FHLBANKS OFFICE OF FINANCE

April 28, 2023

FOR IMMEDIATE RELEASE:

Office of Finance Announces First Quarter 2023 Combined Operating Highlights for the Federal Home Loan Banks

The first quarter 2023 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 March 31, 2023, and filed a Form 8-K with the U.S. Securities and Exchange Commission.

Combined Highlights

Net income was $1,510 million for the three months ended March 31, 2023, an increase of 201% compared to the three months ended March 31, 2022. As of March 31, 2023, total assets were $1,564.2 billion, an increase of 25%, total liabilities were $1,486.6 billion, an increase of 26%, and total GAAP capital was $77.6 billion, an increase of 14%, compared to December 31, 2022.

In March 2023, some U.S. banks, which were FHLBank members, experienced significant deposit outflows and financial difficulties, creating stress for the banking industry and the financial markets. During this time, the FHLBanks continued to execute their mission by serving as a reliable source of liquidity and funding for their members. The FHLBanks' assets and liabilities, primarily advances and consolidated obligations, increased significantly during the first quarter of 2023, driven by increased member demand.

Combined Financial Condition

(Dollars in millions)	March 31, 2023	December 31, 2022	Change
Assets			
Cash and due from banks	$ 3,932	$ 417	$ 3,515
Investments, net	450,254	363,812	86,442
Advances	1,044,614	819,121	225,493
Mortgage loans held for portfolio, net	56,228	56,048	180
Other assets, net	9,142	7,849	1,293
Total assets	**$ 1,564,170**	**$ 1,247,247**	**$ 316,923**
Liabilities			
Consolidated obligations			
Discount notes	$ 515,041	$ 466,049	$ 48,992
Bonds	944,074	695,381	248,693
Total consolidated obligations	1,459,115	1,161,430	297,685
Mandatorily redeemable capital stock	798	708	90
Other liabilities	26,682	17,302	9,380
Total liabilities	**1,486,595**	**1,179,440**	**307,155**
Capital			
Capital stock	53,362	44,006	9,356
Retained earnings	25,388	24,554	834
Accumulated other comprehensive income (loss)	(1,175)	(753)	(422)
Total capital (GAAP)	**77,575**	**67,807**	**9,768**
Total liabilities and capital	**$ 1,564,170**	**$ 1,247,247**	**$ 316,923**
Combined regulatory capital	**$ 79,548**	**$ 69,268**	**$ 10,280**
GAAP capital-to-assets ratio	**4.96 %**	**5.44 %**	**(0.48)%**
Regulatory capital-to-assets ratio	**5.09 %**	**5.55 %**	**(0.46)%**

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The FHLBanks' assets and liabilities expand and contract as the needs of member financial institutions and their communities change over time. As of March 31, 2023, total assets increased 25%, total liabilities increased 26%, and total GAAP capital increased 14%, compared to December 31, 2022.

- Advances totaled $1,044.6 billion at March 31, 2023, an increase of 28% resulting primarily from an increase in fixed-rate advances, driven by continued demand by depository members for liquidity. In particular, in March 2023, member demand for advances accelerated at times in response to the stress placed on the banking industry and financial markets resulting from the financial difficulties experienced by some depository institutions.
- Investments were $450.3 billion at March 31, 2023, an increase of 24% as the FHLBanks grew their investment portfolios to maintain liquidity in response to the growth in advances and to continue to meet the credit needs of members.
- Mortgage loans held for portfolio were generally flat at March 31, 2023, totaling $56.2 billion.
- Consolidated obligations totaled $1,459.1 billion at March 31, 2023, an increase of 26% in line with the increase in total assets and consisting of an increase of 36% in consolidated bonds and an increase of 11% in consolidated discount notes.
- Capital stock was $53.4 billion at March 31, 2023, an increase of 21% due principally to the net issuance of activity-based capital stock, driven by the increase in advances.
- Retained earnings grew to $25.4 billion at March 31, 2023, an increase of 3% resulting principally from net income of $1,510 million, partially offset by dividends of $676 million.

Combined Results of Operations

	Three Months Ended March 31,		
(Dollars in millions)	**2023**	**2022**	**Change**
Interest income			
Advances	$ 10,808	$ 634	$ 10,174
Investments	4,640	599	4,041
Mortgage loans held for portfolio	441	382	59
Total interest income	**15,889**	**1,615**	**14,274**
Interest expense			
Consolidated obligations - Discount notes	5,304	87	5,217
Consolidated obligations - Bonds	8,431	549	7,882
Other interest expense	135	7	128
Total interest expense	**13,870**	**643**	**13,227**
Net interest income	**2,019**	**972**	**1,047**
Provision (reversal) for credit losses	—	—	—
Net interest income after provision (reversal) for credit losses	**2,019**	**972**	**1,047**
Non-interest income (loss)			
Net gains (losses) on investment securities	184	(480)	664
Net gains (losses) on financial instruments held under fair value option	(148)	72	(220)
Net gains (losses) on derivatives	(68)	283	(351)
Other non-interest income (loss)	100	63	37
Total non-interest income (loss)	**68**	**(62)**	**130**
Non-interest expense	408	352	56
Affordable Housing Program assessments	169	56	113
Net income	**$ 1,510**	**$ 502**	**$ 1,008**
Net interest margin	**0.60 %**	**0.53 %**	**0.07 %**

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Net income was $1,510 million for the three months ended March 31, 2023, an increase of 201% compared to the three months ended March 31, 2022, resulting primarily from higher net interest income.

Net interest income was $2,019 million for the three months ended March 31, 2023, an increase of 108% compared to the three months ended March 31, 2022. Net interest margin was 0.60% for the three months ended March 31, 2023, an increase of 7 basis points compared to the three months ended March 31, 2022.

- Interest income was $15,889 million for the three months ended March 31, 2023, an increase of $14,274 million compared to the three months ended March 31, 2022, driven primarily by an increase in the average yield on interest-earning assets. The average yield on interest-earning assets was 4.74% for the three months ended March 31, 2023, an increase of 386 basis points from 0.88% for the three months ended March 31, 2022. Although significantly higher interest rates were the primary factor affecting interest income, the higher average balance of advances was also a contributing factor. The average balance of advances was $903.1 billion for the three months ended March 31, 2023, an increase of 129% compared to the three months ended March 31, 2022.
- Interest expense was $13,870 million for the three months ended March 31, 2023, an increase of $13,227 million compared to the three months ended March 31, 2022, driven primarily by the higher average rate on consolidated obligations. The average rate on consolidated obligations was 4.41% for the three months ended March 31, 2023, an increase of 403 basis points from 0.38% for the three months ended March 31, 2022. Although significantly higher interest rates were the primary factor affecting interest expense, the higher average balance of consolidated obligations was also a contributing factor. The average balance of consolidated obligations was $1,262.8 billion for the three months ended March 31, 2023, an increase of 86% compared to the three months ended March 31, 2022.

Non-interest income was a gain of $68 million for the three months ended March 31, 2023, resulting primarily from changes in the fair value of investment securities, derivatives, and financial instruments held under fair value option, driven by changes in interest rates. Non-interest income was a loss of $62 million for the three months ended March 31, 2022.

Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were $169 million for the three months ended March 31, 2023, an increase of 202% compared to the three months ended March 31, 2022.

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About the FHLBanks

The FHLBanks, as member-owned cooperative institutions, provide financial products and services to their members and housing associates that assist and enhance the financing of housing and community lending. In addition, the FHLBanks support community development through affordable housing and community investment. Each FHLBank is privately capitalized and independently managed.

The FHLBanks have delivered innovation and service to the U.S. housing market since 1932, and currently have approximately 6,500 members serving all 50 states, the District of Columbia, and U.S. territories. Please contact Tom Heinle at 703-467-3646 or theinle@fhlb-of.com for additional information.

Statements contained in this release, including statements describing the objectives, projections, estimates, or future predictions of the FHLBanks and the Office of Finance, may be "forward-looking statements." These statements may use forward-looking terminology, such as "anticipates," "believes," "could," "estimates," "expects," "may," "should," "will," "would," or their negatives or other variations on these terms. Investors should note that forward-looking statements, by their nature, involve risks or uncertainties. Therefore, the actual results could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. These forward-looking statements involve risks and uncertainties including, but not limited to, the following: changes in the general economy; changes in interest rates and housing prices; size and volatility of the residential mortgage market; disruptions in the credit and debt markets and the effect on the FHLBanks' funding costs, sources, and availability; levels and volatility of market prices, rates, and indices that could affect the value of investments or collateral held by the FHLBanks as security; monetary and fiscal policies; widespread health emergencies; geopolitical instability or conflicts; demand for FHLBank advances; competitive forces, including other sources of funding available to FHLBank members; and changes in investor demand for consolidated obligations. 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 website, 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.

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FHLBanks Office of Finance

Table I - Statement of Condition Highlights

Unaudited

(Dollars in millions)	Combined[1] March 31, 2023	Combined[1] December 31, 2022	Boston March 31, 2023	Boston December 31, 2022	New York March 31, 2023	New York December 31, 2022	Pittsburgh March 31, 2023	Pittsburgh December 31, 2022	Atlanta March 31, 2023	Atlanta December 31, 2022	Cincinnati March 31, 2023	Cincinnati December 31, 2022
Cash and due from banks	$ 3,932	$ 417	$ 7	$ 8	$ 22	$ 27	$ 21	$ 13	$ 2,172	$ 141	$ 1,462	$ 20
Investments, net	450,254	363,812	26,151	17,919	56,679	39,021	24,511	22,082	55,764	40,902	46,323	33,605
Advances	1,044,614	819,121	49,622	41,600	126,251	115,293	88,064	68,856	164,658	109,595	107,627	67,019
Mortgage loans held for portfolio, net	56,228	56,048	2,725	2,758	2,094	2,107	4,558	4,591	116	120	7,065	7,163
Other assets	9,142	7,849	1,659	613	891	943	842	599	1,234	864	1,853	803
Total assets	**$ 1,564,170**	**$ 1,247,247**	**$ 80,164**	**$ 62,898**	**$ 185,937**	**$ 157,391**	**$ 117,996**	**$ 96,141**	**$ 223,944**	**$ 151,622**	**$ 164,330**	**$ 108,610**
Consolidated obligations												
Discount notes	$ 515,041	$ 466,049	$ 33,448	$ 26,975	$ 59,922	$ 61,793	$ 30,613	$ 33,745	$ 54,052	$ 39,781	$ 69,685	$ 40,691
Bonds	944,074	695,381	41,670	31,566	112,475	85,498	79,628	56,471	156,588	101,729	84,259	59,668
Total consolidated obligations	1,459,115	1,161,430	75,118	58,541	172,397	147,291	110,241	90,216	210,640	141,510	153,944	100,359
Mandatorily redeemable capital stock	798	708	10	10	6	5	29	28	—	—	17	17
Other liabilities	26,682	17,302	1,221	932	4,667	1,748	1,931	1,000	3,241	2,466	2,362	1,732
Total liabilities	**1,486,595**	**1,179,440**	**76,349**	**59,483**	**177,070**	**149,044**	**112,201**	**91,244**	**213,881**	**143,976**	**156,323**	**102,108**
Capital stock	53,362	44,006	2,405	2,031	6,860	6,387	4,251	3,428	7,752	5,397	6,605	5,151
Retained earnings	25,388	24,554	1,716	1,690	2,189	2,096	1,600	1,536	2,328	2,283	1,454	1,401
Accumulated other comprehensive income (loss)	(1,175)	(753)	(306)	(306)	(182)	(136)	(56)	(67)	(17)	(34)	(52)	(50)
Total capital (GAAP)	**77,575**	**67,807**	**3,815**	**3,415**	**8,867**	**8,347**	**5,795**	**4,897**	**10,063**	**7,646**	**8,007**	**6,502**
Total liabilities and capital	**$ 1,564,170**	**$ 1,247,247**	**$ 80,164**	**$ 62,898**	**$ 185,937**	**$ 157,391**	**$ 117,996**	**$ 96,141**	**$ 223,944**	**$ 151,622**	**$ 164,330**	**$ 108,610**
Regulatory capital	**$ 79,548**	**$ 69,268**	**$ 4,131**	**$ 3,732**	**$ 9,055**	**$ 8,488**	**$ 5,879**	**$ 4,992**	**$ 10,081**	**$ 7,680**	**$ 8,076**	**$ 6,569**

	Indianapolis March 31, 2023	Indianapolis December 31, 2022	Chicago March 31, 2023	Chicago December 31, 2022	Des Moines March 31, 2023	Des Moines December 31, 2022	Dallas March 31, 2023	Dallas December 31, 2022	Topeka March 31, 2023	Topeka December 31, 2022	San Francisco March 31, 2023	San Francisco December 31, 2022
Cash and due from banks	$ 63	$ 21	$ 39	$ 35	$ 71	$ 89	$ 35	$ 28	$ 25	$ 26	$ 17	$ 9
Investments, net	27,193	27,204	45,512	49,647	57,530	43,381	51,166	40,613	19,831	19,261	39,712	30,291
Advances	36,950	36,683	79,584	66,288	119,027	111,202	124,834	68,922	46,457	44,263	101,541	89,400
Mortgage loans held for portfolio, net	7,732	7,687	10,174	10,160	8,473	8,348	4,565	4,395	7,925	7,905	801	815
Other assets	752	689	745	723	1,316	1,149	576	391	600	538	422	541
Total assets	**$ 72,690**	**$ 72,284**	**$ 136,054**	**$ 126,853**	**$ 186,417**	**$ 164,169**	**$ 181,176**	**$ 114,349**	**$ 74,838**	**$ 71,993**	**$ 142,493**	**$ 121,056**
Consolidated obligations												
Discount notes	$ 23,171	$ 27,387	$ 50,970	$ 59,531	$ 72,642	$ 69,170	$ 62,210	$ 46,270	$ 20,973	$ 24,775	$ 37,356	$ 35,929
Bonds	43,707	39,882	74,474	58,116	100,883	84,337	106,947	59,946	48,515	42,506	95,034	75,768
Total consolidated obligations	66,878	67,269	125,444	117,647	173,525	153,507	169,157	106,216	69,488	67,281	132,390	111,697
Mandatorily redeemable capital stock	372	373	247	248	14	15	7	7	—	—	95	5
Other liabilities	1,869	1,258	2,405	1,493	3,756	1,896	3,572	2,125	1,484	1,034	1,936	1,631
Total liabilities	**69,119**	**68,900**	**128,096**	**119,388**	**177,295**	**155,418**	**172,736**	**108,348**	**70,972**	**68,315**	**134,421**	**113,333**
Capital stock	2,292	2,123	3,545	2,989	6,592	6,250	6,391	3,984	2,662	2,508	4,007	3,758
Retained earnings	1,352	1,287	4,659	4,564	2,713	2,618	1,966	1,834	1,286	1,254	4,126	3,994
Accumulated other comprehensive income (loss)	(73)	(26)	(246)	(88)	(183)	(117)	83	183	(82)	(84)	(61)	(29)
Total capital (GAAP)	**3,571**	**3,384**	**7,958**	**7,465**	**9,122**	**8,751**	**8,440**	**6,001**	**3,866**	**3,678**	**8,072**	**7,723**
Total liabilities and capital	**$ 72,690**	**$ 72,284**	**$ 136,054**	**$ 126,853**	**$ 186,417**	**$ 164,169**	**$ 181,176**	**$ 114,349**	**$ 74,838**	**$ 71,993**	**$ 142,493**	**$ 121,056**
Regulatory capital	**$ 4,017**	**$ 3,782**	**$ 8,451**	**$ 7,801**	**$ 9,319**	**$ 8,883**	**$ 8,364**	**$ 5,826**	**$ 3,948**	**$ 3,761**	**$ 8,228**	**$ 7,757**

(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.

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Table II - Statement of Income Highlights

Unaudited

Three Months Ended March 31,

(Dollars in millions)	Combined[1] 2023	Combined[1] 2022	Boston 2023	Boston 2022	New York 2023	New York 2022	Pittsburgh 2023	Pittsburgh 2022	Atlanta 2023	Atlanta 2022	Cincinnati 2023	Cincinnati 2022
Net interest income after provision (reversal) for credit losses	$ 2,019	$ 972	$ 82	$ 59	$ 230	$ 122	$ 157	$ 43	$ 174	$ 68	$ 180	$ 81
Non-interest income (loss)	68	(62)	4	1	41	(13)	7	—	(1)	6	(11)	(37)
Non-interest expense	408	352	23	29	50	46	27	22	36	34	28	26
Affordable Housing Program assessments	169	56	6	3	22	6	14	2	14	4	14	2
Net income	**$ 1,510**	**$ 502**	**$ 57**	**$ 28**	**$ 199**	**$ 57**	**$ 123**	**$ 19**	**$ 123**	**$ 36**	**$ 127**	**$ 16**

	Indianapolis 2023	Indianapolis 2022	Chicago 2023	Chicago 2022	Des Moines 2023	Des Moines 2022	Dallas 2023	Dallas 2022	Topeka 2023	Topeka 2022	San Francisco 2023	San Francisco 2022
Net interest income after provision (reversal) for credit losses	$ 104	$ 65	$ 222	$ 154	$ 282	$ 97	$ 197	$ 90	$ 105	$ 85	$ 288	$ 106
Non-interest income (loss)	30	(7)	(4)	10	(15)	—	37	(21)	11	(9)	(26)	18
Non-interest expense	31	26	59	58	55	37	40	24	22	20	45	38
Affordable Housing Program assessments	11	3	16	11	21	6	19	4	9	6	22	8
Net income	**$ 92**	**$ 29**	**$ 143**	**$ 95**	**$ 191**	**$ 54**	**$ 175**	**$ 41**	**$ 85**	**$ 50**	**$ 195**	**$ 78**

(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.