July 28, 2017

FOR IMMEDIATE RELEASE:

Office of Finance Announces Second Quarter 2017 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 June 30, 2017, filing a Form 8-K with the U. S. Securities and Exchange Commission.

Highlights

Net income was $844 million for the three months ended June 30, 2017, an increase of 6% compared to the same period in 2016. This increase was primarily the result of an increase in net interest income, partially offset by lower gains on litigation settlements.

Net income was $1,656 million for the six months ended June 30, 2017, an increase of 2% compared to the same period in 2016. This increase was primarily the result of gains on derivatives and hedging activities and an increase in net interest income, partially offset by lower gains on litigation settlements and an increase in non-interest expense.

Key balance sheet highlights as of June 30, 2017, compared to December 31, 2016, were:

- Total assets increased 2% to $1.082 trillion;
- Total liabilities increased 2% to $1.027 trillion; and
- Total GAAP capital increased 4% to $54.6 billion.

Balance Sheet

Total assets were $1.082 trillion at June 30, 2017, an increase of 2% from $1.057 trillion at December 31, 2016.

- Advances were $706.8 billion, an increase of less than 1%.
- Investments were $312.5 billion, an increase of 7% driven by an increase in federal funds sold.
- Mortgage loans held for portfolio, net were $50.5 billion, an increase of 4%.

Total liabilities were $1.027 trillion at June 30, 2017, an increase of 2% from $1.004 trillion at December 31, 2016. Total consolidated obligations were $1.011 trillion, an increase of 2%, consistent with the increase in total assets. The increase in total consolidated obligations consisted of a 5% increase in consolidated discount notes and a 1% increase in consolidated bonds.

Total GAAP capital was $54.6 billion at June 30, 2017, an increase of 4% from $52.5 billion at December 31, 2016. This increase was driven by growth in retained earnings, as well as increases in capital stock and accumulated other comprehensive income.

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

FHLBANKS
OFFICE OF FINANCE

(Dollars in millions)	June 30, 2017	December 31, 2016	Change
Assets			
Cash and due from banks	$ 7,952	$ 7,441	$ 511
Investments	312,548	292,017	20,531
Advances	706,849	705,225	1,624
Mortgage loans held for portfolio, net	50,538	48,476	2,062
Other assets	3,812	3,553	259
Total assets	**$ 1,081,699**	**$ 1,056,712**	**$ 24,987**
Liabilities			
Consolidated obligations			
Discount notes	$ 428,684	$ 409,815	$ 18,869
Bonds	582,248	578,927	3,321
Total consolidated obligations	1,010,932	988,742	22,190
Mandatorily redeemable capital stock	1,484	1,704	(220)
Other liabilities	14,720	13,807	913
Total liabilities	**1,027,136**	**1,004,253**	**22,883**
Capital			
Capital stock	36,883	36,234	649
Additional capital from merger	—	52	(52)
Retained earnings	17,238	16,330	908
Accumulated other comprehensive income (loss)	442	(157)	599
Total capital (GAAP)	**54,563**	**52,459**	**2,104**
Total liabilities and capital	**$ 1,081,699**	**$ 1,056,712**	**$ 24,987**
Regulatory capital	**$ 55,602**	**$ 54,318**	**$ 1,284**
GAAP capital-to-assets ratio	**5.04%**	**4.96%**	**0.08%**
Regulatory capital-to-assets ratio	**5.14%**	**5.14%**	**—%**

Net Income

Net income was $844 million for the three months ended June 30, 2017, an increase of 6% compared to the same period in 2016. This increase was primarily the result of an increase in net interest income, partially offset by lower gains on litigation settlements.

Net income was $1,656 million for the six months ended June 30, 2017, an increase of 2% compared to the same period in 2016. This increase was primarily the result of gains on derivatives and hedging activities and an increase in net interest income, partially offset by lower gains on litigation settlements and an increase in non-interest expense.

	Three Months Ended June 30,			Six Months Ended June 30,		
(Dollars in millions)	2017	2016	Change	2017	2016	Change
Net interest income after provision (reversal) for credit losses	$ 1,188	$ 904	$ 284	$ 2,008	$ 1,840	$ 168
Non-interest income (loss)	37	254	(217)	529	522	7
Non-interest expense	285	270	15	692	546	146
Affordable Housing Program assessments	96	92	4	189	186	3
Net income (loss)	**$ 844**	**$ 796**	**$ 48**	**$ 1,656**	**$ 1,630**	**$ 26**

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

Net Interest Income

Net interest income after provision (reversal) for credit losses was $1,188 million for the three months ended June 30, 2017, an increase of 31% compared to the same period in 2016. Net interest margin was 0.46% for the three months ended June 30, 2017, an increase of 9 basis points compared to the same period in 2016.

Net interest income after provision (reversal) for credit losses was $2,008 million for the six months ended June 30, 2017, an increase of 9% compared to the same period in 2016. Net interest margin was 0.38% for the six months ended June 30, 2017, unchanged compared to the same period in 2016. Net interest income, net interest margin, and yield on advances for the six months ended June 30, 2017, were negatively affected by the FHLBank of Atlanta's recording of $302 million of accelerated amortization, during the first quarter of 2017, due to prepayments of certain previously restructured and hedged advances. However, this accelerated amortization was offset by corresponding gains recorded in net gains (losses) on derivatives and hedging activities included in non-interest income, recorded during the first quarter of 2017.

- Interest income was $3,848 million and $6,924 million for the three and six months ended June 30, 2017, increases of 46% and 34% compared to the same periods in 2016. These increases were due primarily to higher yields on interest-earning assets in the higher interest rate environment, driven principally by an increase in the yield on advances.

- Interest expense was $2,659 million and $4,915 million for the three and six months ended June 30, 2017, increases of 54% and 47% compared to the same periods in 2016. These increases were due primarily to higher yields on consolidated discount notes and consolidated bonds in the higher interest rate environment, as well as an increase in the average balance of consolidated bonds.

	Three Months Ended June 30,			Six Months Ended June 30,		
(Dollars in millions)	2017	2016	Change	2017	2016	Change
Interest income						
Advances	$ 2,175	$ 1,234	$ 941	$ 3,705	$ 2,375	$ 1,330
Prepayment fees on advances, net	8	37	(29)	17	50	(33)
Investments and other	1,244	971	273	2,367	1,955	412
Mortgage loans	421	392	29	835	800	35
Total interest income	**3,848**	**2,634**	**1,214**	**6,924**	**5,180**	**1,744**
Interest expense						
Consolidated obligations - Discount notes	851	513	338	1,477	1,002	475
Consolidated obligations - Bonds	1,775	1,179	596	3,373	2,264	1,109
Total consolidated obligations	2,626	1,692	934	4,850	3,266	1,584
Deposits and other borrowings	33	37	(4)	65	72	(7)
Total interest expense	**2,659**	**1,729**	**930**	**4,915**	**3,338**	**1,577**
Net interest income	**1,189**	**905**	**284**	**2,009**	**1,842**	**167**
Provision (reversal) for credit losses	1	1	—	1	2	(1)
Net interest income after provision (reversal) for credit losses	**$ 1,188**	**$ 904**	**$ 284**	**$ 2,008**	**$ 1,840**	**$ 168**
Net interest margin	**0.46%**	**0.37%**	**0.09%**	**0.38%**	**0.38%**	**—%**

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

Non-Interest Income

Non-interest income was $37 million for the three months ended June 30, 2017, a decrease of $217 million compared to the same period in 2016, due primarily to lower gains on litigation settlements. Non-interest income was $529 million for the six months ended June 30, 2017, an increase of $7 million compared to the same period in 2016, resulting primarily from gains on derivatives and hedging activities, offset by lower gains on litigation settlements.

- Gains on litigation settlements, net, consisting of settlements of certain claims arising from investments in private-label mortgage-backed securities, were less than $1 million and $139 million for three and six months ended June 30, 2017. Gains on litigation settlements, net for the six months ended June 30, 2017, resulted primarily from the FHLBank of San Francisco's recognition of settlements of $119 million during the first quarter of 2017.

- Net losses on derivatives and hedging activities were $17 million for the three months ended June 30, 2017, consisting primarily of losses related to derivatives not designated as qualifying accounting hedges under GAAP. Net gains on derivatives and hedging activities were $293 million for the six months ended June 30, 2017, consisting primarily of gains related to fair value hedge ineffectiveness recorded during the first quarter of 2017, resulting from prepayments of certain previously restructured and hedged advances at the FHLBank of Atlanta.

	Three Months Ended June 30,			Six Months Ended June 30,		
(Dollars in millions)	2017	2016	Change	2017	2016	Change
Net other-than-temporary impairment losses	$ (8)	$ (6)	$ (2)	$ (13)	$ (15)	$ 2
Net gains (losses) on trading securities	16	46	(30)	26	148	(122)
Net gains (losses) on derivatives and hedging activities	(17)	(73)	56	293	(310)	603
Gains on litigation settlements, net	—	252	(252)	139	600	(461)
Other	46	35	11	84	99	(15)
Total non-interest income (loss)	**$ 37**	**$ 254**	**$ (217)**	**$ 529**	**$ 522**	**$ 7**

Non-Interest Expense

Non-interest expense for the three months ended June 30, 2017, was $285 million an increase of $15 million compared to the same period in 2016. Non-interest expense for the six months ended June 30, 2017, was $692 million an increase of $146 million compared to the same period in 2016. The increase for the six months ended June 30, 2017, was primarily the result of a charge of $70 million during the first quarter of 2017 by the FHLBank of New York to settle all claims related to the 2008 Lehman Brothers bankruptcy and a voluntary charitable contribution of $40 million during the first quarter of 2017 by the FHLBank of San Francisco for a donor-advised fund established to support quality job growth and small business expansion.

Affordable Housing Program Assessments

Affordable Housing Program assessments for the three and six months ended June 30, 2017, were $96 million and $189 million, increases of 4% and 2% compared to the same periods in 2016. Affordable Housing Program assessments result from individual FHLBank income subject to assessments.

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 7,000 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.

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 to Combined Operating Highlights
Balance Sheet Highlights
Unaudited

(Dollars in millions)	Combined[1] June 30, 2017	Combined[1] December 31, 2016	Boston June 30, 2017	Boston December 31, 2016	New York June 30, 2017	New York December 31, 2016	Pittsburgh June 30, 2017	Pittsburgh December 31, 2016	Atlanta June 30, 2017	Atlanta December 31, 2016	Cincinnati June 30, 2017	Cincinnati December 31, 2016
Assets												
Cash and due from banks	$ 7,952	$ 7,441	$ 177	$ 520	$ 534	$ 152	$ 4,010	$ 3,588	$ 1,070	$ 1,815	$ 370	$ 9
Investments	312,548	292,017	18,142	18,032	33,647	30,685	18,944	17,227	39,752	36,510	27,934	25,334
Advances	706,849	705,225	38,428	39,099	117,934	109,257	74,080	76,809	91,590	99,077	71,088	69,882
Mortgage loans held for portfolio, net	50,538	48,476	3,804	3,694	2,848	2,746	3,538	3,391	486	523	9,447	9,149
Other assets	3,812	3,553	203	201	566	766	258	245	779	746	214	261
Total assets	$ 1,081,699	$ 1,056,712	$ 60,754	$ 61,546	$ 155,529	$ 143,606	$ 100,830	$ 101,260	$ 133,677	$ 138,671	$ 109,053	$ 104,635
Liabilities												
Consolidated obligations												
Discount notes	$ 428,684	$ 409,815	$ 27,866	$ 30,054	$ 57,331	$ 49,358	$ 31,929	$ 28,500	$ 51,355	$ 41,292	$ 49,360	$ 44,690
Bonds	582,248	578,927	28,518	27,171	87,559	84,785	62,911	67,156	73,822	88,647	53,359	53,191
Total consolidated obligations	1,010,932	988,742	56,384	57,225	144,890	134,143	94,840	95,656	125,177	129,939	102,719	97,881
Mandatorily redeemable capital stock	1,484	1,704	37	33	21	31	5	5	2	1	36	35
Other liabilities	14,720	13,807	999	1,043	2,498	1,808	1,051	805	1,770	1,780	1,200	1,741
Total liabilities	1,027,136	1,004,253	57,420	58,301	147,409	135,982	95,896	96,466	126,949	131,720	103,955	99,657
Capital												
Capital stock	36,883	36,234	2,408	2,412	6,757	6,308	3,733	3,755	4,680	4,955	4,220	4,157
Additional capital from merger	—	52	—	—	—	—	—	—	—	—	—	—
Retained earnings	17,238	16,330	1,246	1,217	1,449	1,412	1,078	986	1,935	1,892	890	834
Accumulated other comprehensive income (loss)	442	(157)	(320)	(384)	(86)	(96)	123	53	113	104	(12)	(13)
Total capital (GAAP)	54,563	52,459	3,334	3,245	8,120	7,624	4,934	4,794	6,728	6,951	5,098	4,978
Total liabilities and capital	$ 1,081,699	$ 1,056,712	$ 60,754	$ 61,546	$ 155,529	$ 143,606	$ 100,830	$ 101,260	$ 133,677	$ 138,671	$ 109,053	$ 104,635
Regulatory capital	$ 55,602	$ 54,318	$ 3,691	$ 3,661	$ 8,226	$ 7,751	$ 4,815	$ 4,746	$ 6,617	$ 6,848	$ 5,146	$ 5,026

	Indianapolis June 30, 2017	Indianapolis December 31, 2016	Chicago June 30, 2017	Chicago December 31, 2016	Des Moines June 30, 2017	Des Moines December 31, 2016	Dallas June 30, 2017	Dallas December 31, 2016	Topeka June 30, 2017	Topeka December 31, 2016	San Francisco June 30, 2017	San Francisco December 31, 2016
Assets												
Cash and due from banks	$ 92	$ 547	$ 168	$ 351	$ 964	$ 223	$ 43	$ 28	$ 492	$ 207	$ 30	$ 2
Investments	18,141	15,460	29,461	28,060	37,763	41,218	28,122	25,129	15,756	13,610	45,035	40,986
Advances	32,253	28,096	46,844	45,067	118,878	131,601	34,132	32,506	26,443	23,986	55,179	49,845
Mortgage loans held for portfolio, net	9,894	9,501	4,965	4,967	6,953	6,913	379	124	6,839	6,640	1,383	826
Other assets	332	303	341	247	430	650	186	425	211	774	296	282
Total assets	$ 60,712	$ 53,907	$ 81,779	$ 78,692	$ 164,988	$ 180,605	$ 62,862	$ 58,212	$ 49,741	$ 45,217	$ 101,923	$ 91,941
Liabilities												
Consolidated obligations												
Discount notes	$ 21,036	$ 16,802	$ 37,944	$ 35,949	$ 66,558	$ 80,947	$ 28,015	$ 26,942	$ 23,956	$ 21,775	$ 33,335	$ 33,506
Bonds	35,282	33,467	37,878	36,903	89,171	89,898	30,020	26,997	22,882	20,722	60,966	50,224
Total consolidated obligations	56,318	50,269	75,822	72,852	155,729	170,845	58,035	53,939	46,838	42,497	94,301	83,730
Mandatorily redeemable capital stock	167	170	303	301	480	664	23	3	6	3	404	457
Other liabilities	1,503	1,032	908	844	1,383	1,695	1,666	1,453	659	754	1,115	2,217
Total liabilities	57,988	51,471	77,033	73,997	157,592	173,204	59,724	55,395	47,503	43,254	95,820	86,404
Capital												
Capital stock	1,702	1,493	1,526	1,711	5,623	5,917	2,115	1,930	1,434	1,227	2,687	2,370
Additional capital from merger	—	—	—	—	—	52	—	—	—	—	—	—
Retained earnings	925	887	3,153	3,020	1,684	1,450	890	824	791	736	3,189	3,056
Accumulated other comprehensive income (loss)	97	56	67	(36)	89	(18)	133	63	13	—	227	111
Total capital (GAAP)	2,724	2,436	4,746	4,695	7,396	7,401	3,138	2,817	2,238	1,963	6,103	5,537
Total liabilities and capital	$ 60,712	$ 53,907	$ 81,779	$ 78,692	$ 164,988	$ 180,605	$ 62,862	$ 58,212	$ 49,741	$ 45,217	$ 101,923	$ 91,941
Regulatory capital	$ 2,794	$ 2,550	$ 4,982	$ 5,032	$ 7,788	$ 8,083	$ 3,027	$ 2,757	$ 2,230	$ 1,965	$ 6,280	$ 5,883

(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 June 30,

(Dollars in millions)	Combined[1] 2017	Combined[1] 2016	Boston 2017	Boston 2016	New York 2017	New York 2016	Pittsburgh 2017	Pittsburgh 2016	Atlanta 2017	Atlanta 2016	Cincinnati 2017	Cincinnati 2016
Net interest income after provision (reversal) for credit losses	$ 1,188	$ 904	$ 64	$ 55	$ 176	$ 129	$ 111	$ 93	$ 114	$ 80	$ 106	$ 82
Non-interest income (loss)	37	254	1	17	1	—	8	1	12	17	10	7
Non-interest expense	285	270	20	19	32	27	21	19	30	31	19	21
Affordable Housing Program assessments	96	92	5	6	14	10	10	8	10	6	10	7
Net income (loss)	$ 844	$ 796	$ 40	$ 47	$ 131	$ 92	$ 88	$ 67	$ 86	$ 60	$ 87	$ 61

	Indianapolis 2017	Indianapolis 2016	Chicago 2017	Chicago 2016	Des Moines 2017	Des Moines 2016	Dallas 2017	Dallas 2016	Topeka 2017	Topeka 2016	San Francisco 2017	San Francisco 2016
Net interest income after provision (reversal) for credit losses	$ 65	$ 46	$ 116	$ 111	$ 170	$ 93	$ 61	$ 38	$ 65	$ 64	$ 144	$ 117
Non-interest income (loss)	(4)	(2)	16	45	6	192	8	5	—	(15)	(16)	(9)
Non-interest expense	20	19	44	41	31	27	21	20	15	14	39	37
Affordable Housing Program assessments	4	3	9	11	15	26	4	2	5	3	9	8
Net income (loss)	$ 37	$ 22	$ 79	$ 104	$ 130	$ 232	$ 44	$ 21	$ 45	$ 32	$ 80	$ 63

Six Months Ended June 30,

(Dollars in millions)	Combined[1] 2017	Combined[1] 2016	Boston 2017	Boston 2016	New York 2017	New York 2016	Pittsburgh 2017	Pittsburgh 2016	Atlanta 2017	Atlanta 2016	Cincinnati 2017	Cincinnati 2016
Net interest income after provision (reversal) for credit losses	$ 2,008	$ 1,840	$ 126	$ 111	$ 350	$ 255	$ 219	$ 175	$ (88)	$ 173	$ 209	$ 171
Non-interest income (loss)	529	522	1	13	5	(5)	20	2	331	14	(1)	3
Non-interest expense	692	546	41	38	132	56	45	39	64	65	39	43
Affordable Housing Program assessments	189	186	9	9	22	19	19	14	18	12	17	13
Net income (loss)	$ 1,656	$ 1,630	$ 77	$ 77	$ 201	$ 175	$ 175	$ 124	$ 161	$ 110	$ 152	$ 118

	Indianapolis 2017	Indianapolis 2016	Chicago 2017	Chicago 2016	Des Moines 2017	Des Moines 2016	Dallas 2017	Dallas 2016	Topeka 2017	Topeka 2016	San Francisco 2017	San Francisco 2016
Net interest income after provision (reversal) for credit losses	$ 124	$ 95	$ 229	$ 231	$ 323	$ 196	$ 114	$ 74	$ 132	$ 129	$ 278	$ 240
Non-interest income (loss)	(7)	(3)	26	42	41	324	16	(2)	9	(21)	96	162
Non-interest expense	40	37	86	81	63	54	43	40	31	28	119	73
Affordable Housing Program assessments	8	6	17	19	31	47	8	3	11	8	27	35
Net income (loss)	$ 69	$ 49	$ 152	$ 173	$ 270	$ 419	$ 79	$ 29	$ 99	$ 72	$ 228	$ 294

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