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FOR IMMEDIATE RELEASE:

Office of Finance Announces First Quarter 2016 Combined Operating Highlights for the Federal Home Loan Banks

These highlights are preliminary and prepared from the 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 March 31, 2016, filing a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was \$825 million for the three months ended March 31, 2016, a decrease of 19% compared to the same period in 2015. This decrease was due primarily to lower gains on litigation settlements and higher losses on derivatives and hedging activities, partially offset by higher gains on trading securities.

Key balance sheet highlights as of March 31, 2016, compared to December 31, 2015, were:

- Total assets decreased 1% to \$961.5 billion;
- Advances decreased 3% to \$618.1 billion;
- Consolidated obligations decreased 1% to \$898.1 billion; and
- Total GAAP capital decreased 3% to \$46.8 billion.

Balance Sheet

Total assets were \$961.5 billion at March 31, 2016, a decrease of 1% from \$969.3 billion at December 31, 2015.

- Advances were \$618.1 billion, a decrease of 3% due to scheduled maturities, prepayments, and lower member demand.
- Investments were \$290.3 billion, an increase of 6% driven primarily by an increase in short-term investments.
- Mortgage loans held for portfolio, net were \$44.8 billion, an increase of less than 1%.

Total liabilities were \$914.7 billion at March 31, 2016, a decrease of 1% from \$921.2 billion at December 31, 2015. This decrease was primarily the result of a decrease in consolidated obligations, partially offset by an increase in mandatorily redeemable capital stock.

- Total consolidated obligations were \$898.1 billion at March 31, 2016, a decrease of 1% from \$905.9 billion at December 31, 2015. This decrease primarily resulted from reduced funding needs related to the decline in total assets and consisted of an 11% decrease in consolidated discount notes, partially offset by a 12% increase in consolidated bonds.
- Mandatorily redeemable capital stock was \$1.9 billion at March 31, 2016, an increase of \$1.2 billion from \$745 million at December 31, 2015. This increase is due primarily to the recent Federal Housing Finance Agency rule on FHLBank membership that, among other things, requires the FHLBanks to terminate the membership of captive insurance companies by specified dates, resulting in a reclassification of capital stock held by these members to mandatorily redeemable capital stock.



Total GAAP capital was \$46.8 billion at March 31, 2016, a decrease of 3% from \$48.1 billion at December 31, 2015. This decrease was principally the result of a decline in capital stock outstanding, due to the transfer of capital stock to mandatorily redeemable capital stock, partially offset by growth in retained earnings.

<i>(Dollars in millions)</i>	March 31, 2016	December 31, 2015	Change
Assets			
Cash and due from banks	\$ 5,030	\$ 14,289	\$ (9,259)
Investments	290,332	273,684	16,648
Advances	618,136	634,022	(15,886)
Mortgage loans held for portfolio, net	44,786	44,585	201
Other assets	3,169	2,687	482
Total assets	\$ 961,453	\$ 969,267	\$ (7,814)
Liabilities			
Consolidated obligations			
Discount notes	\$ 437,392	\$ 494,045	\$ (56,653)
Bonds	460,702	411,851	48,851
Total consolidated obligations	898,094	905,896	(7,802)
Mandatorily redeemable capital stock	1,912	745	1,167
Other liabilities	14,676	14,556	120
Total liabilities	914,682	921,197	(6,515)
Capital			
Capital stock	32,574	34,185	(1,611)
Additional capital from merger	163	194	(31)
Retained earnings	14,839	14,325	514
Accumulated other comprehensive income (loss)	(805)	(634)	(171)
Total capital (GAAP)	46,771	48,070	(1,299)
Total liabilities and capital	\$ 961,453	\$ 969,267	\$ (7,814)
Combined regulatory capital	\$ 49,488	\$ 49,449	\$ 39
Combined GAAP capital-to-assets ratio	4.86%	4.96%	(0.10)%
Combined regulatory capital-to-assets ratio	5.15%	5.10%	0.05 %

Net Income

Net income was \$825 million for the three months ended March 31, 2016, a decrease of 19% compared to the same period in 2015. This decrease was due primarily to lower gains on litigation settlements and higher losses on derivatives and hedging activities, partially offset by higher gains on trading securities.

<i>(Dollars in millions)</i>	Three Months Ended March 31,		
	2016	2015	Change
Net interest income after provision (reversal) for credit losses	\$ 927	\$ 924	\$ 3
Non-interest income (loss)	268	480	(212)
Non-interest expense	276	273	3
Affordable Housing Program assessments	94	116	(22)
Net income (loss)	\$ 825	\$ 1,015	\$ (190)

Net Interest Income

Net interest income after provision (reversal) for credit losses was \$927 million for the three months ended March 31, 2016, an increase of less than 1% compared to the same period in 2015. Net interest margin was 0.38% for the three months ended March 31, 2016, a decrease of 3 basis points compared to the same period in 2015.

Interest income was \$2,537 million and interest expense was \$1,609 million for the three months ended March 31, 2016, increases of 26% and 48% compared to the same periods in 2015. These increases were due primarily to higher yields on interest-earning assets and interest-bearing liabilities resulting largely from the higher short-term interest rate environment for the three months ended March 31, 2016, compared to the same period in 2015.

(Dollars in millions)	Three Months Ended March 31,		
	2016	2015	Change
Interest income			
Advances	\$ 1,142	\$ 680	\$ 462
Prepayment fees on advances, net	12	26	(14)
Investments and other	984	897	87
Mortgage loans	399	409	(10)
Total interest income	2,537	2,012	525
Interest expense			
Discount notes	489	165	324
Bonds	1,085	891	194
Total consolidated obligations	1,574	1,056	518
Deposits and other borrowings	35	33	2
Total interest expense	1,609	1,089	520
Net interest income	928	923	5
Provision (reversal) for credit losses	1	(1)	2
Net interest income after provision (reversal) for credit losses	\$ 927	\$ 924	\$ 3
Net interest margin	0.38%	0.41%	(0.03)%

Non-Interest Income

Non-interest income was \$268 million for the three months ended March 31, 2016, a decrease of 44% compared to the same period in 2015. This decrease was due primarily to lower gains on litigation settlements and higher losses on derivatives and hedging activities, partially offset by higher gains on trading securities.

- Gains on litigation settlements were \$348 million for the three months ended March 31, 2016, resulting from the FHLBank of San Francisco's \$211 million settlement and the FHLBank of Des Moines' \$137 million settlement, of certain claims arising from investments in private-label mortgage-backed securities.
- Net losses on derivatives and hedging activities were \$237 million for the three months ended March 31, 2016, due primarily to changes in the fair value of derivatives not designated as qualifying accounting hedges under GAAP.

- Net gains on investment securities classified as trading were \$102 million for the three months ended March 31, 2016, resulting from changes in fair values of these securities due primarily to a decrease in interest rates during the quarter.

(Dollars in millions)	Three Months Ended March 31,		
	2016	2015	Change
Net other-than-temporary impairment losses	\$ (9)	\$ (55)	\$ 46
Net gains (losses) on trading securities	102	9	93
Net gains (losses) on derivatives and hedging activities	(237)	(41)	(196)
Gains on litigation settlements, net	348	480	(132)
Other	64	87	(23)
Total non-interest income (loss)	\$ 268	\$ 480	\$ (212)

Non-Interest Expense

Non-interest expense was \$276 million for the three months ended March 31, 2016, an increase of 1% compared to the same period in 2015.

(Dollars in millions)	Three Months Ended March 31,		
	2016	2015	Change
Compensation and benefits	\$ 153	\$ 151	\$ 2
Other operating expenses	88	94	(6)
Other expense	35	28	7
Total non-interest expense	\$ 276	\$ 273	\$ 3

Affordable Housing Program Assessments

Affordable Housing Program assessments were \$94 million for the three months ended March 31, 2016, a decrease of 19% compared to the same period in 2015. Affordable Housing Program assessments result from individual FHLBank income subject to assessments.



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 7,200 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 short-term funding and 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 to Combined Operating Highlights
Balance Sheet Highlights
 Unaudited

	Combined(1)		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
(Dollars in millions)	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Assets												
Cash and due from banks	\$ 5,030	\$ 14,289	\$ 67	\$ 254	\$ 225	\$ 327	\$ 1,763	\$ 2,377	\$ 1,037	\$ 1,751	\$ 7	\$ 10
Investments	290,332	273,684	20,319	18,019	27,325	26,167	17,802	16,144	37,620	35,175	26,705	37,356
Advances	618,136	634,022	34,525	36,076	89,482	93,874	69,022	74,505	92,536	104,168	68,720	73,292
Mortgage loans held for portfolio, net	44,786	44,585	3,575	3,582	2,566	2,525	3,074	3,087	553	584	8,263	7,980
Other assets	3,169	2,687	183	172	343	345	244	217	630	568	193	146
Total assets	\$ 961,453	\$ 969,267	\$ 58,669	\$ 58,103	\$ 119,941	\$ 123,238	\$ 91,905	\$ 96,330	\$ 132,376	\$ 142,246	\$ 103,888	\$ 118,784
Liabilities												
Consolidated obligations												
Discount notes	\$ 437,392	\$ 494,045	\$ 26,359	\$ 28,479	\$ 36,864	\$ 46,850	\$ 28,007	\$ 42,276	\$ 60,166	\$ 69,434	\$ 53,671	\$ 77,199
Bonds	460,702	411,851	27,962	25,427	74,927	67,716	58,479	48,601	63,830	63,953	43,957	35,092
Total consolidated obligations	898,094	905,896	54,321	53,906	111,791	114,566	86,486	90,877	123,996	133,387	97,628	112,291
Mandatorily redeemable capital stock	1,912	745	35	42	31	19	6	6	13	14	103	38
Other liabilities	14,676	14,556	1,264	1,132	1,660	1,934	1,107	946	1,834	1,829	1,190	1,274
Total liabilities	914,682	921,197	55,620	55,080	113,482	116,519	87,599	91,829	125,843	135,230	98,921	113,603
Capital												
Capital stock	32,574	34,185	2,301	2,337	5,360	5,585	3,314	3,540	4,629	5,101	4,210	4,429
Additional capital from merger	163	194	—	—	—	—	—	—	—	—	—	—
Retained earnings	14,839	14,325	1,139	1,129	1,292	1,270	898	881	1,838	1,840	770	765
Accumulated other comprehensive income (loss)	(805)	(634)	(391)	(443)	(193)	(136)	94	80	66	75	(13)	(13)
Total capital (GAAP)	46,771	48,070	3,049	3,023	6,459	6,719	4,306	4,501	6,533	7,016	4,967	5,181
Total liabilities and capital	\$ 961,453	\$ 969,267	\$ 58,669	\$ 58,103	\$ 119,941	\$ 123,238	\$ 91,905	\$ 96,330	\$ 132,376	\$ 142,246	\$ 103,888	\$ 118,784
Regulatory capital	\$ 49,488	\$ 49,449	\$ 3,475	\$ 3,507	\$ 6,683	\$ 6,875	\$ 4,217	\$ 4,427	\$ 6,479	\$ 6,956	\$ 5,083	\$ 5,232

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
(Dollars in millions)	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Assets												
Cash and due from banks	\$ 1,453	\$ 4,932	\$ 33	\$ 499	\$ 242	\$ 982	\$ 36	\$ 837	\$ 65	\$ 683	\$ 100	\$ 1,637
Investments	15,050	10,415	27,597	28,324	45,666	40,167	24,990	16,323	13,134	13,606	34,366	32,275
Advances	25,443	26,909	38,353	36,778	101,157	89,173	24,295	24,747	25,435	23,580	49,169	50,919
Mortgage loans held for portfolio, net	8,313	8,146	4,679	4,828	6,667	6,755	54	55	6,410	6,391	632	655
Other assets	248	206	251	242	324	297	128	120	160	166	472	212
Total assets	\$ 50,507	\$ 50,608	\$ 70,913	\$ 70,671	\$ 154,056	\$ 137,374	\$ 49,503	\$ 42,082	\$ 45,204	\$ 44,426	\$ 84,739	\$ 85,698
Liabilities												
Consolidated obligations												
Discount notes	\$ 15,055	\$ 19,251	\$ 40,293	\$ 41,564	\$ 103,699	\$ 98,990	\$ 27,024	\$ 20,541	\$ 25,160	\$ 21,813	\$ 21,095	\$ 27,647
Bonds	31,958	27,862	24,021	22,582	42,459	31,208	19,007	18,025	17,150	19,866	57,207	51,827
Total consolidated obligations	47,013	47,113	64,314	64,146	146,158	130,198	46,031	38,566	42,310	41,679	78,302	79,474
Mandatorily redeemable capital stock	193	14	302	8	732	103	9	9	3	3	486	488
Other liabilities	1,064	1,095	1,884	1,865	1,530	1,448	1,215	1,308	886	902	1,060	840
Total liabilities	48,270	48,222	66,500	66,019	148,420	131,749	47,255	39,883	43,199	42,584	79,848	80,802
Capital												
Capital stock	1,375	1,528	1,733	1,950	4,607	4,714	1,583	1,540	1,346	1,209	2,115	2,253
Additional capital from merger	—	—	—	—	163	194	—	—	—	—	—	—
Retained earnings	845	835	2,790	2,730	988	801	767	762	673	652	2,814	2,628
Accumulated other comprehensive income (loss)	17	23	(110)	(28)	(122)	(84)	(102)	(103)	(14)	(19)	(38)	15
Total capital (GAAP)	2,237	2,386	4,413	4,652	5,636	5,625	2,248	2,199	2,005	1,842	4,891	4,896
Total liabilities and capital	\$ 50,507	\$ 50,608	\$ 70,913	\$ 70,671	\$ 154,056	\$ 137,374	\$ 49,503	\$ 42,082	\$ 45,204	\$ 44,426	\$ 84,739	\$ 85,698
Regulatory capital	\$ 2,413	\$ 2,377	\$ 4,825	\$ 4,688	\$ 6,490	\$ 5,812	\$ 2,359	\$ 2,311	\$ 2,023	\$ 1,863	\$ 5,415	\$ 5,369

(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 March 31,														
	Combined ⁽¹⁾		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
<i>(Dollars in millions)</i>	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net interest income after provision (reversal) for credit losses	\$ 927	\$ 924	\$ 56	\$ 55	\$ 126	\$ 119	\$ 82	\$ 76	\$ 93	\$ 105	\$ 80	\$ 78	\$ 49	\$ 48
Non-interest income (loss)	268	480	(4)	—	(5)	6	1	21	(3)	20	(4)	8	(1)	4
Non-interest expense	276	273	19	17	29	27	20	18	34	34	22	18	18	18
Affordable Housing Program assessments	94	116	3	4	9	10	6	8	6	9	6	7	3	3
Net income	\$ 825	\$ 1,015	\$ 30	\$ 34	\$ 83	\$ 88	\$ 57	\$ 71	\$ 50	\$ 82	\$ 48	\$ 61	\$ 27	\$ 31
			Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle ⁽²⁾	
			2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net interest income after provision (reversal) for credit losses			\$ 120	\$ 130	\$ 103	\$ 68	\$ 36	\$ 29	\$ 65	\$ 57	\$ 123	\$ 130	\$ —	\$ 38
Non-interest income (loss)			(3)	(5)	132	(9)	(7)	15	(6)	(9)	171	432	—	2
Non-interest expense			40	33	27	20	20	18	14	14	36	34	—	29
Affordable Housing Program assessments			8	9	21	4	1	3	5	3	27	54	—	1
Net income			\$ 69	\$ 83	\$ 187	\$ 35	\$ 8	\$ 23	\$ 40	\$ 31	\$ 231	\$ 474	\$ —	\$ 10

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

(2) The FHLBank of Seattle ceased operations on May 31, 2015, in connection with the FHLBank of Des Moines and FHLBank of Seattle merger.