February 22, 2019

FOR IMMEDIATE RELEASE:

Office of Finance Announces Fourth Quarter and Annual 2018 Combined Operating Highlights for the Federal Home Loan Banks

The fourth quarter and annual 2018 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 December 31, 2018, and filed a Form 8-K with the U.S. Securities and Exchange Commission.

Highlights

Net income was $791 million for the three months ended December 31, 2018, a decrease of 9% compared to the same period in 2017. Net income was $3,562 million for the year ended December 31, 2018, an increase of 6% compared to the same period in 2017. Balance sheet highlights as of December 31, 2018, compared to December 31, 2017 were:

- Total assets were nearly flat at $1,102.9 billion.
- Total liabilities were $1,044.6 billion, a decrease of less than 1%.
- Total GAAP capital was $58.3 billion, an increase of 3%.

Balance Sheet

(Dollars in millions)	**December 31, 2018**	**December 31, 2017**	**Change**
Assets			
Cash and due from banks	$ 578	$ 7,175	$ (6,597)
Investments	306,790	307,280	(490)
Advances	728,767	731,544	(2,777)
Mortgage loans held for portfolio, net	62,534	53,827	8,707
Other assets	4,237	3,625	612
Total assets	**$ 1,102,906**	**$ 1,103,451**	**$ (545)**
Consolidated obligations			
Discount notes	$ 426,034	$ 391,480	$ 34,554
Bonds	603,491	641,601	(38,110)
Total consolidated obligations	1,029,525	1,033,081	(3,556)
Mandatorily redeemable capital stock	1,062	1,272	(210)
Other liabilities	13,975	12,618	1,357
Total liabilities	**1,044,562**	**1,046,971**	**(2,409)**
Capital			
Capital stock	38,498	37,657	841
Retained earnings	19,504	18,099	1,405
Accumulated other comprehensive income (loss)	342	724	(382)
Total capital (GAAP)	**58,344**	**56,480**	**1,864**
Total liabilities and capital	**$ 1,102,906**	**$ 1,103,451**	**$ (545)**
Regulatory capital	**$ 59,064**	**$ 57,027**	**$ 2,037**
GAAP capital-to-assets ratio	**5.29%**	**5.12%**	**0.17%**
Regulatory capital-to-assets ratio	**5.36%**	**5.17%**	**0.19%**

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As of December 31, 2018, total assets and total liabilities each decreased less than 1% and total GAAP capital increased 3%, compared to December 31, 2017.

- Cash and due from banks was $578 million at December 31, 2018, a decrease of 92% as cash varies from period to period based on investment and liquidity preferences.
- Advances totaled $728.8 billion at December 31, 2018, a decrease of less than 1%.
- Investments were fairly flat at $306.8 billion at December 31, 2018.
- Mortgage loans held for portfolio, net grew to $62.5 billion at December 31, 2018, an increase of 16% as mortgage loan purchases outpaced principal repayments, as several FHLBanks had strong growth in their mortgage loan portfolios.
- Consolidated obligations totaled $1,029.5 billion at December 31, 2018, a decrease of less than 1% in line with the decrease in total assets.
- Capital stock was $38.5 billion at December 31, 2018, an increase of 2% due primarily to the net issuance of capital stock, partially offset by the reclassification of shares to mandatorily redeemable capital stock.
- Retained earnings grew to $19.5 billion at December 31, 2018, an increase of 8% resulting from net income of $3,562 million, partially offset by dividends of $2,162 million.

Income Statement

	Three Months Ended December 31,			Year Ended December 31,		
(Dollars in millions)	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Interest income						
Advances	$ 4,527	$ 2,730	$ 1,797	$ 16,031	$ 9,043	$ 6,988
Investments	2,161	1,450	711	7,691	5,233	2,458
Mortgage loans held for portfolio	542	450	92	1,989	1,719	270
Other interest income	2	2	—	6	7	(1)
Total interest income	**7,232**	**4,632**	**2,600**	**25,717**	**16,002**	**9,715**
Interest expense						
Consolidated obligations - Discount notes	2,364	1,162	1,202	7,605	3,759	3,846
Consolidated obligations - Bonds	3,489	2,195	1,294	12,657	7,620	5,037
Other interest expense	60	39	21	199	142	57
Total interest expense	**5,913**	**3,396**	**2,517**	**20,461**	**11,521**	**8,940**
Net interest income	**1,319**	**1,236**	**83**	**5,256**	**4,481**	**775**
Provision (reversal) for credit losses	1	—	1	2	—	2
Net interest income after provision (reversal) for credit losses	**1,318**	**1,236**	**82**	**5,254**	**4,481**	**773**
Non-interest income (loss)						
Net other-than-temporary impairment losses	(5)	(1)	(4)	(17)	(21)	4
Net gains (losses) on trading securities	76	(30)	106	(30)	(2)	(28)
Net gains (losses) on derivatives and hedging activities	(197)	31	(228)	(81)	324	(405)
Gains on litigation settlements, net	—	22	(22)	14	161	(147)
Other	50	36	14	141	153	(12)
Total non-interest income (loss)	**(76)**	**58**	**(134)**	**27**	**615**	**(588)**
Non-interest expense	361	330	31	1,315	1,336	(21)
Affordable Housing Program assessments	90	98	(8)	404	384	20
Net income	**$ 791**	**$ 866**	**$ (75)**	**$ 3,562**	**$ 3,376**	**$ 186**
Net interest margin	**0.48%**	**0.45%**	**0.03%**	**0.48%**	**0.42%**	**0.06%**

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Net Income

Net income was $791 million for the three months ended December 31, 2018, a decrease of 9% compared to the same period in 2017, as the increase in net interest income was more than offset by net losses in non-interest income. Net income was $3,562 million for the year ended December 31, 2018, an increase of 6% compared to the same period in 2017, primarily resulting from an increase in net interest income, partially offset by lower net gains in non-interest income.

Net Interest Income

Net interest income after provision for credit losses was $1,318 million and $5,254 million for the three months and year ended December 31, 2018, increases of 7% and 17% compared to the same periods in 2017. Net interest margin improved to 0.48% for both the three months and year ended December 31, 2018, increases of 3 and 6 basis points compared to the same periods in 2017.

- Interest income grew to $7,232 million and $25,717 million for the three months and year ended December 31, 2018, increases of 56% and 61% compared to the same periods in 2017. These increases were the result of higher yields on interest-earning assets, principally advances, driven by the higher interest-rate environment. The yields on average interest-earning assets were 2.66% and 2.33% for the three months and year ended December 31, 2018, increases of 96 and 83 basis points compared to the same periods in 2017.
- Interest expense was $5,913 million and $20,461 million for the three months and year ended December 31, 2018, increases of 74% and 78% compared to the same periods in 2017. These increases were the result of higher yields on consolidated bonds and consolidated discount notes, driven by the higher interest-rate environment. The yields on average consolidated obligations were 2.29% and 1.96% for the three months and year ended December 31, 2018, increases of 98 and 83 basis points compared to the same periods in 2017.

Non-Interest Income

Non-interest income was a loss of $76 million for the three months ended December 31, 2018, a decrease of $134 million compared to the same period in 2017, resulting primarily from net losses on derivatives and hedging activities, partially offset by net gains on trading securities. Non-interest income was $27 million for the year ended December 31, 2018, a decrease of $588 million compared to the same period in 2017, due primarily to net losses on derivatives and hedging activities and lower gains on litigation settlements.

Non-Interest Expense

Non-interest expense was $361 million for the three months ended December 31, 2018, an increase of 9% compared to the same period in 2017. Non-interest expense was $1,315 million for the year ended December 31, 2018, a decrease of 2% compared to the same period in 2017.

Affordable Housing Program Assessments

Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were $90 million for the three months ended December 31, 2018, a decrease of 8% compared to the same period in 2017. Affordable Housing Program assessments were $404 million for the year ended December 31, 2018, an increase of 5% compared to the same period in 2017.

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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 6,900 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; 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, underwriters, and/or investors in the consolidated obligations of the FHLBanks; 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.

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

(Dollars in millions)	Combined[1]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Assets												
Cash and due from banks	$ 578	$ 7,175	$ 10	$ 262	$ 85	$ 127	$ 128	$ 3,415	$ 35	$ 2,357	$ 10	$ 27
Investments	306,790	307,280	15,900	17,942	35,443	33,069	20,076	17,756	44,309	40,378	33,614	27,058
Advances	728,767	731,544	43,193	37,566	105,179	122,448	82,476	74,280	108,462	102,440	54,822	69,918
Mortgage loans held for portfolio, net	62,534	53,827	4,299	4,004	2,927	2,897	4,462	3,923	360	435	10,501	9,681
Other assets	4,237	3,625	191	588	747	377	401	289	1,310	956	256	211
Total assets	$ 1,102,906	$ 1,103,451	$ 63,593	$ 60,362	$ 144,381	$ 158,918	$ 107,543	$ 99,663	$ 154,476	$ 146,566	$ 99,203	$ 106,895
Liabilities												
Consolidated obligations												
Discount notes	$ 426,034	$ 391,480	$ 33,066	$ 27,721	$ 50,640	$ 49,614	$ 36,897	$ 36,193	$ 66,025	$ 50,139	$ 46,944	$ 46,211
Bonds	603,491	641,601	25,912	28,345	84,154	99,288	64,299	57,534	79,114	87,523	45,659	54,163
Total consolidated obligations	1,029,525	1,033,081	58,978	56,066	134,794	148,902	101,196	93,727	145,139	137,662	92,603	100,374
Mandatorily redeemable capital stock	1,062	1,272	32	36	6	20	24	5	1	1	23	30
Other liabilities	13,975	12,618	976	995	1,834	1,755	947	1,003	1,689	1,636	1,247	1,326
Total liabilities	1,044,562	1,046,971	59,986	57,097	136,634	150,677	102,167	94,735	146,829	139,299	93,873	101,730
Capital												
Capital stock	38,498	37,657	2,529	2,284	6,066	6,750	4,027	3,659	5,486	5,154	4,320	4,241
Retained earnings	19,504	18,099	1,395	1,308	1,694	1,546	1,276	1,158	2,110	2,003	1,023	940
Accumulated other comprehensive income (loss)	342	724	(317)	(327)	(13)	(55)	73	111	51	110	(13)	(16)
Total capital (GAAP)	58,344	56,480	3,607	3,265	7,747	8,241	5,376	4,928	7,647	7,267	5,330	5,165
Total liabilities and capital	$ 1,102,906	$ 1,103,451	$ 63,593	$ 60,362	$ 144,381	$ 158,918	$ 107,543	$ 99,663	$ 154,476	$ 146,566	$ 99,203	$ 106,895
Regulatory capital	$ 59,064	$ 57,027	$ 3,956	$ 3,628	$ 7,766	$ 8,316	$ 5,327	$ 4,822	$ 7,597	$ 7,157	$ 5,366	$ 5,211

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Assets												
Cash and due from banks	$ 101	$ 55	$ 28	$ 42	$ 119	$ 503	$ 35	$ 88	$ 15	$ 268	$ 13	$ 31
Investments	20,886	17,572	32,684	30,683	31,777	34,452	29,551	30,941	10,306	13,998	32,381	43,570
Advances	32,728	34,055	52,628	48,085	106,323	102,613	40,794	36,461	28,730	26,296	73,434	77,382
Mortgage loans held for portfolio, net	11,385	10,356	7,103	5,193	7,835	7,096	2,186	878	8,410	7,287	3,066	2,076
Other assets	312	311	414	352	461	435	207	156	254	228	432	326
Total assets	$ 65,412	$ 62,349	$ 92,857	$ 84,355	$ 146,515	$ 145,099	$ 72,773	$ 68,524	$ 47,715	$ 48,077	$ 109,326	$ 123,385
Liabilities												
Consolidated obligations												
Discount notes	$ 20,895	$ 20,358	$ 43,166	$ 41,191	$ 42,879	$ 36,682	$ 35,732	$ 32,511	$ 20,608	$ 20,421	$ 29,182	$ 30,440
Bonds	40,265	37,896	42,250	37,121	93,772	98,893	31,932	31,377	23,967	24,514	72,276	85,063
Total consolidated obligations	61,160	58,254	85,416	78,312	136,651	135,575	67,664	63,888	44,575	44,935	101,458	115,503
Mandatorily redeemable capital stock	169	164	313	311	255	385	7	6	4	5	227	309
Other liabilities	1,033	985	1,839	880	2,061	2,118	1,337	1,150	682	630	1,111	767
Total liabilities	62,362	59,403	87,568	79,503	138,967	138,078	69,008	65,044	45,261	45,570	102,796	116,579
Capital												
Capital stock	1,931	1,858	1,698	1,443	5,414	5,068	2,555	2,318	1,524	1,640	2,949	3,243
Retained earnings	1,077	976	3,536	3,297	2,050	1,839	1,082	942	914	841	3,346	3,245
Accumulated other comprehensive income (loss)	42	112	55	112	84	114	128	220	16	26	235	318
Total capital (GAAP)	3,050	2,946	5,289	4,852	7,548	7,021	3,765	3,480	2,454	2,507	6,530	6,806
Total liabilities and capital	$ 65,412	$ 62,349	$ 92,857	$ 84,355	$ 146,515	$ 145,099	$ 72,773	$ 68,524	$ 47,715	$ 48,077	$ 109,326	$ 123,385
Regulatory capital	$ 3,178	$ 2,998	$ 5,547	$ 5,051	$ 7,719	$ 7,292	$ 3,643	$ 3,266	$ 2,442	$ 2,486	$ 6,522	$ 6,797

(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 December 31,

(Dollars in millions)	Combined[1] 2018	Combined[1] 2017	Boston 2018	Boston 2017	New York 2018	New York 2017	Pittsburgh 2018	Pittsburgh 2017	Atlanta 2018	Atlanta 2017	Cincinnati 2018	Cincinnati 2017
Net interest income after provision (reversal) for credit losses	$ 1,318	$ 1,236	$ 76	$ 79	$ 185	$ 191	$ 125	$ 108	$ 152	$ 122	$ 122	$ 110
Non-interest income (loss)	(76)	58	2	22	(5)	6	(12)	7	(16)	18	(12)	3
Non-interest expense	361	330	29	26	45	36	26	25	38	36	21	19
Affordable Housing Program assessments	90	98	5	7	13	16	9	9	10	11	9	10
Net income (loss)	$ 791	$ 866	$ 44	$ 68	$ 122	$ 145	$ 78	$ 81	$ 88	$ 93	$ 80	$ 84

	Indianapolis 2018	Indianapolis 2017	Chicago 2018	Chicago 2017	Des Moines 2018	Des Moines 2017	Dallas 2018	Dallas 2017	Topeka 2018	Topeka 2017	San Francisco 2018	San Francisco 2017
Net interest income after provision (reversal) for credit losses	$ 77	$ 69	$ 130	$ 130	$ 155	$ 154	$ 86	$ 62	$ 68	$ 69	$ 146	$ 143
Non-interest income (loss)	(9)	5	1	11	(3)	7	1	—	(2)	2	(15)	(14)
Non-interest expense	24	23	56	43	41	31	23	27	18	18	49	54
Affordable Housing Program assessments	5	5	8	10	11	14	6	4	5	5	9	8
Net income (loss)	$ 39	$ 46	$ 67	$ 88	$ 100	$ 116	$ 58	$ 31	$ 43	$ 48	$ 73	$ 67

Year Ended December 31,

(Dollars in millions)	Combined[1] 2018	Combined[1] 2017	Boston 2018	Boston 2017	New York 2018	New York 2017	Pittsburgh 2018	Pittsburgh 2017	Atlanta 2018	Atlanta 2017	Cincinnati 2018	Cincinnati 2017
Net interest income after provision (reversal) for credit losses	$ 5,254	$ 4,481	$ 312	$ 277	$ 797	$ 721	$ 468	$ 436	$ 561	$ 157	$ 499	$ 429
Non-interest income (loss)	27	615	21	23	(24)	12	10	33	51	367	(37)	(1)
Non-interest expense	1,315	1,336	92	89	151	201	92	91	150	136	85	79
Affordable Housing Program assessments	404	384	24	21	62	53	39	38	46	39	38	35
Net income (loss)	$ 3,562	$ 3,376	$ 217	$ 190	$ 560	$ 479	$ 347	$ 340	$ 416	$ 349	$ 339	$ 314

	Indianapolis 2018	Indianapolis 2017	Chicago 2018	Chicago 2017	Des Moines 2018	Des Moines 2017	Dallas 2018	Dallas 2017	Topeka 2018	Topeka 2017	San Francisco 2018	San Francisco 2017
Net interest income after provision (reversal) for credit losses	$ 290	$ 262	$ 513	$ 483	$ 635	$ 650	$ 311	$ 238	$ 271	$ 270	$ 601	$ 567
Non-interest income (loss)	20	(6)	16	42	20	52	2	22	(12)	16	(11)	78
Non-interest expense	92	82	191	172	142	124	92	93	70	67	187	224
Affordable Housing Program assessments	23	18	35	36	53	60	22	17	19	22	43	45
Net income (loss)	$ 195	$ 156	$ 303	$ 317	$ 460	$ 518	$ 199	$ 150	$ 170	$ 197	$ 360	$ 376

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