May 1, 2020

FOR IMMEDIATE RELEASE:

Office of Finance Announces First Quarter 2020 Combined Operating Highlights for the Federal Home Loan Banks

The first quarter 2020 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, 2020, and filed a Form 8-K with the U.S. Securities and Exchange Commission.

Combined Highlights

Net income was $627 million for the three months ended March 31, 2020, a decrease of 30% compared to the three months ended March 31, 2019. As of March 31, 2020, total assets were $1,259.1 billion, an increase of 15%, total liabilities were $1,199.2 billion, an increase of 15%, and total GAAP capital was $59.9 billion, an increase of 8%, compared to December 31, 2019.

The financial condition and results of operations of the FHLBanks were affected by disruptions in the financial markets caused by the global COVID-19 pandemic. The FHLBanks have continued to meet their funding needs and be a reliable source of liquidity to their members during the pandemic. The effects of the pandemic on the global and U.S. economy and the FHLBanks are evolving and its full impact is uncertain.

During the first quarter of 2020, conditions in the financial markets deteriorated causing significant disruption to the availability of funds in the credit markets and resulted in adverse changes in interest rates, credit spreads, and asset prices. In response to these conditions, in March 2020 the Federal Open Market Committee acted twice to lower the target range for the federal funds rate from 1.50% to 1.75%, to a target range of 0.0% to 0.25%, noting that the COVID-19 outbreak has harmed communities and disrupted economic activity in many countries, including the United States, and has significantly affected global financial conditions. In the weeks before and after the Federal Reserve's cuts in the federal funds target rate, interest rates declined significantly and the spreads of the FHLBanks' consolidated obligations relative to U.S. Treasury securities widened, impacting the FHLBanks' net interest income and net interest margin for the three months ended March 31, 2020.

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Combined Financial Condition

(Dollars in millions)	March 31, 2020	December 31, 2019	Change
Assets			
Cash and due from banks	$ 20,318	$ 4,960	$ 15,358
Investments, net	350,685	374,995	(24,310)
Advances	806,944	641,519	165,425
Mortgage loans held for portfolio, net	74,562	72,492	2,070
Other assets, net	6,594	5,147	1,447
Total assets	**$ 1,259,103**	**$ 1,099,113**	**$ 159,990**
Liabilities			
Consolidated obligations			
Discount notes	$ 576,593	$ 404,035	$ 172,558
Bonds	599,817	622,161	(22,344)
Total consolidated obligations	1,176,410	1,026,196	150,214
Mandatorily redeemable capital stock	1,726	1,378	348
Other liabilities	21,043	16,112	4,931
Total liabilities	**1,199,179**	**1,043,686**	**155,493**
Capital			
Capital stock	41,037	34,495	6,542
Retained earnings	20,729	20,588	141
Accumulated other comprehensive income (loss)	(1,842)	344	(2,186)
Total capital (GAAP)	**59,924**	**55,427**	**4,497**
Total liabilities and capital	**$ 1,259,103**	**$ 1,099,113**	**$ 159,990**
Regulatory capital	**$ 63,492**	**$ 56,461**	**$ 7,031**
GAAP capital-to-assets ratio	**4.76%**	**5.04%**	**(0.28)%**
Regulatory capital-to-assets ratio	**5.04%**	**5.14%**	**(0.10)%**

As of March 31, 2020, total assets and total liabilities each increased 15%, and total GAAP capital increased 8%, compared to December 31, 2019.

- Advances totaled $806.9 billion at March 31, 2020, an increase of 26% as members sought additional liquidity amid the uncertainty in the financial markets due to the COVID-19 pandemic.
- Investments, net were $350.7 billion at March 31, 2020, a decrease of 6% driven by a decrease in securities purchased under agreements to resell, partially offset by an increase in federal funds sold.
- Mortgage loans held for portfolio, net were $74.6 billion at March 31, 2020, an increase of 3% as the FHLBanks were able to continue to grow their mortgage loan portfolios.
- Consolidated obligations totaled $1,176.4 billion at March 31, 2020, an increase of 15% in line with the increase in total assets, principally resulting from the growth in advances. The growth in consolidated obligations was driven by a 43% increase in consolidated discount notes as investors preferred short-term, high-quality money market instruments amid the uncertainty in the financial markets due to the COVID-19 pandemic.
- Capital stock was $41.0 billion at March 31, 2020, an increase of 19% due principally to the net issuance of activity-based capital stock driven primarily by the increase in advances.
- Retained earnings grew to $20.7 billion at March 31, 2020, an increase of 1% resulting from net income of $627 million, partially offset by dividends of $458 million.
- Accumulated other comprehensive income was a loss of $1.8 billion at March 31, 2020, a decrease of $2.2 billion due principally to net unrealized losses on mortgage-backed securities classified as available-for-sale investment securities.

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FHLBANKS OFFICE OF FINANCE

Combined Results of Operations

(Dollars in millions)	Three Months Ended March 31, 2020	2019	Change
Interest income			
Advances	$ 2,892	$ 4,772	$ (1,880)
Investments	1,734	2,288	(554)
Mortgage loans held for portfolio	566	562	4
Other interest income	1	2	(1)
Total interest income	**5,193**	**7,624**	**(2,431)**
Interest expense			
Consolidated obligations - Discount notes	1,523	2,561	(1,038)
Consolidated obligations - Bonds	2,710	3,733	(1,023)
Other interest expense	45	56	(11)
Total interest expense	**4,278**	**6,350**	**(2,072)**
Net interest income	**915**	**1,274**	**(359)**
Provision (reversal) for credit losses	43	1	42
Net interest income after provision (reversal) for credit losses	**872**	**1,273**	**(401)**
Non-interest income (loss)			
Net gains (losses) on investment securities	1,174	105	1,069
Net gains (losses) on financial instruments held under fair value option	56	23	33
Net gains (losses) on derivatives and hedging activities	(1,121)	(108)	(1,013)
Other non-interest income (loss)	83	43	40
Total non-interest income (loss)	**192**	**63**	**129**
Non-interest expense	365	334	31
Affordable Housing Program assessments	72	102	(30)
Net income	**$ 627**	**$ 900**	**$ (273)**
Net interest margin	**0.34%**	**0.47%**	**(0.13)%**

Net income was $627 million for the three months ended March 31, 2020, a decrease of 30% compared to the three months ended March 31, 2019, 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 $872 million for the three months ended March 31, 2020, a decrease of 32% compared to the three months ended March 31, 2019.

- Interest income was $5,193 million for the three months ended March 31, 2020, a decrease of 32% compared to the three months ended March 31, 2019, resulting from lower yields on interest-earning assets, principally advances. The average yield on interest-earning assets was 1.91% for the three months ended March 31, 2020, a decrease of 93 basis points in the lower interest-rate environment, compared to the three months ended March 31, 2019.
- Interest expense was $4,278 million for the three months ended March 31, 2020, a decrease of 33% compared to the three months ended March 31, 2019, resulting primarily from lower rates on consolidated obligations. The average rate on consolidated obligations was 1.65% for the three months ended March 31, 2020, a decrease of 85 basis points in the lower interest-rate environment, compared to the three months ended March 31, 2019.

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- Provision for credit losses was $43 million for the three months ended March 31, 2020, an increase of $42 million compared to the three months ended March 31, 2019. The provision for credit losses for the three months ended March 31, 2020, consisted of a $40 million provision for credit losses on private-label mortgage-backed securities driven by a decline in fair values, and a $3 million provision for credit losses on mortgage loans held for portfolio.

Net interest margin was 0.34% for the three months ended March 31, 2020, a decrease of 13 basis points compared to the three months ended March 31, 2019. This decrease was due to several factors, including:

- The tightening of spreads between interest-earning assets and interest-bearing liabilities due to lower interest rates and wider spreads for consolidated obligations to certain market benchmark interest rates.
- The effect of hedge ineffectiveness included in net interest income on designated fair value hedges.
- The effect of lower interest rates on variable-rate interest-earning assets and the runoff of higher-yielding interest-earning assets and replacement of these assets in the lower interest-rate environment, including a decrease in yields on short-term investments funded by equity capital and short-term debt.
- The acceleration of amortization of premiums on mortgage loans and mortgage-backed securities due to higher prepayments and the accelerated recognition of concession fees on called consolidated obligations.

Non-interest income was $192 million for the three months ended March 31, 2020, an increase of $129 million compared to the three months ended March 31, 2019, due primarily to higher net gains on U.S. Treasury obligations classified as trading investment securities, 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 $72 million for the three months ended March 31, 2020, a decrease of 29% compared to the three months ended March 31, 2019.

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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 6,700 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, 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; changes to, and replacement of, the London Interbank Offered Rate benchmark interest rate, and the use and acceptance of the Secured Overnight Financing Rate; 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; 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; demand for FHLBank advances; competitive forces, including other sources of funding available to FHLBank members; loss of members and repayment of advances made to those members due to institutional failures, changes in the financial health of members or other factors; changes in investor demand for consolidated obligations, including those resulting from changes in credit ratings and/or the terms of derivative transactions; the ability to introduce new FHLBank products and services and successfully manage the risks associated with those products and services; the pace of technological change and the ability to develop, secure, and support technology and information systems to effectively manage the risks, including information security; the effect of new accounting guidance; and natural disasters, pandemics or other widespread health emergencies (such as the recent outbreak of COVID-19), terrorist attacks, or other unanticipated or catastrophic events. 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 - Statement of Condition Highlights

Unaudited

(Dollars in millions)	Combined[1] March 31, 2020	Combined[1] December 31, 2019	Boston March 31, 2020	Boston December 31, 2019
Assets				
Cash and due from banks	$ 20,318	$ 4,960	$ 807	$ 69
Investments, net	350,685	374,995	18,072	16,144
Advances	806,944	641,519	45,076	34,596
Mortgage loans held for portfolio, net	74,562	72,492	4,528	4,501
Other assets, net	6,594	5,147	418	353
Total assets	$ 1,259,103	$ 1,099,113	$ 68,901	$ 55,663
Liabilities				
Consolidated obligations				
Discount notes	$ 576,593	$ 404,035	$ 39,692	$ 27,681
Bonds	599,817	622,161	24,577	23,889
Total consolidated obligations	1,176,410	1,026,196	64,269	51,570
Mandatorily redeemable capital stock	1,726	1,378	6	6
Other liabilities	21,043	16,112	1,135	942
Total liabilities	1,199,179	1,043,686	65,410	52,518
Capital				
Capital stock	41,037	34,495	2,266	1,869
Retained earnings	20,729	20,588	1,473	1,463
Accumulated other comprehensive income (loss)	(1,842)	344	(248)	(187)
Total capital (GAAP)	59,924	55,427	3,491	3,145
Total liabilities and capital	$ 1,259,103	$ 1,099,113	$ 68,901	$ 55,663
Regulatory capital	$ 63,492	$ 56,461	$ 3,746	$ 3,338

(Dollars in millions)	New York March 31, 2020	New York December 31, 2019	Pittsburgh March 31, 2020	Pittsburgh December 31, 2019
Assets				
Cash and due from banks	$ 38	$ 603	$ 3,947	$ 21
Investments, net	42,332	56,832	27,900	24,573
Advances	136,151	100,695	78,093	65,610
Mortgage loans held for portfolio, net	3,210	3,173	5,238	5,114
Other assets, net	1,002	759	480	406
Total assets	$ 182,733	$ 162,062	$ 115,658	$ 95,724
Liabilities				
Consolidated obligations				
Discount notes	$ 90,250	$ 73,959	$ 52,063	$ 23,141
Bonds	81,089	78,764	56,954	66,808
Total consolidated obligations	171,339	152,723	109,017	89,949
Mandatorily redeemable capital stock	5	5	303	344
Other liabilities	2,387	1,802	1,379	958
Total liabilities	173,731	154,530	110,699	91,251
Capital				
Capital stock	7,313	5,779	3,630	3,055
Retained earnings	1,814	1,801	1,305	1,326
Accumulated other comprehensive income (loss)	(125)	(48)	24	92
Total capital (GAAP)	9,002	7,532	4,959	4,473
Total liabilities and capital	$ 182,733	$ 162,062	$ 115,658	$ 95,724
Regulatory capital	$ 9,132	$ 7,585	$ 5,239	$ 4,725

(Dollars in millions)	Atlanta March 31, 2020	Atlanta December 31, 2019	Cincinnati March 31, 2020	Cincinnati December 31, 2019
Assets				
Cash and due from banks	$ 4,247	$ 911	$ 3,924	$ 21
Investments, net	46,429	50,617	25,665	34,389
Advances	137,037	97,167	80,425	47,370
Mortgage loans held for portfolio, net	281	296	11,923	11,235
Other assets, net	1,398	866	573	477
Total assets	$ 189,392	$ 149,857	$ 122,510	$ 93,492
Liabilities				
Consolidated obligations				
Discount notes	$ 96,490	$ 52,134	$ 79,660	$ 49,084
Bonds	81,856	88,503	34,668	38,440
Total consolidated obligations	178,346	140,637	114,328	87,524
Mandatorily redeemable capital stock	1	1	572	22
Other liabilities	2,227	2,056	1,735	1,501
Total liabilities	180,574	142,694	116,635	89,047
Capital				
Capital stock	6,652	4,988	4,739	3,367
Retained earnings	2,185	2,153	1,153	1,094
Accumulated other comprehensive income (loss)	(19)	22	(17)	(16)
Total capital (GAAP)	8,818	7,163	5,875	4,445
Total liabilities and capital	$ 189,392	$ 149,857	$ 122,510	$ 93,492
Regulatory capital	$ 8,838	$ 7,142	$ 6,464	$ 4,483

	Indianapolis March 31, 2020	Indianapolis December 31, 2019	Chicago March 31, 2020	Chicago December 31, 2019
Assets				
Cash and due from banks	$ 4,685	$ 220	$ 62	$ 29
Investments, net	23,888	23,577	37,249	38,882
Advances	38,927	32,480	55,005	50,508
Mortgage loans held for portfolio, net	10,649	10,815	10,647	10,000
Other assets, net	517	419	480	408
Total assets	$ 78,666	$ 67,511	$ 103,443	$ 99,827
Liabilities				
Consolidated obligations				
Discount notes	$ 29,653	$ 17,677	$ 47,095	$ 41,675
Bonds	42,079	44,715	48,593	50,474
Total consolidated obligations	71,732	62,392	95,688	92,149
Mandatorily redeemable capital stock	323	323	328	324
Other liabilities	3,470	1,639	2,362	1,900
Total liabilities	75,525	64,354	98,378	94,373
Capital				
Capital stock	2,098	1,974	1,954	1,713
Retained earnings	1,124	1,115	3,822	3,770
Accumulated other comprehensive income (loss)	(81)	68	(711)	(29)
Total capital (GAAP)	3,141	3,157	5,065	5,454
Total liabilities and capital	$ 78,666	$ 67,511	$ 103,443	$ 99,827
Regulatory capital	$ 3,545	$ 3,412	$ 6,104	$ 5,807

	Des Moines March 31, 2020	Des Moines December 31, 2019	Dallas March 31, 2020	Dallas December 31, 2019
Assets				
Cash and due from banks	$ 611	$ 1,029	$ 1,217	$ 21
Investments, net	35,634	38,465	31,035	33,918
Advances	79,757	80,360	46,923	37,117
Mortgage loans held for portfolio, net	9,546	9,334	4,282	4,075
Other assets, net	520	415	350	251
Total assets	$ 126,068	$ 129,603	$ 83,807	$ 75,382
Liabilities				
Consolidated obligations				
Discount notes	$ 33,071	$ 29,531	$ 43,953	$ 34,328
Bonds	84,266	91,553	34,186	35,746
Total consolidated obligations	117,337	121,084	78,139	70,074
Mandatorily redeemable capital stock	96	206	7	7
Other liabilities	1,902	1,587	1,945	1,503
Total liabilities	119,335	122,877	80,091	71,584
Capital				
Capital stock	4,653	4,517	2,700	2,466
Retained earnings	2,199	2,165	1,267	1,233
Accumulated other comprehensive income (loss)	(119)	44	(251)	99
Total capital (GAAP)	6,733	6,726	3,716	3,798
Total liabilities and capital	$ 126,068	$ 129,603	$ 83,807	$ 75,382
Regulatory capital	$ 6,948	$ 6,888	$ 3,974	$ 3,706

	Topeka March 31, 2020	Topeka December 31, 2019	San Francisco March 31, 2020	San Francisco December 31, 2019
Assets				
Cash and due from banks	$ 452	$ 1,917	$ 328	$ 118
Investments, net	19,597	20,087	43,016	37,637
Advances	31,678	30,241	77,872	65,374
Mortgage loans held for portfolio, net	11,018	10,633	3,239	3,314
Other assets, net	445	399	415	399
Total assets	$ 63,190	$ 63,277	$ 124,870	$ 106,842
Liabilities				
Consolidated obligations				
Discount notes	$ 25,564	$ 27,448	$ 39,102	$ 27,376
Bonds	33,730	32,013	77,937	71,372
Total consolidated obligations	59,294	59,461	117,039	98,748
Mandatorily redeemable capital stock	2	2	83	138
Other liabilities	1,180	1,022	1,341	1,215
Total liabilities	60,476	60,485	118,463	100,101
Capital				
Capital stock	1,802	1,767	3,231	3,000
Retained earnings	981	1,000	3,404	3,467
Accumulated other comprehensive income (loss)	(69)	25	(228)	274
Total capital (GAAP)	2,714	2,792	6,407	6,741
Total liabilities and capital	$ 63,190	$ 63,277	$ 124,870	$ 106,842
Regulatory capital	$ 2,785	$ 2,769	$ 6,718	$ 6,605

(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 March 31,

(Dollars in millions)	Combined[1] 2020	Combined[1] 2019	Boston 2020	Boston 2019	New York 2020	New York 2019	Pittsburgh 2020	Pittsburgh 2019	Atlanta 2020	Atlanta 2019	Cincinnati 2020	Cincinnati 2019
Net interest income after provision (reversal) for credit losses	$ 872	$ 1,273	$ 31	$ 86	$ 153	$ 177	$ 93	$ 130	$ 85	$ 144	$ 82	$ 122
Non-interest income (loss)	192	63	38	(7)	8	13	(31)	4	93	7	31	(18)
Non-interest expense	365	334	22	19	44	40	21	25	58	39	24	23
Affordable Housing Program assessments	72	102	5	6	12	15	5	11	12	11	9	8
Net income (loss)	$ 627	$ 900	$ 42	$ 54	$ 105	$ 135	$ 36	$ 98	$ 108	$ 101	$ 80	$ 73

	Indianapolis 2020	Indianapolis 2019	Chicago 2020	Chicago 2019	Des Moines 2020	Des Moines 2019	Dallas 2020	Dallas 2019	Topeka 2020	Topeka 2019	San Francisco 2020	San Francisco 2019
Net interest income after provision (reversal) for credit losses	$ 63	$ 57	$ 144	$ 118	$ 109	$ 159	$ 45	$ 72	$ 55	$ 63	$ 10	$ 144
Non-interest income (loss)	(4)	3	2	18	36	5	35	16	(23)	13	18	15
Non-interest expense	26	23	57	50	43	39	23	24	19	17	36	43
Affordable Housing Program assessments	3	4	9	9	10	13	6	6	1	6	—	12
Net income (loss)	$ 30	$ 33	$ 80	$ 77	$ 92	$ 112	$ 51	$ 58	$ 12	$ 53	$ (8)	$ 104

(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.