FHLBANKS OFFICE OF FINANCE

February 23, 2024

FOR IMMEDIATE RELEASE:

Office of Finance Announces Fourth Quarter and Annual 2023 Combined Operating Highlights for the Federal Home Loan Banks

The fourth quarter and annual 2023 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, 2023, and filed a Form 8-K with the U.S. Securities and Exchange Commission.

Combined Highlights

Net income was $1,607 million and $6,691 million for the three months and year ended December 31, 2023, increases of 41% and 111% compared to the three months and year ended December 31, 2022. As of December 31, 2023, total assets were $1,289.4 billion, an increase of 3%, total liabilities were $1,217.9 billion, an increase of 3%, and total GAAP capital was $71.5 billion, an increase of 5%, compared to December 31, 2022.

During March 2023, member demand for advances accelerated in response to the stress placed on the banking industry and financial markets resulting from the financial difficulties experienced by some depository institutions. Subsequent to the first quarter of 2023, member demand moderated as market liquidity normalized and as of December 31, 2023, advances decreased $235.0 billion compared to March 31, 2023, and were marginally lower than the level at December 31, 2022.

Combined Financial Condition

(Dollars in millions)	December 31, 2023	December 31, 2022	Change
Assets			
Cash and due from banks	$ 481	$ 417	$ 64
Investments, net	407,902	363,812	44,090
Advances	809,571	819,121	(9,550)
Mortgage loans held for portfolio, net	61,335	56,048	5,287
Other assets, net	10,124	7,849	2,275
Total assets	**$ 1,289,413**	**$ 1,247,247**	**$ 42,166**
Liabilities			
Consolidated obligations			
Discount notes	$ 287,050	$ 466,049	$ (178,999)
Bonds	904,636	695,381	209,255
Total consolidated obligations	1,191,686	1,161,430	30,256
Mandatorily redeemable capital stock	1,230	708	522
Other liabilities	24,961	17,302	7,659
Total liabilities	**1,217,877**	**1,179,440**	**38,437**
Capital			
Capital stock	44,686	44,006	680
Retained earnings	27,894	24,554	3,340
Accumulated other comprehensive income (loss)	(1,044)	(753)	(291)
Total capital (GAAP)	**71,536**	**67,807**	**3,729**
Total liabilities and capital	**$ 1,289,413**	**$ 1,247,247**	**$ 42,166**
Combined regulatory capital	**$ 73,810**	**$ 69,268**	**$ 4,542**
Regulatory capital-to-assets ratio	**5.72 %**	**5.55 %**	**0.17 %**

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The FHLBanks' assets and liabilities expand and contract as the needs of member financial institutions and their communities change over time. As of December 31, 2023, total assets increased 3%, total liabilities increased 3%, and total GAAP capital increased 5%, compared to December 31, 2022.

- Advances totaled $809.6 billion at December 31, 2023, a decrease of 1% resulting primarily from a decrease in short-term advances, partially offset by an increase in long-term advances.
- Investments were $407.9 billion at December 31, 2023, an increase of 12% as the FHLBanks grew their investment portfolios, driven primarily by purchases of mortgage-backed securities.
- Mortgage loans held for portfolio were $61.3 billion at December 31, 2023, an increase of 9% as mortgage loan purchase volume outpaced repayments.
- Consolidated obligations totaled $1,191.7 billion at December 31, 2023, an increase of 3% in line with the increase in total assets and consisting of an increase of 30% in consolidated bonds, partially offset by a decrease of 38% in consolidated discount notes.
- Capital stock was $44.7 billion at December 31, 2023, an increase of 2% due principally to the net issuance of activity-based capital stock.
- Retained earnings grew to $27.9 billion at December 31, 2023, an increase of 14% resulting principally from net income of $6,691 million, partially offset by dividends of $3,351 million.

Combined Results of Operations

	Three Months Ended December 31,			Year Ended December 31,		
(Dollars in millions)	2023	2022	Change	2023	2022	Change
Interest income						
Advances	$ 11,997	$ 7,507	$ 4,490	$ 48,535	$ 13,257	$ 35,278
Investments	6,011	3,655	2,356	22,587	7,509	15,078
Mortgage loans held for portfolio	535	430	105	1,923	1,620	303
Other interest income	1	1	—	2	2	—
Total interest income	**18,544**	**11,593**	**6,951**	**73,047**	**22,388**	**50,659**
Interest expense						
Consolidated obligations - Discount notes	3,955	4,042	(87)	19,095	6,922	12,173
Consolidated obligations - Bonds	12,085	5,722	6,363	44,208	10,112	34,096
Other interest expense	216	109	107	735	205	530
Total interest expense	**16,256**	**9,873**	**6,383**	**64,038**	**17,239**	**46,799**
Net interest income	**2,288**	**1,720**	**568**	**9,009**	**5,149**	**3,860**
Provision (reversal) for credit losses	(3)	8	(11)	13	27	(14)
Net interest income after provision (reversal) for credit losses	**2,291**	**1,712**	**579**	**8,996**	**5,122**	**3,874**
Non-interest income (loss)						
Net gains (losses) on investment securities	326	81	245	280	(979)	1,259
Net gains (losses) on financial instruments held under fair value option	(99)	(112)	13	(243)	266	(509)
Net gains (losses) on derivatives	(281)	(71)	(210)	(80)	415	(495)
Other non-interest income (loss)	82	63	19	283	174	109
Total non-interest income (loss)	**28**	**(39)**	**67**	**240**	**(124)**	**364**
Non-interest expense	530	406	124	1,793	1,477	316
Affordable Housing Program assessments	182	127	55	752	355	397
Net income	**$ 1,607**	**$ 1,140**	**$ 467**	**$ 6,691**	**$ 3,166**	**$ 3,525**
Net interest margin	**0.69 %**	**0.57 %**	**0.12 %**	**0.65 %**	**0.54 %**	**0.11 %**

Net income was $1,607 million and $6,691 million for the three months and year ended December 31, 2023, increases of 41% and 111% compared to the three months and year ended December 31, 2022, resulting primarily from higher net interest income.

Net interest income was $2,288 million and $9,009 million for the three months and year ended December 31, 2023, increases of 33% and 75% compared to the three months and year ended December 31, 2022. Net interest margin was 0.69% and 0.65% for the three months and year ended December 31, 2023, increases of 12 and 11 basis points compared to the three months and year ended December 31, 2022.

- Interest income was $18,544 million and $73,047 million for the three months and year ended December 31, 2023, increases of $6,951 million and $50,659 million compared to the three months and year ended December 31, 2022, driven primarily by increases in the average yields on interest-earning assets. The average yields on interest-earning assets were 5.58% and 5.24% for the three months and year ended December 31, 2023, compared to 3.85% and 2.34% for the three months and year ended December 31, 2022. Although significantly higher interest rates were the primary factor affecting interest income, the higher average balances of advances were also a contributing factor. The average balances of advances were $835.7 billion and $906.4 billion for the three months and year ended December 31, 2023, increases of 10% and 61% compared to the three months and year ended December 31, 2022.
- Interest expense was $16,256 million and $64,038 million for the three months and year ended December 31, 2023, increases of $6,383 million and $46,799 million compared to the three months and year ended December 31, 2022, driven primarily by the higher average rates on consolidated obligations. The average rates on consolidated obligations were 5.22% and 4.90% for the three months and year ended December 31, 2023, compared to 3.51% and 1.94% for the three months and year ended December 31, 2022. Although significantly higher interest rates were the primary factor affecting interest expense, the higher average balances of consolidated bonds were also a contributing factor. The average balances of consolidated bonds were $923.2 billion and $901.4 billion for the three months and year ended December 31, 2023, increases of 44% and 78% compared to the three months and year ended December 31, 2022.

Non-interest income was a net gain of $28 million and a net gain of $240 million for the three months and year ended December 31, 2023, resulting primarily from changes in the fair value of investment securities, financial instruments held under fair value option, and derivatives, driven by changes in interest rates. Non-interest income was a net loss of $39 million and a net loss of $124 million for the three months and year ended December 31, 2022.

The FHLBanks' income subject to assessments resulted in statutory Affordable Housing Program assessments of $182 million and $752 million for the three months and year ended December 31, 2023, increases of 43% and 112% compared to the three months and year ended December 31, 2022. In addition to the statutory Affordable Housing Program assessments, the FHLBanks expensed voluntary contributions to their Affordable Housing Program and other community investment programs of $91 million and $180 million for the three months and year ended December 31, 2023, which are included in non-interest expense.

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About the FHLBanks

The FHLBanks, as member-owned cooperative institutions, provide financial products and services to their members and housing associates that assist and enhance the financing of housing and community lending. In addition, the FHLBanks support community development through affordable housing and community investment. Each FHLBank is privately capitalized and independently managed.

The FHLBanks have delivered innovation and service to the U.S. housing market since 1932, and currently have approximately 6,500 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; widespread health emergencies; geopolitical instability or conflicts; demand for FHLBank advances; competitive forces, including other sources of funding available to FHLBank members; changes in investor demand for consolidated obligations; political events, including legislative, regulatory, judicial, or other developments; and changes resulting from any modification of the credit ratings of the U.S. government or the FHLBanks. 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 website, 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]		Boston		New York		Pittsburgh		Atlanta		Cincinnati	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Cash and due from banks	$ 481	$ 417	$ 53	$ 8	$ 48	$ 27	$ 12	$ 13	$ 142	$ 141	$ 21	$ 20
Investments, net	407,902	363,812	21,168	17,919	46,267	39,021	28,004	22,082	54,207	40,902	42,641	33,605
Advances	809,571	819,121	41,959	41,600	108,890	115,293	78,432	68,856	96,608	109,595	73,553	67,019
Mortgage loans held for portfolio, net	61,335	56,048	3,059	2,758	2,180	2,107	4,698	4,591	103	120	7,109	7,163
Other assets	10,124	7,849	903	613	948	943	1,002	599	1,310	864	672	803
Total assets	**$ 1,289,413**	**$ 1,247,247**	**$ 67,142**	**$ 62,898**	**$ 158,333**	**$ 157,391**	**$ 112,148**	**$ 96,141**	**$ 152,370**	**$ 151,622**	**$ 123,996**	**$ 108,610**
Consolidated obligations												
Discount notes	$ 287,050	$ 466,049	$ 22,000	$ 26,975	$ 47,907	$ 61,793	$ 13,684	$ 33,745	$ 25,972	$ 39,781	$ 23,691	$ 40,691
Bonds	904,636	695,381	40,249	31,566	97,569	85,498	90,801	56,471	115,600	101,729	91,756	59,668
Total consolidated obligations	1,191,686	1,161,430	62,249	58,541	145,476	147,291	104,485	90,216	141,572	141,510	115,447	100,359
Mandatorily redeemable capital stock	1,230	708	6	10	7	5	28	28	—	—	17	17
Other liabilities	24,961	17,302	1,349	932	4,605	1,748	1,956	1,000	2,682	2,466	2,105	1,732
Total liabilities	**1,217,877**	**1,179,440**	**63,604**	**59,483**	**150,088**	**149,044**	**106,469**	**91,244**	**144,254**	**143,976**	**117,569**	**102,108**
Capital stock	44,686	44,006	2,042	2,031	6,050	6,387	3,921	3,428	5,597	5,397	4,846	5,151
Retained earnings	27,894	24,554	1,790	1,690	2,338	2,096	1,831	1,536	2,524	2,283	1,658	1,401
Accumulated other comprehensive income (loss)	(1,044)	(753)	(294)	(306)	(143)	(136)	(73)	(67)	(5)	(34)	(77)	(50)
Total capital (GAAP)	**71,536**	**67,807**	**3,538**	**3,415**	**8,245**	**8,347**	**5,679**	**4,897**	**8,116**	**7,646**	**6,427**	**6,502**
Total liabilities and capital	**$ 1,289,413**	**$ 1,247,247**	**$ 67,142**	**$ 62,898**	**$ 158,333**	**$ 157,391**	**$ 112,148**	**$ 96,141**	**$ 152,370**	**$ 151,622**	**$ 123,996**	**$ 108,610**
Regulatory capital	**$ 73,810**	**$ 69,268**	**$ 3,839**	**$ 3,732**	**$ 8,394**	**$ 8,488**	**$ 5,780**	**$ 4,992**	**$ 8,121**	**$ 7,680**	**$ 6,521**	**$ 6,569**

	Indianapolis		Chicago		Des Moines		Dallas		Topeka		San Francisco	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Cash and due from banks	$ 59	$ 21	$ 34	$ 35	$ 31	$ 89	$ 50	$ 28	$ 26	$ 26	$ 5	$ 9
Investments, net	31,544	27,204	40,843	49,647	49,828	43,381	42,631	40,613	20,487	19,261	30,294	30,291
Advances	35,562	36,683	65,306	66,288	122,530	111,202	79,952	68,922	45,445	44,263	61,335	89,400
Mortgage loans held for portfolio, net	8,614	7,687	11,410	10,160	9,967	8,348	5,089	4,395	8,353	7,905	754	815
Other assets	829	689	791	723	2,050	1,149	543	391	636	538	440	541
Total assets	**$ 76,608**	**$ 72,284**	**$ 118,384**	**$ 126,853**	**$ 184,406**	**$ 164,169**	**$ 128,265**	**$ 114,349**	**$ 74,947**	**$ 71,993**	**$ 92,828**	**$ 121,056**
Consolidated obligations												
Discount notes	$ 22,622	$ 27,387	$ 28,109	$ 59,531	$ 54,537	$ 69,170	$ 8,598	$ 46,270	$ 20,743	$ 24,775	$ 19,187	$ 35,929
Bonds	48,432	39,882	80,389	58,116	116,961	84,337	109,536	59,946	49,047	42,506	64,297	75,768
Total consolidated obligations	71,054	67,269	108,498	117,647	171,498	153,507	118,134	106,216	69,790	67,281	83,484	111,697
Mandatorily redeemable capital stock	369	373	83	248	12	15	1	7	—	—	706	5
Other liabilities	1,442	1,258	1,663	1,493	3,065	1,896	2,871	2,125	1,265	1,034	1,970	1,631
Total liabilities	**72,865**	**68,900**	**110,244**	**119,388**	**174,575**	**155,418**	**121,006**	**108,348**	**71,055**	**68,315**	**86,160**	**113,333**
Capital stock	2,285	2,123	3,277	2,989	6,873	6,250	4,737	3,984	2,608	2,508	2,450	3,758
Retained earnings	1,532	1,287	4,979	4,564	3,138	2,618	2,413	1,834	1,403	1,254	4,290	3,994
Accumulated other comprehensive income (loss)	(74)	(26)	(116)	(88)	(180)	(117)	109	183	(119)	(84)	(72)	(29)
Total capital (GAAP)	**3,743**	**3,384**	**8,140**	**7,465**	**9,831**	**8,751**	**7,259**	**6,001**	**3,892**	**3,678**	**6,668**	**7,723**
Total liabilities and capital	**$ 76,608**	**$ 72,284**	**$ 118,384**	**$ 126,853**	**$ 184,406**	**$ 164,169**	**$ 128,265**	**$ 114,349**	**$ 74,947**	**$ 71,993**	**$ 92,828**	**$ 121,056**
Regulatory capital	**$ 4,186**	**$ 3,782**	**$ 8,339**	**$ 7,801**	**$ 10,023**	**$ 8,883**	**$ 7,151**	**$ 5,826**	**$ 4,010**	**$ 3,761**	**$ 7,446**	**$ 7,757**

(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)] 2023	Combined[(1)] 2022	Boston 2023	Boston 2022	New York 2023	New York 2022	Pittsburgh 2023	Pittsburgh 2022	Atlanta 2023	Atlanta 2022	Cincinnati 2023	Cincinnati 2022
Net interest income after provision (reversal) for credit losses	$ 2,291	$ 1,712	$ 79	$ 70	$ 248	$ 196	$ 194	$ 138	$ 241	$ 107	$ 215	$ 193
Non-interest income (loss)	28	(39)	5	5	6	33	(8)	7	3	9	(17)	(52)
Non-interest expense	530	406	27	13	82	58	45	39	51	33	28	25
Affordable Housing Program assessments	182	127	6	7	17	17	14	10	19	9	17	12
Net income	**$ 1,607**	**$ 1,140**	**$ 51**	**$ 55**	**$ 155**	**$ 154**	**$ 127**	**$ 96**	**$ 174**	**$ 74**	**$ 153**	**$ 104**

	Indianapolis 2023	Indianapolis 2022	Chicago 2023	Chicago 2022	Des Moines 2023	Des Moines 2022	Dallas 2023	Dallas 2022	Topeka 2023	Topeka 2022	San Francisco 2023	San Francisco 2022
Net interest income after provision (reversal) for credit losses	$ 140	$ 91	$ 286	$ 226	$ 347	$ 261	$ 251	$ 151	$ 119	$ 99	$ 165	$ 175
Non-interest income (loss)	7	21	(18)	(10)	14	(53)	20	8	6	4	22	—
Non-interest expense	32	34	82	66	77	46	36	30	28	22	52	45
Affordable Housing Program assessments	12	8	19	16	28	16	23	13	10	8	15	13
Net income	**$ 103**	**$ 70**	**$ 167**	**$ 134**	**$ 256**	**$ 146**	**$ 212**	**$ 116**	**$ 87**	**$ 73**	**$ 120**	**$ 117**

Year Ended December 31,

(Dollars in millions)	Combined[(1)] 2023	Combined[(1)] 2022	Boston 2023	Boston 2022	New York 2023	New York 2022	Pittsburgh 2023	Pittsburgh 2022	Atlanta 2023	Atlanta 2022	Cincinnati 2023	Cincinnati 2022
Net interest income after provision (reversal) for credit losses	$ 8,996	$ 5,122	$ 375	$ 282	$ 993	$ 634	$ 736	$ 351	$ 889	$ 327	$ 864	$ 487
Non-interest income (loss)	240	(124)	15	14	77	29	36	11	5	16	4	(103)
Non-interest expense	1,793	1,477	104	91	236	200	125	110	173	138	126	103
Affordable Housing Program assessments	752	355	29	21	83	46	65	25	72	21	74	29
Net income	**$ 6,691**	**$ 3,166**	**$ 257**	**$ 184**	**$ 751**	**$ 417**	**$ 582**	**$ 227**	**$ 649**	**$ 184**	**$ 668**	**$ 252**

	Indianapolis 2023	Indianapolis 2022	Chicago 2023	Chicago 2022	Des Moines 2023	Des Moines 2022	Dallas 2023	Dallas 2022	Topeka 2023	Topeka 2022	San Francisco 2023	San Francisco 2022
Net interest income after provision (reversal) for credit losses	$ 495	$ 291	$ 1,059	$ 675	$ 1,305	$ 679	$ 1,018	$ 479	$ 460	$ 363	$ 795	$ 552
Non-interest income (loss)	46	19	(38)	32	(15)	(40)	91	(25)	48	(14)	7	(31)
Non-interest expense	120	113	286	244	221	161	138	102	97	81	200	162
Affordable Housing Program assessments	44	20	75	48	107	48	97	35	41	27	63	36
Net income	**$ 377**	**$ 177**	**$ 660**	**$ 415**	**$ 962**	**$ 430**	**$ 874**	**$ 317**	**$ 370**	**$ 241**	**$ 539**	**$ 323**

(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.