease of 36 basis points, driven by the lower interest-rate environment, compared to the three months ended December 31, 2018.

Net interest income after provision for credit losses was \$4,680 million for the year ended December 31, 2019, a decrease of 11% compared to the year ended December 31, 2018.

- Interest income was \$28,264 million for the year ended December 31, 2019, an increase of 10% compared to the year ended December 31, 2018, resulting from higher yields on interest-earning assets, principally advances, partially offset by the lower average balance of advances. The yield on average interest-earning assets was 2.62% for the year ended December 31, 2019, an increase of 29 basis points, driven by the higher interest-rate environment, compared to the year ended December 31, 2018.
- Interest expense was \$23,582 million for the year ended December 31, 2019, an increase of 15% compared to the year ended December 31, 2018, resulting primarily from higher rates on consolidated obligations. The rate on average consolidated obligations was 2.30% for the year ended December 31, 2019, an increase of 34 basis points, driven by the higher interest-rate environment, compared to the year ended December 31, 2018.

Net interest margin was 0.45% and 0.43% for the three months and year ended December 31, 2019, decreases of 3 and 5 basis points compared to the three months and year ended December 31, 2018. These decreases in net interest margin were driven primarily by the changes in the composition of interest-earning assets, including decreases in the average balances of advances and other higher-yielding assets, and increases in the average balance of lower-yielding liquidity investments, primarily U.S. Treasury obligations.

Non-interest income was \$160 million for the three months ended December 31, 2019, an increase of \$236 million compared to the three months ended December 31, 2018, resulting primarily from net gains on derivatives and hedging activities, partially offset by net losses on investment securities. Non-interest income was \$297 million for the year ended December 31, 2019, an increase of \$270 million compared to the year ended December 31, 2018, due primarily to higher net gains on investment securities and net gains on financial instruments held under fair value option, partially offset by higher net losses on derivatives and hedging activities.



Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were \$101 million for the three months ended December 31, 2019, an increase of 12% compared to the three months ended December 31, 2018. Affordable Housing Program assessments were \$362 million for the year ended December 31, 2019, a decrease of 10% compared to the year ended December 31, 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 6,700 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 - Statement of Condition Highlights
 Unaudited

	Combined ⁽¹⁾		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<i>(Dollars in millions)</i>												
Assets												
Cash and due from banks	\$ 4,960	\$ 522	\$ 69	\$ 10	\$ 603	\$ 85	\$ 21	\$ 72	\$ 911	\$ 35	\$ 21	\$ 10
Investments	374,995	306,790	16,144	15,900	56,832	35,443	24,573	20,076	50,617	44,309	34,389	33,614
Advances	641,519	728,767	34,596	43,193	100,695	105,179	65,610	82,476	97,167	108,462	47,370	54,822
Mortgage loans held for portfolio, net	72,492	62,534	4,501	4,299	3,173	2,927	5,114	4,462	296	360	11,235	10,501
Other assets	5,147	4,237	353	191	759	747	406	401	866	1,310	477	256
Total assets	\$ 1,099,113	\$ 1,102,850	\$ 55,663	\$ 63,593	\$ 162,062	\$ 144,381	\$ 95,724	\$ 107,487	\$ 149,857	\$ 154,476	\$ 93,492	\$ 99,203
Liabilities												
Consolidated obligations												
Discount notes	\$ 404,035	\$ 426,034	\$ 27,681	\$ 33,066	\$ 73,959	\$ 50,640	\$ 23,141	\$ 36,897	\$ 52,134	\$ 66,025	\$ 49,084	\$ 46,944
Bonds	622,161	603,491	23,889	25,912	78,764	84,154	66,808	64,299	88,503	79,114	38,440	45,659
Total consolidated obligations	1,026,196	1,029,525	51,570	58,978	152,723	134,794	89,949	101,196	140,637	145,139	87,524	92,603
Mandatorily redeemable capital stock	1,378	1,062	6	32	5	6	344	24	1	1	22	23
Other liabilities	16,112	13,919	942	976	1,802	1,834	958	891	2,056	1,689	1,501	1,247
Total liabilities	1,043,686	1,044,506	52,518	59,986	154,530	136,634	91,251	102,111	142,694	146,829	89,047	93,873
Capital												
Capital stock	34,495	38,498	1,869	2,529	5,779	6,066	3,055	4,027	4,988	5,486	3,367	4,320
Retained earnings	20,588	19,504	1,463	1,395	1,801	1,694	1,326	1,276	2,153	2,110	1,094	1,023
Accumulated other comprehensive income (loss)	344	342	(187)	(317)	(48)	(13)	92	73	22	51	(16)	(13)
Total capital (GAAP)	55,427	58,344	3,145	3,607	7,532	7,747	4,473	5,376	7,163	7,647	4,445	5,330
Total liabilities and capital	\$ 1,099,113	\$ 1,102,850	\$ 55,663	\$ 63,593	\$ 162,062	\$ 144,381	\$ 95,724	\$ 107,487	\$ 149,857	\$ 154,476	\$ 93,492	\$ 99,203
Regulatory capital	\$ 56,461	\$ 59,064	\$ 3,338	\$ 3,956	\$ 7,585	\$ 7,766	\$ 4,725	\$ 5,327	\$ 7,142	\$ 7,597	\$ 4,483	\$ 5,366

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Assets												
Cash and due from banks	\$ 220	\$ 101	\$ 29	\$ 28	\$ 1,029	\$ 119	\$ 21	\$ 35	\$ 1,917	\$ 15	\$ 118	\$ 13
Investments	23,577	20,886	38,882	32,684	38,465	31,777	33,918	29,551	20,087	10,306	37,637	32,381
Advances	32,480	32,728	50,508	52,628	80,360	106,323	37,117	40,794	30,241	28,730	65,374	73,434
Mortgage loans held for portfolio, net	10,815	11,385	10,000	7,103	9,334	7,835	4,075	2,186	10,633	8,410	3,314	3,066
Other assets	419	312	408	414	415	461	251	207	399	254	399	432
Total assets	\$ 67,511	\$ 65,412	\$ 99,827	\$ 92,857	\$ 129,603	\$ 146,515	\$ 75,382	\$ 72,773	\$ 63,277	\$ 47,715	\$ 106,842	\$ 109,326
Liabilities												
Consolidated obligations												
Discount notes	\$ 17,677	\$ 20,895	\$ 41,675	\$ 43,166	\$ 29,531	\$ 42,879	\$ 34,328	\$ 35,732	\$ 27,448	\$ 20,608	\$ 27,376	\$ 29,182
Bonds	44,715	40,265	50,474	42,250	91,553	93,772	35,746	31,932	32,013	23,967	71,372	72,276
Total consolidated obligations	62,392	61,160	92,149	85,416	121,084	136,651	70,074	67,664	59,461	44,575	98,748	101,458
Mandatorily redeemable capital stock	323	169	324	313	206	255	7	7	2	4	138	227
Other liabilities	1,639	1,033	1,900	1,839	1,587	2,061	1,503	1,337	1,022	682	1,215	1,111
Total liabilities	64,354	62,362	94,373	87,568	122,877	138,967	71,584	69,008	60,485	45,261	100,101	102,796
Capital												
Capital stock	1,974	1,931	1,713	1,698	4,517	5,414	2,466	2,555	1,767	1,524	3,000	2,949
Retained earnings	1,115	1,077	3,770	3,536	2,165	2,050	1,233	1,082	1,000	914	3,467	3,346
Accumulated other comprehensive income (loss)	68	42	(29)	55	44	84	99	128	25	16	274	235
Total capital (GAAP)	3,157	3,050	5,454	5,289	6,726	7,548	3,798	3,765	2,792	2,454	6,741	6,530
Total liabilities and capital	\$ 67,511	\$ 65,412	\$ 99,827	\$ 92,857	\$ 129,603	\$ 146,515	\$ 75,382	\$ 72,773	\$ 63,277	\$ 47,715	\$ 106,842	\$ 109,326
Regulatory capital	\$ 3,412	\$ 3,178	\$ 5,807	\$ 5,547	\$ 6,888	\$ 7,719	\$ 3,706	\$ 3,643	\$ 2,769	\$ 2,442	\$ 6,605	\$ 6,522

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



FHLBanks Office of Finance
Table II - Statement of Income Highlights

Unaudited

Three Months Ended December 31,												
<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	\$ 1,223	\$ 1,318	\$ 68	\$ 76	\$ 164	\$ 185	\$ 105	\$ 125	\$ 141	\$ 152	\$ 99	\$ 122
Non-interest income (loss)	160	(76)	42	2	27	(5)	17	(12)	3	(16)	7	(12)
Non-interest expense	390	361	34	29	48	45	31	26	36	38	21	21
Affordable Housing Program assessments	101	90	7	5	14	13	10	9	11	10	9	9
Net income (loss)	\$ 892	\$ 791	\$ 69	\$ 44	\$ 129	\$ 122	\$ 81	\$ 78	\$ 97	\$ 88	\$ 76	\$ 80
<i>(Dollars in millions)</i>	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	\$ 69	\$ 77	\$ 111	\$ 130	\$ 141	\$ 155	\$ 90	\$ 86	\$ 71	\$ 68	\$ 165	\$ 146
Non-interest income (loss)	11	(9)	32	1	9	(3)	2	1	6	(2)	10	(15)
Non-interest expense	26	24	67	56	43	41	24	23	19	18	49	49
Affordable Housing Program assessments	6	5	8	8	11	11	6	6	6	5	13	9
Net income (loss)	\$ 48	\$ 39	\$ 68	\$ 67	\$ 96	\$ 100	\$ 62	\$ 58	\$ 52	\$ 43	\$ 113	\$ 73

Year Ended December 31,												
<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	\$ 4,680	\$ 5,254	\$ 269	\$ 312	\$ 667	\$ 797	\$ 453	\$ 468	\$ 535	\$ 561	\$ 406	\$ 499
Non-interest income (loss)	297	27	41	21	34	(24)	3	10	19	51	(10)	(37)
Non-interest expense	1,425	1,315	98	92	176	151	102	92	146	150	89	85
Affordable Housing Program assessments	362	404	21	24	52	62	37	39	41	46	31	38
Net income (loss)	\$ 3,190	\$ 3,562	\$ 191	\$ 217	\$ 473	\$ 560	\$ 317	\$ 347	\$ 367	\$ 416	\$ 276	\$ 339
<i>(Dollars in millions)</i>	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	\$ 237	\$ 290	\$ 458	\$ 513	\$ 576	\$ 635	\$ 293	\$ 311	\$ 257	\$ 271	\$ 531	\$ 601
Non-interest income (loss)	20	20	100	16	20	20	56	2	22	(12)	21	(11)
Non-interest expense	98	92	223	191	168	142	97	92	73	70	187	187
Affordable Housing Program assessments	17	23	35	35	44	53	25	22	21	19	38	43
Net income (loss)	\$ 142	\$ 195	\$ 300	\$ 303	\$ 384	\$ 460	\$ 227	\$ 199	\$ 185	\$ 170	\$ 327	\$ 360

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