FHLBANKS OFFICE OF FINANCE

February 23, 2022

FOR IMMEDIATE RELEASE:

Office of Finance Announces Fourth Quarter and Annual 2021 Combined Operating Highlights for the Federal Home Loan Banks

The fourth quarter and annual 2021 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, 2021, and filed a Form 8-K with the U.S. Securities and Exchange Commission.

Combined Highlights

Net income was $435 million and $1,771 million for the three months and year ended December 31, 2021, decreases of 34% and 37% compared to the three months and year ended December 31, 2020. As of December 31, 2021, total assets were $723.2 billion, a decrease of 12%, total liabilities were $674.1 billion, a decrease of 13%, and total GAAP capital was $49.1 billion, a decrease of 2%, compared to December 31, 2020.

Combined Financial Condition

(Dollars in millions)	December 31, 2021	December 31, 2020	Change
Assets			
Cash and due from banks	$ 3,532	$ 25,125	$ (21,593)
Investments, net	308,471	305,865	2,606
Advances	351,278	422,639	(71,361)
Mortgage loans held for portfolio, net	55,497	62,842	(7,345)
Other assets, net	4,460	4,269	191
Total assets	**$ 723,238**	**$ 820,740**	**$ (97,502)**
Liabilities			
Consolidated obligations			
Discount notes	$ 210,897	$ 274,804	$ (63,907)
Bonds	441,024	473,714	(32,690)
Total consolidated obligations	651,921	748,518	(96,597)
Mandatorily redeemable capital stock	398	772	(374)
Other liabilities	21,797	21,270	527
Total liabilities	**674,116**	**770,560**	**(96,444)**
Capital			
Capital stock	25,065	27,398	(2,333)
Retained earnings	22,760	21,998	762
Accumulated other comprehensive income (loss)	1,297	784	513
Total capital (GAAP)	**49,122**	**50,180**	**(1,058)**
Total liabilities and capital	**$ 723,238**	**$ 820,740**	**$ (97,502)**
Regulatory capital	**$ 48,223**	**$ 50,168**	**$ (1,945)**
GAAP capital-to-assets ratio	**6.79 %**	**6.11 %**	**0.68 %**
Regulatory capital-to-assets ratio	**6.67 %**	**6.11 %**	**0.56 %**

1818 Library Street Suite 420 Reston, VA 20190
Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

The FHLBanks' assets expand and contract as the needs of member financial institutions and their communities change over time. As of December 31, 2021, total assets decreased 12%, total liabilities decreased 13%, and total GAAP capital decreased 2%, compared to December 31, 2020.

- Advances totaled $351.3 billion at December 31, 2021, a decrease of 17%, principally attributable to those made to commercial bank members, driven by elevated levels of liquidity in the financial markets and elevated deposits at depository member institutions.
- Investments were generally flat at December 31, 2021, totaling $308.5 billion.
- Mortgage loans held for portfolio were $55.5 billion at December 31, 2021, a decrease of 12% driven primarily by prepayments, resulting from the low mortgage interest-rate environment, outpacing mortgage loan purchase volume.
- Consolidated obligations totaled $651.9 billion at December 31, 2021, a decrease of 13% in line with the decrease in total assets and consisting of a 23% decrease in consolidated discount notes and a 7% decrease in consolidated bonds.
- Capital stock was $25.1 billion at December 31, 2021, a decrease of 9% due to the net repurchases and redemptions of activity-based capital stock, driven primarily by the decrease in advances, and the reclassification of capital stock to mandatorily redeemable capital stock.
- Retained earnings grew to $22.8 billion at December 31, 2021, an increase of 3% resulting principally from net income of $1,771 million, partially offset by dividends of $1,009 million.

Combined Results of Operations

	Three Months Ended December 31,			Year Ended December 31,		
(Dollars in millions)	2021	2020	Change	2021	2020	Change
Interest income						
Advances	$ 610	$ 898	$ (288)	$ 2,634	$ 6,654	$ (4,020)
Investments	542	758	(216)	2,408	4,286	(1,878)
Mortgage loans held for portfolio	357	382	(25)	1,425	1,862	(437)
Other interest income	3	3	—	4	5	(1)
Total interest income	**1,512**	**2,041**	**(529)**	**6,471**	**12,807**	**(6,336)**
Interest expense						
Consolidated obligations - Discount notes	49	124	(75)	226	2,535	(2,309)
Consolidated obligations - Bonds	563	796	(233)	2,473	5,748	(3,275)
Other interest expense	5	10	(5)	25	83	(58)
Total interest expense	**617**	**930**	**(313)**	**2,724**	**8,366**	**(5,642)**
Net interest income	**895**	**1,111**	**(216)**	**3,747**	**4,441**	**(694)**
Provision (reversal) for credit losses	1	(14)	15	(15)	38	(53)
Net interest income after provision (reversal) for credit losses	**894**	**1,125**	**(231)**	**3,762**	**4,403**	**(641)**
Non-interest income (loss)						
Net gains (losses) on investment securities	(150)	(113)	(37)	(708)	761	(1,469)
Net gains (losses) on financial instruments held under fair value option	(6)	(9)	3	(67)	138	(205)
Net gains (losses) on derivatives	62	77	(15)	195	(1,094)	1,289
Gains on litigation settlements, net	15	26	(11)	15	146	(131)
Other non-interest income (loss)	47	71	(24)	207	322	(115)
Total non-interest income (loss)	**(32)**	**52**	**(84)**	**(358)**	**273**	**(631)**
Non-interest expense	377	447	(70)	1,432	1,570	(138)
Affordable Housing Program assessments	50	73	(23)	201	315	(114)
Net income	**$ 435**	**$ 657**	**$ (222)**	**$ 1,771**	**$ 2,791**	**$ (1,020)**
Net interest margin	**0.49 %**	**0.52 %**	**(0.03)%**	**0.50 %**	**0.44 %**	**0.06 %**

1818 Library Street Suite 420 Reston, VA 20190
Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

Net income was $435 million and $1,771 million for the three months and year ended December 31, 2021, decreases of 34% and 37% compared to the three months and year ended December 31, 2020, resulting primarily from decreases in net interest income and non-interest income.

Net interest income was $895 million and $3,747 million for the three months and year ended December 31, 2021, decreases of 19% and 16% compared to the three months and year ended December 31, 2020. Net interest margin was 0.49% for the three months ended December 31, 2021, a decrease of 3 basis points compared to the three months ended December 31, 2020. Net interest margin was 0.50% for the year ended December 31, 2021, an increase of 6 basis points compared to the year ended December 31, 2020. The increase in net interest margin during the year ended December 31, 2021, was driven primarily by the lower cost of consolidated obligations, resulting primarily from the tightening of spreads relative to certain benchmark interest rates during this period, supported by high demand for consolidated obligations by investors. Also contributing to the increase in net interest margin compared to the year ended December 31, 2020, was the lower net interest margin for the year ended December 31, 2020, which was driven by several factors associated with the decline in interest rates that occurred in March 2020, during the onset of the COVID-19 pandemic. Both interest income and interest expense were significantly lower for the three months and year ended December 31, 2021, compared to the three months and year ended December 31, 2020, primarily as a result of the low interest-rate environment resulting from the COVID-19 pandemic and the reduced demand for advances due to elevated deposit levels at depository member institutions and liquidity in the financial markets.

- Interest income was $1,512 million and $6,471 million for the three months and year ended December 31, 2021, decreases of 26% and 49% compared to the three months and year ended December 31, 2020, resulting from decreases in both the average yields on, and the average balances of, interest-earning assets, principally advances. The average yields on interest-earning assets were 0.83% and 0.86% for the three months and year ended December 31, 2021, decreases of 13 and 42 basis points compared to the three months and year ended December 31, 2020. The average balances of interest-earning assets for the three months and year ended December 31, 2021, decreased 15% and 25% compared to the three months and year ended December 31, 2020.
- Interest expense was $617 million and $2,724 million for the three months and year ended December 31, 2021, decreases of 34% and 67% compared to the three months and year ended December 31, 2020, due to the lower average rates on, and the lower average balances of, consolidated obligations. The average rates on consolidated obligations were 0.37% and 0.39% for the three months and year ended December 31, 2021, decreases of 10 and 50 basis points compared to the three months and year ended December 31, 2020. The average balances of consolidated obligations for the three months and year ended December 31, 2021, decreased 16% and 27% compared to the three months and year ended December 31, 2020.

Non-interest income was a loss of $32 million and a loss of $358 million for the three months and year ended December 31, 2021, driven by changes in the fair value of investment securities, derivatives, and financial instruments held under fair value option resulting primarily from changes in interest rates. Non-interest income was a gain of $52 million and a gain of $273 million for the three months and year ended December 31, 2020.

Affordable Housing Program assessments result from individual FHLBank income subject to assessments. Affordable Housing Program assessments were $50 million and $201 million for the three months and year ended December 31, 2021, decreases of 32% and 36% compared to the three months and year ended December 31, 2020.

1818 Library Street Suite 420 Reston, VA 20190
Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

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 6,600 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; the COVID-19 pandemic or other widespread health emergencies; 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 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.

1818 LIBRARY STREET SUITE 420 RESTON, VA 20190
PHONE 703.467.3600 INFO@FHLB-OF.COM WWW.FHLB-OF.COM

FHLBanks Office of Finance

Table I - Statement of Condition Highlights

Unaudited

(Dollars in millions)	Combined[1]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash and due from banks	$ 3,532	$ 25,125	$ 205	$ 2,050	$ 22	$ 1,896	$ 428	$ 1,036	$ 879	$ 2,905	$ 168	$ 2,984
Investments, net	308,471	305,865	16,372	13,342	30,802	39,668	18,098	16,523	31,821	36,380	29,392	27,041
Advances	351,278	422,639	12,340	18,817	71,536	92,067	14,124	24,971	45,415	52,168	23,055	25,362
Mortgage loans held for portfolio, net	55,497	62,842	3,120	3,930	2,320	2,900	4,676	4,886	149	218	7,588	9,549
Other assets	4,460	4,269	508	322	678	465	325	297	482	624	415	360
Total assets	**$ 723,238**	**$ 820,740**	**$ 32,545**	**$ 38,461**	**$ 105,358**	**$ 136,996**	**$ 37,651**	**$ 47,713**	**$ 78,746**	**$ 92,295**	**$ 60,618**	**$ 65,296**
Consolidated obligations												
Discount notes	$ 210,897	$ 274,804	$ 2,275	$ 12,878	$ 42,197	$ 57,659	$ 10,494	$ 9,510	$ 25,506	$ 25,385	$ 29,838	$ 27,500
Bonds	441,024	473,714	26,613	21,472	54,829	69,716	23,106	33,855	46,186	59,379	24,602	31,997
Total consolidated obligations	651,921	748,518	28,888	34,350	97,026	127,375	33,600	43,365	71,692	84,764	54,440	59,497
Mandatorily redeemable capital stock	398	772	14	6	2	3	22	143	1	—	21	19
Other liabilities	21,797	21,270	1,112	1,323	1,884	2,362	1,295	1,164	2,458	2,271	2,361	1,850
Total liabilities	**674,116**	**770,560**	**30,014**	**35,679**	**98,912**	**129,740**	**34,917**	**44,672**	**74,151**	**87,035**	**56,822**	**61,366**
Capital stock	25,065	27,398	954	1,268	4,501	5,367	1,227	1,528	2,383	3,078	2,490	2,641
Retained earnings	22,760	21,998	1,548	1,498	1,931	1,909	1,398	1,376	2,228	2,198	1,293	1,304
Accumulated other comprehensive income (loss)	1,297	784	29	16	14	(20)	109	137	(16)	(16)	13	(15)
Total capital (GAAP)	**49,122**	**50,180**	**2,531**	**2,782**	**6,446**	**7,256**	**2,734**	**3,041**	**4,595**	**5,260**	**3,796**	**3,930**
Total liabilities and capital	**$ 723,238**	**$ 820,740**	**$ 32,545**	**$ 38,461**	**$ 105,358**	**$ 136,996**	**$ 37,651**	**$ 47,713**	**$ 78,746**	**$ 92,295**	**$ 60,618**	**$ 65,296**
Regulatory capital	**$ 48,223**	**$ 50,168**	**$ 2,516**	**$ 2,772**	**$ 6,434**	**$ 7,279**	**$ 2,648**	**$ 3,047**	**$ 4,612**	**$ 5,276**	**$ 3,804**	**$ 3,964**

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash and due from banks	$ 868	$ 1,812	$ 45	$ 3,541	$ 295	$ 978	$ 543	$ 3,178	$ 26	$ 4,570	$ 55	$ 174
Investments, net	23,601	23,756	38,583	39,649	33,442	31,497	34,653	25,660	16,058	17,252	35,768	35,228
Advances	27,498	31,347	48,049	46,695	44,111	46,530	24,637	32,479	23,484	21,227	17,027	30,976
Mortgage loans held for portfolio, net	7,616	8,516	9,843	10,038	7,578	8,242	3,491	3,423	8,135	9,205	980	1,935
Other assets	422	494	434	433	426	444	164	173	318	338	291	321
Total assets	**$ 60,005**	**$ 65,925**	**$ 96,954**	**$ 100,356**	**$ 85,852**	**$ 87,691**	**$ 63,488**	**$ 64,913**	**$ 48,021**	**$ 52,592**	**$ 54,121**	**$ 68,634**
Consolidated obligations												
Discount notes	$ 12,116	$ 16,617	$ 24,563	$ 48,643	$ 22,348	$ 27,345	$ 11,003	$ 22,171	$ 6,569	$ 10,882	$ 23,987	$ 16,213
Bonds	42,362	43,333	63,373	42,670	55,205	52,254	44,514	37,113	37,630	37,648	22,716	44,408
Total consolidated obligations	54,478	59,950	87,936	91,313	77,553	79,599	55,517	59,284	44,199	48,530	46,703	60,621
Mandatorily redeemable capital stock	50	251	247	279	29	52	7	14	1	2	3	2
Other liabilities	1,921	2,274	2,019	2,475	2,432	2,300	4,030	2,058	1,106	1,392	1,191	1,817
Total liabilities	**56,449**	**62,475**	**90,202**	**94,067**	**80,014**	**81,951**	**59,554**	**61,356**	**45,306**	**49,924**	**47,897**	**62,440**
Capital stock	2,246	2,208	2,149	2,010	3,364	3,341	2,193	2,101	1,499	1,574	2,061	2,284
Retained earnings	1,177	1,137	4,261	4,072	2,390	2,351	1,558	1,408	1,143	1,052	3,832	3,680
Accumulated other comprehensive income (loss)	133	105	342	207	84	48	183	48	73	42	331	230
Total capital (GAAP)	**3,556**	**3,450**	**6,752**	**6,289**	**5,838**	**5,740**	**3,934**	**3,557**	**2,715**	**2,668**	**6,224**	**6,194**
Total liabilities and capital	**$ 60,005**	**$ 65,925**	**$ 96,954**	**$ 100,356**	**$ 85,852**	**$ 87,691**	**$ 63,488**	**$ 64,913**	**$ 48,021**	**$ 52,592**	**$ 54,121**	**$ 68,634**
Regulatory capital	**$ 3,473**	**$ 3,596**	**$ 6,656**	**$ 6,361**	**$ 5,783**	**$ 5,744**	**$ 3,758**	**$ 3,523**	**$ 2,643**	**$ 2,627**	**$ 5,896**	**$ 5,966**

(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,

(Dollars in millions)	Combined[(1)]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net interest income after provision (reversal) for credit losses	$ 894	$ 1,125	$ 56	$ 62	$ 112	$ 192	$ 41	$ 81	$ 45	$ 69	$ 71	$ 81
Non-interest income (loss)	(32)	52	(8)	1	3	(22)	3	6	3	5	(28)	(15)
Non-interest expense	377	447	20	39	56	61	28	25	40	36	24	22
Affordable Housing Program assessments	50	73	3	2	6	11	2	6	1	3	2	4
Net income	**$ 435**	**$ 657**	**$ 25**	**$ 22**	**$ 53**	**$ 98**	**$ 14**	**$ 56**	**$ 7**	**$ 35**	**$ 17**	**$ 40**

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net interest income after provision (reversal) for credit losses	$ 63	$ 72	$ 139	$ 142	$ 91	$ 104	$ 79	$ 75	$ 85	$ 75	$ 117	$ 171
Non-interest income (loss)	(2)	(8)	13	101	3	5	1	1	(10)	(4)	—	(20)
Non-interest expense	31	30	54	68	43	70	28	40	23	20	43	46
Affordable Housing Program assessments	3	4	10	18	5	5	5	4	5	5	7	11
Net income	**$ 27**	**$ 30**	**$ 88**	**$ 157**	**$ 46**	**$ 34**	**$ 47**	**$ 32**	**$ 47**	**$ 46**	**$ 67**	**$ 94**

Year Ended December 31,

(Dollars in millions)	Combined[(1)]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net interest income after provision (reversal) for credit losses	$ 3,762	$ 4,403	$ 212	$ 195	$ 547	$ 749	$ 183	$ 359	$ 282	$ 333	$ 277	$ 406
Non-interest income (loss)	(358)	273	(47)	40	(48)	(51)	13	(20)	15	113	(138)	(7)
Non-interest expense	1,432	1,570	88	102	204	207	100	104	149	163	92	92
Affordable Housing Program assessments	201	315	8	13	29	49	10	25	15	28	5	31
Net income	**$ 1,771**	**$ 2,791**	**$ 69**	**$ 120**	**$ 266**	**$ 442**	**$ 86**	**$ 210**	**$ 133**	**$ 255**	**$ 42**	**$ 276**

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net interest income after provision (reversal) for credit losses	$ 252	$ 263	$ 541	$ 588	$ 381	$ 471	$ 277	$ 310	$ 299	$ 251	$ 528	$ 479
Non-interest income (loss)	(34)	(55)	(12)	104	4	121	10	32	(42)	(39)	(50)	59
Non-interest expense	113	109	222	275	156	189	105	122	78	81	159	165
Affordable Housing Program assessments	11	11	32	43	23	41	18	22	18	13	32	38
Net income	**$ 94**	**$ 88**	**$ 275**	**$ 374**	**$ 206**	**$ 362**	**$ 164**	**$ 198**	**$ 161**	**$ 118**	**$ 287**	**$ 335**

(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.