October 28, 2016

FOR IMMEDIATE RELEASE:

Office of Finance Announces Third 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 September 30, 2016, filing a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was $861 million for the three months ended September 30, 2016, an increase of 78% compared to the same period in 2015. This increase was due primarily to higher gains on litigation settlements, gains on derivatives and hedging activities, and higher net interest income.

Net income was $2,478 million for the nine months ended September 30, 2016, an increase of 14% compared to the same period in 2015. This increase was due primarily to higher net interest income, higher gains on litigation settlements, and gains on trading securities, partially offset by losses on derivatives and hedging activities.

Key balance sheet highlights as of September 30, 2016, compared to December 31, 2015, were:

- Total assets increased 7% to $1.036 trillion;
- Advances increased 9% to $688.6 billion;
- Consolidated obligations increased 7% to $968.6 billion; and
- Total GAAP capital increased 6% to $50.9 billion.

Balance Sheet

Total assets were $1.036 trillion at September 30, 2016, an increase of 7% from $969.3 billion at December 31, 2015.

- Advances were $688.6 billion, an increase of 9% driven primarily by higher member demand, particularly by large members.

- Investments were $291.5 billion, an increase of 7% as a result of increases in federal funds sold and investment securities, partially offset by a decrease in securities purchased under agreement to resell.

- Mortgage loans held for portfolio, net were $47.1 billion, an increase of 6%.

Total liabilities were $985.3 billion at September 30, 2016, an increase of 7% from $921.2 billion at December 31, 2015.

- Total consolidated obligations were $968.6 billion, an increase of 7% due primarily to increased funding needs related to the growth in advances and consisted of a 30% increase in consolidated bonds, partially offset by a 12% decrease in consolidated discount notes.

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- Mandatorily redeemable capital stock was $1.9 billion at September 30, 2016, an increase of $1.1 billion driven primarily by the 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 $50.9 billion at September 30, 2016, an increase of 6% from $48.1 billion at December 31, 2015. This increase was due primarily to growth in retained earnings and an increase in capital stock outstanding.

(Dollars in millions)	September 30, 2016	December 31, 2015	Change
Assets			
Cash and due from banks	$ 5,488	$ 14,289	$ (8,801)
Investments	291,516	273,684	17,832
Advances	688,597	634,022	54,575
Mortgage loans held for portfolio, net	47,055	44,585	2,470
Other assets	3,463	2,687	776
Total assets	**$ 1,036,119**	**$ 969,267**	**$ 66,852**
Liabilities			
Consolidated obligations			
Discount notes	$ 434,510	$ 494,045	$ (59,535)
Bonds	534,087	411,851	122,236
Total consolidated obligations	968,597	905,896	62,701
Mandatorily redeemable capital stock	1,892	745	1,147
Other liabilities	14,769	14,556	213
Total liabilities	**985,258**	**921,197**	**64,061**
Capital			
Capital stock	35,270	34,185	1,085
Additional capital from merger	92	194	(102)
Retained earnings	15,849	14,325	1,524
Accumulated other comprehensive income (loss)	(350)	(634)	284
Total capital (GAAP)	**50,861**	**48,070**	**2,791**
Total liabilities and capital	**$ 1,036,119**	**$ 969,267**	**$ 66,852**
Combined regulatory capital	**$ 53,102**	**$ 49,449**	**$ 3,653**
Combined GAAP capital-to-assets ratio	**4.91%**	**4.96%**	**(0.05)%**
Combined regulatory capital-to-assets ratio	**5.13%**	**5.10%**	**0.03 %**

Net Income

Net income was $861 million for the three months ended September 30, 2016, an increase of 78% compared to the same period in 2015. This increase was due primarily to higher gains on litigation settlements, gains on derivatives and hedging activities, and higher net interest income.

Net income was $2,478 million for the nine months ended September 30, 2016, an increase of 14% compared to the same period in 2015. This increase was due primarily to higher net interest income, higher gains on litigation settlements, and gains on trading securities, partially offset by losses on derivatives and hedging activities.

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(Dollars in millions)	Three Months Ended September 30, 2016	2015	Change	Nine Months Ended September 30, 2016	2015	Change
Net interest income after provision (reversal) for credit losses	$ 970	$ 879	$ 91	$ 2,796	$ 2,538	$ 258
Non-interest income (loss)	281	(79)	360	803	792	11
Non-interest expense	291	260	31	837	892	(55)
Affordable Housing Program assessments	99	56	43	284	255	29
Net income (loss)	**$ 861**	**$ 484**	**$ 377**	**$ 2,478**	**$ 2,183**	**$ 295**

Net Interest Income

Net interest income after provision for credit losses was $970 million and $2,796 million for the three and nine months ended September 30, 2016, increases of 10% for both periods compared to the same periods in 2015. Net interest margin was 0.38% for both the three and nine months ended September 30, 2016, flat when compared to the three months ended September 30, 2015, and an increase of 1 basis point when compared to the nine months ended September 30, 2015.

- Interest income was $2,773 million and $7,939 million for the three and nine months ended September 30, 2016, increases of 37% and 35% compared to the same periods in 2015. These increases were due primarily to higher yields on advances and investments, and increases in the average balances of advances.

- Interest expense was $1,800 million and $5,138 million for the three and nine months ended September 30, 2016, increases of 58% and 53% compared to the same periods in 2015. These increases were due primarily to higher yields on, and increases in the average balances of, consolidated obligations.

(Dollars in millions)	Three Months Ended September 30, 2016	2015	Change	Nine Months Ended September 30, 2016	2015	Change
Interest income						
Advances	$ 1,366	$ 738	$ 628	$ 3,744	$ 1,964	$ 1,780
Prepayment fees on advances, net	24	8	16	71	57	14
Investments and other	999	871	128	2,954	2,648	306
Mortgage loans	384	403	(19)	1,170	1,222	(52)
Total interest income	**2,773**	**2,020**	**753**	**7,939**	**5,891**	**2,048**
Interest expense						
Discount notes	527	198	329	1,529	529	1,000
Bonds	1,245	919	326	3,509	2,711	798
Total consolidated obligations	1,772	1,117	655	5,038	3,240	1,798
Deposits and other borrowings	28	23	5	100	110	(10)
Total interest expense	**1,800**	**1,140**	**660**	**5,138**	**3,350**	**1,788**
Net interest income	**973**	**880**	**93**	**2,801**	**2,541**	**260**
Provision (reversal) for credit losses	3	1	2	5	3	2
Net interest income after provision (reversal) for credit losses	**$ 970**	**$ 879**	**$ 91**	**$ 2,796**	**$ 2,538**	**$ 258**
Net interest margin	**0.38%**	**0.38%**	**—%**	**0.38%**	**0.37%**	**0.01%**

Non-Interest Income

Non-interest income was $281 million for the three months ended September 30, 2016, an increase of $360 million compared to the same period in 2015, resulting primarily from higher gains on litigation settlements and gains on derivatives and hedging activities. Non-interest income was $803 million for the nine months ended September 30, 2016, an increase of $11 million compared to the same period in 2015, resulting primarily from higher gains on litigation settlements and gains on trading securities, partially offset by losses on derivatives and hedging activities.

- Gains on litigation settlements, net were $241 million and $841 million for the three and nine months ended September 30, 2016. These gains are the result of settlements of certain claims arising from investments in private-label mortgage-backed securities, driven primarily by the FHLBank of San Francisco's recognition of settlements of $240 million during the third quarter of 2016 and $211 million during the first quarter of 2016, and the FHLBank of Des Moines' recognition of settlements of $200 million during the second quarter of 2016 and $137 million during the first quarter of 2016.

- Net gains on derivatives and hedging activities were $23 million for the three months ended September 30, 2016, due primarily to fair value hedge ineffectiveness. Net losses on derivatives and hedging activities were $287 million for the nine months ended September 30, 2016, consisting primarily of changes in the fair value of derivatives not designated as qualifying accounting hedges under GAAP.

- Net gains on investment securities classified as trading were $129 million for the nine months ended September 30, 2016, driven by changes in fair values of these securities due primarily to changes in interest rates and credit spreads.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions)	2016	2015	Change	2016	2015	Change
Net other-than-temporary impairment losses	$ (4)	$ (6)	$ 2	$ (19)	$ (73)	$ 54
Net gains (losses) on trading securities	(19)	28	(47)	129	(39)	168
Net gains (losses) on derivatives and hedging activities	23	(158)	181	(287)	127	(414)
Gains on litigation settlements, net	241	14	227	841	637	204
Other	40	43	(3)	139	140	(1)
Total non-interest income (loss)	**$ 281**	**$ (79)**	**$ 360**	**$ 803**	**$ 792**	**$ 11**

Non-Interest Expense

Non-interest expense for the three months ended September 30, 2016, was $291 million, an increase of 12% compared to the same period in 2015. Non-interest expense for the nine months ended September 30, 2016, was $837 million, a decrease of 6% compared to the same period in 2015. The decrease for the nine months ended September 30, 2016, resulted primarily from expenses incurred during the nine months ended September 30, 2015, related to certain private-label mortgage-backed securities litigation expenses, and related charges, incurred by the FHLBank of Seattle and expenses incurred in connection with the merger of the FHLBank of Des Moines and the FHLBank of Seattle.

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(Dollars in millions)	Three Months Ended September 30, 2016	2015	Change	Nine Months Ended September 30, 2016	2015	Change
Compensation and benefits	$ 160	$ 143	$ 17	$ 464	$ 468	$ (4)
Other operating expenses	97	92	5	273	339	(66)
Other expense	34	25	9	100	85	15
Total non-interest expense	**$ 291**	**$ 260**	**$ 31**	**$ 837**	**$ 892**	**$ (55)**

Affordable Housing Program Assessments

Affordable Housing Program assessments for the three and nine months ended September 30, 2016, were $99 million and $284 million, increases of 77% and 11% compared to the same periods 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 over 7,100 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.

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Phone 703.467.3600 info@fhlb-of.com www.fhlb-of.com

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

(Dollars in millions)	Combined(1) September 30, 2016	Combined(1) December 31, 2015	Boston September 30, 2016	Boston December 31, 2015	New York September 30, 2016	New York December 31, 2015	Pittsburgh September 30, 2016	Pittsburgh December 31, 2015	Atlanta September 30, 2016	Atlanta December 31, 2015	Cincinnati September 30, 2016	Cincinnati December 31, 2015
Assets												
Cash and due from banks	$ 5,488	$ 14,289	$ 172	$ 254	$ 226	$ 327	$ 2,944	$ 2,377	$ 1,089	$ 1,751	$ 14	$ 10
Investments	291,516	273,684	19,265	18,019	28,750	26,167	17,553	16,144	38,290	35,175	23,625	37,356
Advances	688,597	634,022	37,195	36,076	102,840	93,874	71,832	74,505	98,005	104,168	68,873	73,292
Mortgage loans held for portfolio, net	47,055	44,585	3,714	3,582	2,686	2,525	3,269	3,087	483	584	8,821	7,980
Other assets	3,463	2,687	197	172	490	345	236	217	789	568	223	146
Total assets	$ 1,036,119	$ 969,267	$ 60,543	$ 58,103	$ 134,992	$ 123,238	$ 95,834	$ 96,330	$ 138,656	$ 142,246	$ 101,556	$ 118,784
Liabilities												
Consolidated obligations												
Discount notes	$ 434,510	$ 494,045	$ 28,725	$ 28,479	$ 54,631	$ 46,850	$ 22,636	$ 42,276	$ 55,162	$ 69,434	$ 38,492	$ 77,199
Bonds	534,087	411,851	27,346	25,427	70,695	67,716	67,683	48,601	74,996	63,953	56,750	35,092
Total consolidated obligations	968,597	905,896	56,071	53,906	125,326	114,566	90,319	90,877	130,158	133,387	95,242	112,291
Mandatorily redeemable capital stock	1,892	745	34	42	29	19	5	6	8	14	169	38
Other liabilities	14,769	14,556	1,285	1,132	2,445	1,934	883	946	1,656	1,829	1,235	1,274
Total liabilities	985,258	921,197	57,390	55,080	127,800	116,519	91,207	91,829	131,822	135,230	96,646	113,603
Capital												
Capital stock	35,270	34,185	2,333	2,337	6,023	5,585	3,556	3,540	4,871	5,101	4,123	4,429
Additional capital from merger	92	194	—	—	—	—	—	—	—	—	—	—
Retained earnings	15,849	14,325	1,181	1,129	1,361	1,270	942	881	1,863	1,840	799	765
Accumulated other comprehensive income (loss)	(350)	(634)	(361)	(443)	(192)	(136)	129	80	100	75	(12)	(13)
Total capital (GAAP)	50,861	48,070	3,153	3,023	7,192	6,719	4,627	4,501	6,834	7,016	4,910	5,181
Total liabilities and capital	$ 1,036,119	$ 969,267	$ 60,543	$ 58,103	$ 134,992	$ 123,238	$ 95,834	$ 96,330	$ 138,656	$ 142,246	$ 101,556	$ 118,784
Regulatory capital	$ 53,102	$ 49,449	$ 3,547	$ 3,507	$ 7,413	$ 6,875	$ 4,504	$ 4,427	$ 6,742	$ 6,956	$ 5,091	$ 5,232

	Indianapolis September 30, 2016	Indianapolis December 31, 2015	Chicago September 30, 2016	Chicago December 31, 2015	Des Moines September 30, 2016	Des Moines December 31, 2015	Dallas September 30, 2016	Dallas December 31, 2015	Topeka September 30, 2016	Topeka December 31, 2015	San Francisco September 30, 2016	San Francisco December 31, 2015
Assets												
Cash and due from banks	$ 658	$ 4,932	$ 31	$ 499	$ 245	$ 982	$ 68	$ 837	$ 5	$ 683	$ 35	$ 1,637
Investments	16,206	10,415	26,853	28,324	42,851	40,167	26,200	16,323	13,393	13,606	38,773	32,275
Advances	26,473	26,909	43,117	36,778	125,828	89,173	31,822	24,747	26,723	23,580	55,888	50,919
Mortgage loans held for portfolio, net	9,270	8,146	4,720	4,828	6,792	6,755	70	55	6,554	6,391	677	655
Other assets	302	206	262	242	358	297	198	120	172	166	239	212
Total assets	$ 52,909	$ 50,608	$ 74,983	$ 70,671	$ 176,074	$ 137,374	$ 58,358	$ 42,082	$ 46,847	$ 44,426	$ 95,612	$ 85,698
Liabilities												
Consolidated obligations												
Discount notes	$ 16,393	$ 19,251	$ 39,144	$ 41,564	$ 84,481	$ 98,990	$ 31,100	$ 20,541	$ 25,518	$ 21,813	$ 38,230	$ 27,647
Bonds	32,740	27,862	30,139	22,582	82,454	31,208	23,122	18,025	18,384	19,866	50,021	51,827
Total consolidated obligations	49,133	47,113	69,283	64,146	166,935	130,198	54,222	38,566	43,902	41,679	88,251	79,474
Mandatorily redeemable capital stock	179	14	302	8	675	103	2	9	3	3	484	488
Other liabilities	1,256	1,095	883	1,865	1,459	1,448	1,476	1,308	883	902	1,327	840
Total liabilities	50,568	48,222	70,468	66,019	169,069	131,749	55,700	39,883	44,788	42,584	90,062	80,802
Capital												
Capital stock	1,438	1,528	1,636	1,950	5,658	4,714	1,880	1,540	1,352	1,209	2,399	2,253
Additional capital from merger	—	—	—	—	92	194	—	—	—	—	—	—
Retained earnings	863	835	2,951	2,730	1,294	801	801	762	713	652	3,067	2,628
Accumulated other comprehensive income (loss)	40	23	(72)	(28)	(39)	(84)	(23)	(103)	(6)	(19)	84	15
Total capital (GAAP)	2,341	2,386	4,515	4,652	7,005	5,625	2,658	2,199	2,059	1,842	5,550	4,896
Total liabilities and capital	$ 52,909	$ 50,608	$ 74,983	$ 70,671	$ 176,074	$ 137,374	$ 58,358	$ 42,082	$ 46,847	$ 44,426	$ 95,612	$ 85,698
Regulatory capital	$ 2,479	$ 2,377	$ 4,889	$ 4,688	$ 7,719	$ 5,812	$ 2,683	$ 2,311	$ 2,068	$ 1,863	$ 5,950	$ 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 September 30,

(Dollars in millions)	Combined[1] 2016	Combined[1] 2015	Boston 2016	Boston 2015	New York 2016	New York 2015	Pittsburgh 2016	Pittsburgh 2015	Atlanta 2016	Atlanta 2015	Cincinnati 2016	Cincinnati 2015	Indianapolis 2016	Indianapolis 2015
Net interest income after provision (reversal) for credit losses	$ 970	$ 879	$ 65	$ 56	$ 139	$ 110	$ 78	$ 83	$ 94	$ 94	$ 89	$ 77	$ 49	$ 48
Non-interest income (loss)	281	(79)	(4)	(6)	4	9	2	(11)	28	7	(5)	9	(4)	—
Non-interest expense	291	260	20	16	28	27	20	17	34	33	21	18	18	17
Affordable Housing Program assessments	99	56	4	3	12	9	6	5	9	7	6	7	3	3
Net income (loss)	$ 861	$ 484	$ 37	$ 31	$ 103	$ 83	$ 54	$ 50	$ 79	$ 61	$ 57	$ 61	$ 24	$ 28

	Chicago 2016	Chicago 2015	Des Moines 2016	Des Moines 2015	Dallas 2016	Dallas 2015	Topeka 2016	Topeka 2015	San Francisco 2016	San Francisco 2015	Seattle(2) 2016	Seattle(2) 2015
Net interest income after provision (reversal) for credit losses	$ 113	$ 121	$ 116	$ 87	$ 44	$ 29	$ 62	$ 62	$ 123	$ 119	$ —	$ —
Non-interest income (loss)	14	(8)	(5)	(12)	3	(3)	10	(30)	241	(33)	—	—
Non-interest expense	42	33	28	32	23	19	19	14	39	34	—	—
Affordable Housing Program assessments	9	8	9	4	2	1	5	2	34	6	—	—
Net income (loss)	$ 76	$ 72	$ 74	$ 39	$ 22	$ 6	$ 48	$ 16	$ 291	$ 46	$ —	$ —

Nine Months Ended September 30,

(Dollars in millions)	Combined[1] 2016	Combined[1] 2015	Boston 2016	Boston 2015	New York 2016	New York 2015	Pittsburgh 2016	Pittsburgh 2015	Atlanta 2016	Atlanta 2015	Cincinnati 2016	Cincinnati 2015	Indianapolis 2016	Indianapolis 2015
Net interest income after provision (reversal) for credit losses	$ 2,796	$ 2,538	$ 176	$ 167	$ 394	$ 334	$ 253	$ 240	$ 267	$ 151	$ 246	$ 239	$ 144	$ 144
Non-interest income (loss)	803	792	9	125	(1)	18	4	36	42	203	(2)	23	(7)	12
Non-interest expense	837	892	58	54	84	79	59	52	99	98	64	55	55	53
Affordable Housing Program assessments	284	255	13	24	31	27	20	22	21	26	18	21	9	10
Net income (loss)	$ 2,478	$ 2,183	$ 114	$ 214	$ 278	$ 246	$ 178	$ 202	$ 189	$ 230	$ 162	$ 186	$ 73	$ 93

	Chicago 2016	Chicago 2015	Des Moines 2016	Des Moines 2015	Dallas 2016	Dallas 2015	Topeka 2016	Topeka 2015	San Francisco 2016	San Francisco 2015	Seattle(2) 2016	Seattle(2) 2015
Net interest income after provision (reversal) for credit losses	$ 344	$ 368	$ 312	$ 234	$ 118	$ 89	$ 191	$ 178	$ 363	$ 357	$ —	$ 57
Non-interest income (loss)	56	11	319	(15)	1	25	(11)	(53)	403	397	—	10
Non-interest expense	123	99	82	108	63	56	47	44	112	102	—	99
Affordable Housing Program assessments	28	28	56	11	5	6	13	8	69	71	—	—
Net income (loss)	$ 249	$ 252	$ 493	$ 100	$ 51	$ 52	$ 120	$ 73	$ 585	$ 581	$ —	$ (32)

(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.