FEDERAL HOME LOAN BANKS

Combined Financial Report for the Quarterly Period Ended June 30, 2024

This Combined Financial Report provides financial information on the Federal Home Loan Banks. The Federal Home Loan Banks issue consolidated bonds and consolidated discount notes (collectively referred to as consolidated obligations). Consolidated obligations are joint and several obligations of all Federal Home Loan Banks, which means that each individual Federal Home Loan Bank is responsible for the payment of principal and interest on all consolidated obligations. Each Federal Home Loan Bank is a separately chartered entity with its own board of directors and management. There is no centralized, system-wide management or oversight by a single board of directors of the Federal Home Loan Banks.

Federal Home Loan Bank consolidated obligations are not obligations of the United States and are not guaranteed by the United States. No person other than the Federal Home Loan Banks will have any obligations or liability with respect to consolidated obligations.

The Securities Act of 1933, as amended, does not require the registration of consolidated obligations; therefore, no registration statement with respect to consolidated obligations has been filed with the U.S. Securities and Exchange Commission. Neither the U.S. Securities and Exchange Commission, nor the Federal Housing Finance Agency, nor any state securities commission has approved or disapproved of these consolidated obligations or determined if this report is truthful or complete.

Carefully consider the risk factors provided in this and other Combined Financial Reports of the Federal Home Loan Banks (collectively referred to as Combined Financial Reports). Neither the Combined Financial Reports nor any offering materials provided by, or on behalf of, the Federal Home Loan Banks describe all the risks of investing in consolidated obligations. Investors should consult with their financial and legal advisors about the risks of investing in consolidated obligations.

The financial information contained in this Combined Financial Report is for the quarterly period ended June 30, 2024. This Combined Financial Report should be read in conjunction with the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, issued on March 22, 2024. Combined Financial Reports are available on the Federal Home Loan Banks Office of Finance website at fhlb-of.com. This website address is provided as a matter of convenience only, and its contents are not made part of or incorporated by reference into this report.

Investors should direct questions about consolidated obligations or the Combined Financial Reports to the Federal Home Loan Banks Office of Finance at (703) 467-3600 or at info@fhlb-of.com.

This Combined Financial Report was issued on August 13, 2024.

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EXPLANATORY STATEMENT ABOUT FEDERAL HOME LOAN BANKS COMBINED FINANCIAL REPORT

The Federal Home Loan Banks (FHLBanks) are government-sponsored enterprises (GSEs), federally-chartered but privately capitalized and independently managed. The FHLBanks together with the Federal Home Loan Banks Office of Finance (Office of Finance) comprise the FHLBank System.

The Office of Finance is responsible for preparing the Combined Financial Reports of the FHLBanks. Each FHLBank is responsible for the financial information and underlying data it provides to the Office of Finance for inclusion in the Combined Financial Reports. The Office of Finance is responsible for combining the financial information it receives from each of the FHLBanks.

The Combined Financial Reports are intended to be used by investors in consolidated obligations (consolidated bonds and consolidated discount notes) of the FHLBanks as these are joint and several obligations of all FHLBanks. This Combined Financial Report is provided using combination accounting principles generally accepted in the United States of America. This combined presentation in no way indicates that these assets and liabilities are under joint management and control as each individual FHLBank manages its operations independently. Therefore, each FHLBank's business, risk profile, financial condition, and results of operations will vary from FHLBank to FHLBank.

Because of the FHLBank System's structure, the Office of Finance does not prepare consolidated financial statements. Consolidated financial statements are generally considered to be appropriate when a controlling financial interest rests directly or indirectly in one of the enterprises included in the consolidation, which is the case in a typical holding company structure where there is a parent company that owns, directly or indirectly, one or more subsidiaries. However, the FHLBanks do not have a parent company that controls each of the FHLBanks. Instead, each of the FHLBanks is owned by its respective members and certain former members.

Each FHLBank is a separately chartered cooperative with its own board of directors and management and is responsible for establishing its own accounting and financial reporting policies in accordance with accounting principles generally accepted in the United States of America (GAAP). Although the FHLBanks work together in an effort to achieve consistency on significant accounting policies, the FHLBanks' accounting and financial reporting policies and practices may vary because alternative policies and presentations are permitted under GAAP in certain circumstances. Statements in this report may be qualified by a term such as "generally," "primarily," "typically," or words of similar meaning to indicate that the statement is generally applicable, but may not be applicable to all FHLBanks or their transactions as a result of their different business practices and accounting and financial reporting policies under GAAP.

An investor may not be able to obtain easily a system-wide view of the FHLBanks' business, risk profile, and financial information because there is no centralized, system-wide management or centralized board of directors oversight of the individual FHLBanks. This decentralized structure is not conducive to preparing disclosures from a system-wide view in the same manner as is generally expected of U.S. Securities and Exchange Commission (SEC) registrants. For example, a conventional Management's Discussion and Analysis is not provided in this Combined Financial Report; instead, this report includes a "Financial Discussion and Analysis" prepared by the Office of Finance using information provided by each FHLBank.

Each FHLBank is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and must file periodic reports and other information with the SEC. Each FHLBank prepares an annual financial report, filed on SEC Form 10-K, quarterly financial reports, filed on SEC Form 10-Q, and current reports, filed on SEC Form 8-K. Those reports contain additional information that is not contained in this Combined Financial Report. An investor should review those reports and other available information on individual FHLBanks to obtain additional detail on each FHLBank's business, risk profile, financial condition, results of operations, and accounting and financial reporting policies. Periodic reports and other information filed by each FHLBank with the SEC are made available on its website and on the SEC's website at sec.gov. References to websites and to reports and other information filed by individual FHLBanks with the SEC are provided as a matter of convenience only, and their contents are not made part of or incorporated by reference into this report.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CONDITION
(UNAUDITED)

(dollars in millions, except par value)	June 30, 2024	December 31, 2023
Assets		
Cash and due from banks	$ 379	$ 481
Interest-bearing deposits *(Note 3)*	26,205	24,163
Securities purchased under agreements to resell *(Note 3)*	73,787	81,012
Federal funds sold *(Note 3)*	66,447	57,860
Investment securities *(Note 3)*		
Trading securities	19,026	15,553
Available-for-sale securities, net, amortized cost of $169,282 and $161,766	168,878	160,455
Held-to-maturity securities, net, fair value of $64,818 and $67,696	66,031	68,859
Total investment securities	**253,935**	**244,867**
Advances, includes $4,247 and $2,247 at fair value held under fair value option *(Note 4)*	780,757	809,571
Mortgage loans held for portfolio, net *(Note 5)*	65,046	61,335
Accrued interest receivable, net	4,537	4,519
Derivative assets, net *(Note 6)*	3,560	3,796
Other assets, net	2,269	1,809
Total assets	**$ 1,276,922**	**$ 1,289,413**
Liabilities		
Deposits *(Note 7)*	$ 12,827	$ 13,150
Consolidated obligations *(Note 8)*		
Discount notes, includes $63,408 and $65,118 at fair value held under fair value option	316,228	287,050
Bonds, includes $7,841 and $26,149 at fair value held under fair value option	862,326	904,636
Total consolidated obligations	**1,178,554**	**1,191,686**
Mandatorily redeemable capital stock *(Note 9)*	1,079	1,230
Accrued interest payable	6,576	6,772
Affordable Housing Program payable	1,601	1,405
Derivative liabilities, net *(Note 6)*	41	96
Other liabilities	2,948	3,538
Total liabilities	**1,203,626**	**1,217,877**
Commitments and contingencies *(Note 12)*		
Capital *(Note 9)*		
Capital stock		
Class B putable ($100 par value) issued and outstanding shares: 436,897,426 and 444,066,986	43,690	44,407
Class A putable ($100 par value) issued and outstanding shares: 3,186,011 and 2,788,871	319	279
Total capital stock	**44,009**	**44,686**
Retained earnings		
Unrestricted	21,208	20,348
Restricted	8,172	7,546
Total retained earnings	**29,380**	**27,894**
Accumulated other comprehensive income (loss) *(Note 10)*	(93)	(1,044)
Total capital	**73,296**	**71,536**
Total liabilities and capital	**$ 1,276,922**	**$ 1,289,413**

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF INCOME
(UNAUDITED)

(dollars in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Interest income				
Advances	$ 11,305	$ 13,663	$ 22,762	$ 24,471
Interest-bearing deposits	515	549	1,021	1,001
Securities purchased under agreements to resell	680	985	1,405	1,553
Federal funds sold	1,187	1,594	2,454	2,770
Investment securities				
Trading securities	165	79	293	151
Available-for-sale securities	2,530	2,075	5,014	3,803
Held-to-maturity securities	887	752	1,798	1,396
Total investment securities	**3,582**	**2,906**	**7,105**	**5,350**
Mortgage loans held for portfolio	599	453	1,165	894
Other	1	1	1	1
Total interest income	**17,869**	**20,151**	**35,913**	**36,040**
Interest expense				
Consolidated obligations				
Discount notes	4,093	5,679	7,961	10,983
Bonds	11,375	11,926	23,097	20,357
Total consolidated obligations	**15,468**	**17,605**	**31,058**	**31,340**
Deposits	182	161	354	285
Mandatorily redeemable capital stock	37	13	62	24
Total interest expense	**15,687**	**17,779**	**31,474**	**31,649**
Net interest income	**2,182**	**2,372**	**4,439**	**4,391**
Provision (reversal) for credit losses	3	8	(2)	8
Net interest income after provision (reversal) for credit losses	**2,179**	**2,364**	**4,441**	**4,383**
Non-interest income				
Net gains (losses) on investment securities	2	(140)	(88)	44
Net gains (losses) on financial instruments held under fair value option	(3)	79	(5)	(69)
Net gains (losses) on derivatives	17	107	164	39
Other, net	66	60	166	160
Total non-interest income (loss)	**82**	**106**	**237**	**174**
Non-interest expense				
Compensation and benefits	209	200	426	415
Other operating expenses	154	142	293	266
Federal Housing Finance Agency	26	25	53	50
Office of Finance	19	17	39	37
Voluntary housing and community investment program contributions	86	35	131	51
Other, net	8	7	17	15
Total non-interest expense	**502**	**426**	**959**	**834**
Net income before assessments	**1,759**	**2,044**	**3,719**	**3,723**
Affordable Housing Program assessments	179	205	378	374
Net income	**$ 1,580**	**$ 1,839**	**$ 3,341**	**$ 3,349**

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2024	2023	2024	2023
Net income	**$ 1,580**	**$ 1,839**	**$ 3,341**	**$ 3,349**
Other comprehensive income				
Net unrealized gains (losses) on available-for-sale securities	(8)	538	906	165
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	—	3	—	3
Net unrealized gains (losses) relating to hedging activities	(4)	77	50	5
Pension and postretirement benefits	(5)	—	(5)	23
Total other comprehensive income (loss)	**(17)**	**618**	**951**	**196**
Comprehensive income (loss)	**$ 1,563**	**$ 2,457**	**$ 4,292**	**$ 3,545**

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CAPITAL

(UNAUDITED)

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

	Capital Stock - Putable					
	Class B		Class A		Total	
(dollars and shares in millions)	Shares	Par Value	Shares	Par Value	Shares	Par Value
Balance, March 31, 2024	**428**	**$ 42,824**	**3**	**$ 345**	**431**	**$ 43,169**
Comprehensive income (loss)	—	—	—	—	—	—
Proceeds from issuance of capital stock	119	11,746	—	—	119	11,746
Repurchases/redemptions of capital stock	(108)	(10,733)	(3)	(209)	(111)	(10,942)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(1)	(21)	—	(71)	(1)	(92)
Transfers between Class B and Class A shares	(3)	(254)	3	254	—	—
Dividends on capital stock						
Cash	—	—	—	—	—	—
Stock	2	128	—	—	2	128
Balance, June 30, 2024	**437**	**$ 43,690**	**3**	**$ 319**	**440**	**$ 44,009**
Balance, March 31, 2023	**531**	**$ 53,070**	**3**	**$ 292**	**534**	**$ 53,362**
Comprehensive income (loss)	—	—	—	—	—	—
Proceeds from issuance of capital stock	127	12,611	—	2	127	12,613
Repurchases/redemptions of capital stock	(166)	(16,502)	(3)	(367)	(169)	(16,869)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(15)	(1,433)	(2)	(225)	(17)	(1,658)
Transfers between Class B and Class A shares	(6)	(650)	6	650	—	—
Dividends on capital stock						
Cash	—	—	—	—	—	—
Stock	1	122	—	—	1	122
Balance, June 30, 2023	**472**	**$ 47,218**	**4**	**$ 352**	**476**	**$ 47,570**

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CAPITAL (continued)
(UNAUDITED)

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

	Retained Earnings			Accumulated Other Comprehensive Income (Loss)	Total Capital
(dollars and shares in millions)	Unrestricted	Restricted	Total		
Balance, March 31, 2024	**$ 20,847**	**$ 7,873**	**$ 28,720**	**$ (76)**	**$ 71,813**
Comprehensive income (loss)	1,281	299	1,580	(17)	**1,563**
Proceeds from issuance of capital stock	—	—	—	—	**11,746**
Repurchases/redemptions of capital stock	—	—	—	—	**(10,942)**
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	—	**(92)**
Transfers between Class B and Class A shares	—	—	—	—	—
Dividends on capital stock					
Cash	(792)	—	(792)	—	**(792)**
Stock	(128)	—	(128)	—	—
Balance, June 30, 2024	**$ 21,208**	**$ 8,172**	**$ 29,380**	**$ (93)**	**$ 73,296**
Balance, March 31, 2023	**$ 18,854**	**$ 6,534**	**$ 25,388**	**$ (1,175)**	**$ 77,575**
Comprehensive income (loss)	1,471	368	1,839	618	**2,457**
Proceeds from issuance of capital stock	—	—	—	—	**12,613**
Repurchases/redemptions of capital stock	—	—	—	—	**(16,869)**
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	—	**(1,658)**
Transfers between Class B and Class A shares	—	—	—	—	—
Dividends on capital stock					
Cash	(678)	—	(678)	—	**(678)**
Stock	(122)	—	(122)	—	—
Balance, June 30, 2023	**$ 19,525**	**$ 6,902**	**$ 26,427**	**$ (557)**	**$ 73,440**

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CAPITAL
(UNAUDITED)

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

	Capital Stock - Putable					
	Class B		Class A		Total	
(dollars and shares in millions)	Shares	Par Value	Shares	Par Value	Shares	Par Value
Balance, December 31, 2023	**444**	**$ 44,407**	**3**	**$ 279**	**447**	**$ 44,686**
Comprehensive income (loss)	—	—	—	—	—	—
Proceeds from issuance of capital stock	211	21,007	—	—	211	21,007
Repurchases/redemptions of capital stock	(210)	(20,960)	(8)	(705)	(218)	(21,665)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(1)	(59)	(2)	(223)	(3)	(282)
Transfers between Class B and Class A shares	(10)	(968)	10	968	—	—
Dividends on capital stock						
Cash	—	—	—	—	—	—
Stock	3	263	—	—	3	263
Balance, June 30, 2024	**437**	**$ 43,690**	**3**	**$ 319**	**440**	**$ 44,009**
Balance, December 31, 2022	**438**	**$ 43,767**	**2**	**$ 239**	**440**	**$ 44,006**
Comprehensive income (loss)	—	—	—	—	—	—
Proceeds from issuance of capital stock	416	41,555	—	2	416	41,557
Repurchases/redemptions of capital stock	(352)	(35,122)	(9)	(1,012)	(361)	(36,134)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(18)	(1,773)	(3)	(303)	(21)	(2,076)
Transfers between Class B and Class A shares	(14)	(1,426)	14	1,426	—	—
Dividends on capital stock						
Cash	—	—	—	—	—	—
Stock	2	217	—	—	2	217
Balance, June 30, 2023	**472**	**$ 47,218**	**4**	**$ 352**	**476**	**$ 47,570**

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CAPITAL (continued)
(UNAUDITED)

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

	Retained Earnings			Accumulated Other Comprehensive Income (Loss)	Total Capital
(dollars and shares in millions)	Unrestricted	Restricted	Total		
Balance, December 31, 2023	**$ 20,348**	**$ 7,546**	**$ 27,894**	**$ (1,044)**	**$ 71,536**
Comprehensive income (loss)	2,715	626	3,341	951	4,292
Proceeds from issuance of capital stock	—	—	—	—	21,007
Repurchases/redemptions of capital stock	—	—	—	—	(21,665)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	—	(282)
Transfers between Class B and Class A shares	—	—	—	—	—
Dividends on capital stock					
Cash	(1,592)	—	(1,592)	—	(1,592)
Stock	(263)	—	(263)	—	—
Balance, June 30, 2024	**$ 21,208**	**$ 8,172**	**$ 29,380**	**$ (93)**	**$ 73,296**
Balance, December 31, 2022	**$ 18,322**	**$ 6,232**	**$ 24,554**	**$ (753)**	**$ 67,807**
Comprehensive income (loss)	2,679	670	3,349	196	3,545
Proceeds from issuance of capital stock	—	—	—	—	41,557
Repurchases/redemptions of capital stock	—	—	—	—	(36,134)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	—	(2,076)
Transfers between Class B and Class A shares	—	—	—	—	—
Dividends on capital stock					
Cash	(1,259)	—	(1,259)	—	(1,259)
Stock	(217)	—	(217)	—	—
Balance, June 30, 2023	**$ 19,525**	**$ 6,902**	**$ 26,427**	**$ (557)**	**$ 73,440**

The accompanying notes are an integral part of these combined financial statements.

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30,	
(dollars in millions)	**2024**	**2023**
Operating activities		
Net income	$ 3,341	$ 3,349
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization/(accretion)	189	1,308
Net change in derivatives and hedging activities	3,735	476
Net change in fair value adjustments on trading securities	91	(43)
Net change in fair value adjustments on financial instruments held under fair value option	5	69
Other adjustments, net	5	(33)
Net change in		
Accrued interest receivable	(147)	(1,270)
Other assets	(21)	(16)
Accrued interest payable	(339)	3,563
Other liabilities	222	256
Total adjustments	3,740	4,310
Net cash provided by (used in) operating activities	**7,081**	**7,659**
Investing activities		
Net change in		
Interest-bearing deposits	(841)	(6,566)
Securities purchased under agreements to resell	7,226	(46,386)
Federal funds sold	(8,587)	(33,418)
Trading securities		
Proceeds from sales	3,901	1,141
Proceeds from maturities and paydowns	605	5,163
Purchases	(8,934)	(3,402)
Available-for-sale securities		
Proceeds from sales	1,426	883
Proceeds from maturities and paydowns	3,437	6,814
Purchases	(14,734)	(20,885)
Held-to-maturity securities		
Proceeds from sales	—	39
Proceeds from maturities and paydowns	6,097	4,856
Purchases	(3,479)	(11,139)
Advances, net	26,601	(64,168)
Mortgage loans held for portfolio		
Principal collected	2,692	2,312
Purchases	(6,453)	(3,927)
Other investing activities, net	(44)	(38)
Net cash provided by (used in) investing activities	**8,913**	**(168,721)**

FEDERAL HOME LOAN BANKS COMBINED STATEMENTS OF CASH FLOWS (continued)
(UNAUDITED)

	Six Months Ended June 30,	
(dollars in millions)	2024	2023
Financing activities		
Net change in deposits and pass-through reserves, and other financing activities	$ (215)	$ 3,081
Net proceeds (payments) on derivative contracts with financing element	90	71
Net proceeds from issuance of consolidated obligations		
Discount notes	2,849,867	2,940,150
Bonds	446,343	676,982
Payments for maturing and retiring consolidated obligations		
Discount notes	(2,820,544)	(3,042,255)
Bonds	(488,954)	(417,867)
Proceeds from issuance of capital stock	21,007	41,557
Payments for repurchases/redemptions of capital stock	(21,665)	(36,134)
Payments for repurchases/redemptions of mandatorily redeemable capital stock	(433)	(1,246)
Cash dividends paid	(1,592)	(1,259)
Net cash provided by (used in) financing activities	**(16,096)**	**163,080**
Net increase (decrease) in cash and due from banks	(102)	2,018
Cash and due from banks at beginning of the period	481	417
Cash and due from banks at end of the period	**$ 379**	**$ 2,435**
Supplemental disclosures		
Cash activities		
Interest paid	$ 28,774	$ 24,938
Affordable Housing Program payments, net	$ 227	$ 159

The accompanying notes are an integral part of these combined financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS (Unaudited)

Background Information

These financial statements present the combined financial position and combined results of operations of the Federal Home Loan Banks (FHLBanks). The FHLBanks are government-sponsored enterprises (GSEs) that were organized under the Federal Home Loan Bank Act of 1932, as amended (FHLBank Act), to serve the public by enhancing the availability of credit for residential mortgages and targeted community development. Each FHLBank operates as a separate entity with its own management, employees, and board of directors. The FHLBanks are regulated by the Federal Housing Finance Agency (FHFA). The FHLBanks are financial cooperatives that provide a readily available, competitively-priced source of funds to their member institutions.

The Office of Finance is a joint office of the FHLBanks established to facilitate the issuance and servicing of the debt instruments of the FHLBanks, known as consolidated obligations (consolidated bonds and consolidated discount notes), and to prepare the quarterly and annual combined financial reports of the FHLBanks. As provided by the FHLBank Act and applicable regulations, consolidated obligations are backed only by the financial resources of the FHLBanks. Consolidated obligations are the primary source of funds for the FHLBanks in addition to deposits, other borrowings, and capital stock issued to members. The FHLBanks primarily use these funds to provide advances to members.

Unless otherwise stated, dollar amounts disclosed in this Combined Financial Report represent values rounded to the nearest million. Dollar amounts rounding to less than one million are not reflected in this Combined Financial Report.

Note 1 - Summary of Significant Accounting Policies

These unaudited quarterly combined financial statements do not include all disclosures associated with annual combined financial statements, and therefore should be read in conjunction with the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023. In addition, the results of operations for interim periods are not necessarily indicative of the results to be expected for the year ending December 31, 2024.

Basis of Presentation

These combined financial statements include the financial statements and records of the FHLBanks that are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP). The information contained in these combined financial statements is not audited. Each FHLBank's financial statements, in the opinion of its management, contain all the necessary adjustments for a fair presentation of its interim financial information.

Principles of Combination. Transactions between the FHLBanks have been eliminated in accordance with combination accounting principles similar to consolidation under GAAP (See the *Condensed Combining Schedules* for the combining adjustments, consisting of interbank eliminations and rounding adjustments, made to the combined financial statements.)

Segment Reporting. FHFA regulations consider each FHLBank to be a segment. However, there is no single chief operating decision maker because there is no centralized, system-wide management or centralized board of directors oversight of the individual FHLBanks. (See the *Condensed Combining Schedules* for segment information.)

Reclassifications and Revisions to Prior Period Amounts. The Combined Statements of Cash Flows amounts for the six months ended June 30, 2023 were revised to correct a classification error between available-for-sale (AFS) securities proceeds from sales, from $1,933 million to $883 million, and AFS securities proceeds from maturities and paydowns, from $5,764 million to $6,814 million. This error also resulted in revisions to *Table 3.6 - Proceeds from Sales and Gross Gains and Losses on Sales of AFS Securities* in *Note 3 - Investments* for the three and six months ended June 30, 2023. These errors were not deemed to be material. In addition, certain other prior period amounts have been reclassified and may not agree to previously issued Federal Home Loan Banks combined financial reports. These amounts were not deemed to be material.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires each FHLBank's management to make subjective assumptions and estimates that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expense. The most significant of these estimates include those used in conjunction with fair value estimates and derivatives and hedging activities. Actual results could differ from these estimates significantly.

Financial Instruments Meeting Netting Requirements

The FHLBanks present certain financial instruments on a net basis when they have a legal right of offset and all other requirements for netting are met (collectively referred to as the netting requirements). For these financial instruments, each of the affected FHLBanks has elected to offset its asset and liability positions, as well as cash collateral received or pledged, when it has met the netting requirements.

The net exposure for these financial instruments can change on a daily basis; therefore, there may be a delay between the time this exposure change is identified and additional collateral is requested, and the time when this collateral is received or pledged. Likewise, there may be a delay for excess collateral to be returned. For derivative instruments that meet the netting requirements, any excess cash collateral received or pledged is recognized as a derivative liability or derivative asset. (See *Note 6 - Derivatives and Hedging Activities* for additional information regarding these agreements.)

Securities purchased under agreements to resell are also subject to netting requirements. Based on the fair value of the related collateral held, securities purchased under agreements to resell were fully collateralized for the periods presented. There were no offsetting liabilities related to these securities at June 30, 2024 or December 31, 2023.

Note 2 - Recently Issued and Adopted Accounting Guidance

There were no material changes during the three and six months ended June 30, 2024, to recently issued and adopted accounting standards that may have an effect on the combined financial statements. (See *Note 2 - Recently Issued and Adopted Accounting Guidance* on page F-26 of the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for a discussion regarding the effect of recently issued and adopted accounting guidance.)

Note 3 - Investments

The FHLBanks make short-term investments in interest-bearing deposits, securities purchased under agreements to resell, and federal funds sold and may make other investments in debt securities, which are classified as trading, available-for-sale (AFS), or held-to-maturity (HTM).

Interest-Bearing Deposits, Securities Purchased under Agreements to Resell, and Federal Funds Sold

The FHLBanks invest in interest-bearing deposits, securities purchased under agreements to resell, and federal funds sold to provide short-term liquidity. These investments are generally transacted with counterparties that have received a credit rating of triple-B or greater (investment grade) by a nationally recognized statistical rating organization. At both June 30, 2024 and December 31, 2023, none of these investments were with counterparties rated below triple-B and 9% and 11% of these investments, based on amortized cost, were with counterparties that were unrated. At June 30, 2024 and December 31, 2023, securities purchased under agreements to resell comprised all and 99% of the investments with unrated counterparties, and all of the associated collateral of these transactions was rated single-A or above. These may differ from any internal ratings of the investments by an FHLBank, if applicable.

Federal funds sold are unsecured loans that are generally transacted on an overnight term. FHFA regulations include a limit on the amount of unsecured credit an individual FHLBank may extend to a counterparty. At June 30, 2024 and December 31, 2023, all investments in interest-bearing deposits and federal funds sold were repaid or expected to be repaid according to the contractual terms. No allowance for credit losses was recorded for these assets at June 30, 2024 and December 31, 2023. The carrying values of interest-bearing deposits and federal funds sold exclude accrued interest receivable totaling $112 million and $105 million at June 30, 2024 and December 31, 2023.

Securities purchased under agreements to resell are short-term collateralized loans and are structured such that they are evaluated regularly to determine if the market value of the underlying securities decreases below the market value required as collateral (i.e., subject to collateral maintenance provisions). If so, the counterparty must place an equivalent amount of additional securities as collateral or remit an equivalent amount of cash, generally by the next business day. Based upon the collateral held as security and collateral maintenance provisions with the relevant counterparties, each FHLBank determined that no allowance for credit losses was needed for its securities purchased under agreements to resell at June 30, 2024 and December 31, 2023. The carrying value of securities purchased under agreements to resell excludes accrued interest receivable of $33 million and $36 million at June 30, 2024 and December 31, 2023.

Debt Securities

The FHLBanks invest in debt securities, which are classified as trading, AFS, or HTM. Within these investments, the FHLBanks are primarily subject to credit risk related to private-label mortgage-backed securities (private-label MBS or PLMBS) that are supported by underlying mortgage or asset-backed loans. The FHLBanks are prohibited by FHFA regulations from purchasing certain higher-risk securities, such as equity securities and debt instruments that are not investment quality, other than certain investments targeted at low-income persons or communities and instruments that experienced credit deterioration after their purchase by the FHLBanks.

Trading Securities

Table 3.1 presents the fair value of trading securities by major security type at June 30, 2024 and December 31, 2023.

Table 3.1 - Trading Securities by Major Security Type
(dollars in millions)

Fair Value	June 30, 2024	December 31, 2023
Non-mortgage-backed securities		
U.S. Treasury obligations	$ 16,307	$ 12,698
Other U.S. obligations	61	68
GSE and Tennessee Valley Authority obligations	1,946	2,052
Other	107	111
Total non-mortgage-backed securities	**18,421**	**14,929**
Mortgage-backed securities		
U.S. obligations single-family	—	1
GSE single-family	13	14
GSE multifamily	592	609
Total mortgage-backed securities	**605**	**624**
Total	**$ 19,026**	**$ 15,553**

Table 3.2 presents a summary of net gains (losses) on trading securities for the three and six months ended June 30, 2024 and 2023.

Table 3.2 - Net Gains (Losses) on Trading Securities

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net unrealized gains (losses) on trading securities held at period-end	$ (4)	$ (151)	$ (101)	$ 13
Net gains (losses) on trading securities sold/matured during the period	4	10	10	30
Net gains (losses) on trading securities	**$ —**	**$ (141)**	**$ (91)**	**$ 43**

Available-for-Sale Securities

Table 3.3 presents the amortized cost and fair value of AFS securities by major security type at June 30, 2024 and December 31, 2023.

Table 3.3 - AFS Securities by Major Security Type

(dollars in millions)

	June 30, 2024				
	Amortized Cost[1]	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Non-mortgage-backed securities					
U.S. Treasury obligations	$ 34,088	$ —	$ 23	$ (84)	$ 34,027
Other U.S. obligations	1,586	—	1	(126)	1,461
GSE and Tennessee Valley Authority obligations	6,637	—	92	(22)	6,707
State or local housing agency obligations	1,967	—	1	(24)	1,944
Federal Family Education Loan Program ABS	1,714	—	55	(3)	1,766
Other	500	—	2	(3)	499
Total non-mortgage-backed securities	**46,492**	**—**	**174**	**(262)**	**46,404**
Mortgage-backed securities					
U.S. obligations single-family	6,906	—	18	(24)	6,900
U.S. obligations multifamily	516	—	—	(47)	469
GSE single-family	9,793	—	12	(138)	9,667
GSE multifamily	104,421	—	1,225	(1,323)	104,323
Private-label	1,154	(42)	35	(32)	1,115
Total mortgage-backed securities	**122,790**	**(42)**	**1,290**	**(1,564)**	**122,474**
Total	**$ 169,282**	**$ (42)**	**$ 1,464**	**$ (1,826)**	**$ 168,878**

	December 31, 2023				
	Amortized Cost[1]	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Non-mortgage-backed securities					
U.S. Treasury obligations	$ 33,467	$ —	$ 7	$ (115)	$ 33,359
Other U.S. obligations	1,629	—	1	(115)	1,515
GSE and Tennessee Valley Authority obligations	6,708	—	90	(28)	6,770
State or local housing agency obligations	1,905	—	2	(17)	1,890
Federal Family Education Loan Program ABS	1,903	—	58	(4)	1,957
Other	507	—	3	(4)	506
Total non-mortgage-backed securities	**46,119**	**—**	**161**	**(283)**	**45,997**
Mortgage-backed securities					
U.S. obligations single-family	6,161	—	4	(45)	6,120
U.S. obligations multifamily	521	—	—	(43)	478
GSE single-family	6,700	—	16	(140)	6,576
GSE multifamily	101,055	—	683	(1,639)	100,099
Private-label	1,210	(43)	41	(23)	1,185
Total mortgage-backed securities	**115,647**	**(43)**	**744**	**(1,890)**	**114,458**
Total	**$ 161,766**	**$ (43)**	**$ 905**	**$ (2,173)**	**$ 160,455**

(1) Includes adjustments made to the cost basis of an investment for accretion, amortization, net charge-offs, and/or fair value hedge accounting adjustments, and excludes accrued interest receivable of $633 million and $602 million at June 30, 2024 and December 31, 2023.

Table 3.4 presents the AFS securities with gross unrealized losses by major security type and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2024 and December 31, 2023.

Table 3.4 - AFS Securities in a Continuous Gross Unrealized Loss Position

(dollars in millions)

	June 30, 2024					
	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Non-mortgage-backed securities						
U.S. Treasury obligations	$ 9,888	$ (12)	$ 7,238	$ (72)	$ 17,126	$ (84)
Other U.S. obligations	348	(1)	909	(125)	1,257	(126)
GSE and Tennessee Valley Authority obligations	100	—	380	(22)	480	(22)
State or local housing agency obligations	231	(3)	1,485	(21)	1,716	(24)
Federal Family Education Loan Program ABS	—	—	281	(3)	281	(3)
Other	81	—	245	(3)	326	(3)
Total non-mortgage-backed securities	**10,648**	**(16)**	**10,538**	**(246)**	**21,186**	**(262)**
Mortgage-backed securities						
U.S. obligations single-family	306	(1)	2,273	(23)	2,579	(24)
U.S. obligations multifamily	—	—	469	(47)	469	(47)
GSE single-family	1,902	(3)	3,909	(135)	5,811	(138)
GSE multifamily	7,220	(29)	34,700	(1,294)	41,920	(1,323)
Private-label	121	(4)	299	(28)	420	(32)
Total mortgage-backed securities	**9,549**	**(37)**	**41,650**	**(1,527)**	**51,199**	**(1,564)**
Total	**$ 20,197**	**$ (53)**	**$ 52,188**	**$ (1,773)**	**$ 72,385**	**$ (1,826)**

	December 31, 2023					
	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Non-mortgage-backed securities						
U.S. Treasury obligations	$ 19,072	$ (47)	$ 6,692	$ (68)	$ 25,764	$ (115)
Other U.S. obligations	87	(3)	966	(112)	1,053	(115)
GSE and Tennessee Valley Authority obligations	—	—	446	(28)	446	(28)
State or local housing agency obligations	812	(1)	827	(16)	1,639	(17)
Federal Family Education Loan Program ABS	—	—	314	(4)	314	(4)
Other	82	—	251	(4)	333	(4)
Total non-mortgage-backed securities	**20,053**	**(51)**	**9,496**	**(232)**	**29,549**	**(283)**
Mortgage-backed securities						
U.S. obligations single-family	2,608	(14)	2,772	(31)	5,380	(45)
U.S. obligations multifamily	—	—	478	(43)	478	(43)
GSE single-family	1,582	(18)	2,904	(122)	4,486	(140)
GSE multifamily	37,794	(244)	36,722	(1,395)	74,516	(1,639)
Private-label	48	(2)	311	(21)	359	(23)
Total mortgage-backed securities	**42,032**	**(278)**	**43,187**	**(1,612)**	**85,219**	**(1,890)**
Total	**$ 62,085**	**$ (329)**	**$ 52,683**	**$ (1,844)**	**$ 114,768**	**$ (2,173)**

Table 3.5 presents the amortized cost and fair value of AFS securities by contractual maturity at June 30, 2024 and December 31, 2023.

Table 3.5 - AFS Securities by Contractual Maturity

(dollars in millions)

	June 30, 2024		December 31, 2023	
Year of Maturity	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Non-mortgage-backed securities				
Due in one year or less	$ 4,493	$ 4,498	$ 2,037	$ 2,042
Due after one year through five years	34,436	34,415	34,799	34,740
Due after five years through ten years	2,946	2,928	4,553	4,528
Due after ten years	2,903	2,797	2,827	2,730
Federal Family Education Loan Program ABS[1]	1,714	1,766	1,903	1,957
Total non-mortgage-backed securities	**46,492**	**46,404**	**46,119**	**45,997**
Mortgage-backed securities[1]	**122,790**	**122,474**	**115,647**	**114,458**
Total	**$ 169,282**	**$ 168,878**	**$ 161,766**	**$ 160,455**

(1) MBS and Federal Family Education Loan Program ABS are not presented by contractual maturity because their expected maturities will likely differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment fees.

Table 3.6 presents the proceeds from sales and gross gains and losses on sales of AFS securities for the three and six months ended June 30, 2024 and 2023.

Table 3.6 - Proceeds from Sales and Gross Gains and Losses on Sales of AFS Securities

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Proceeds from sales of AFS securities[(1)]	$ 460	$ 883	$ 1,426	$ 883
Gross gains on sales of AFS securities	2	—	3	—
Gross losses on sales of AFS securities	—	—	—	—
Net realized gains (losses) from sales of AFS securities	**$ 2**	**$ —**	**$ 3**	**$ —**

(1) Proceeds from sales of AFS securities for the three and six months ended June 30, 2023, were revised from $1,933 million to $883 million to correct errors in the amounts previously reported. These revisions were not deemed to be material.

Held-to-Maturity Securities

Table 3.7 presents the amortized cost, net carrying value, and fair value of HTM securities by major security type at June 30, 2024 and December 31, 2023.

Table 3.7 - HTM Securities by Major Security Type

(dollars in millions)

	June 30, 2024						
	Amortized Cost[(1)]	Allowance for Credit Losses	OTTI Recognized in AOCI[(2)]	Net Carrying Value	Gross Unrecognized Holding Gains[(3)]	Gross Unrecognized Holding Losses[(3)]	Fair Value
Non-mortgage-backed securities							
U.S. Treasury obligations	$ 49	$ —	$ —	$ 49	$ —	$ —	$ 49
Other U.S. obligations	1,026	—	—	1,026	—	(9)	1,017
GSE and Tennessee Valley Authority obligations	1,156	—	—	1,156	9	(3)	1,162
State or local housing agency obligations	229	—	—	229	—	(13)	216
Total non-mortgage-backed securities	**2,460**	**—**	**—**	**2,460**	**9**	**(25)**	**2,444**
Mortgage-backed securities							
U.S. obligations single-family	7,845	—	—	7,845	8	(228)	7,625
GSE single-family	17,164	—	—	17,164	29	(430)	16,763
GSE multifamily	38,369	—	—	38,369	22	(589)	37,802
Private-label	194	—	(1)	193	3	(12)	184
Total mortgage-backed securities	**63,572**	**—**	**(1)**	**63,571**	**62**	**(1,259)**	**62,374**
Total	**$ 66,032**	**$ —**	**$ (1)**	**$ 66,031**	**$ 71**	**$ (1,284)**	**$ 64,818**

	December 31, 2023						
	Amortized Cost[(1)]	Allowance for Credit Losses	OTTI Recognized in AOCI[(2)]	Net Carrying Value	Gross Unrecognized Holding Gains[(3)]	Gross Unrecognized Holding Losses[(3)]	Fair Value
Non-mortgage-backed securities							
U.S. Treasury obligations	$ 49	$ —	$ —	$ 49	$ —	$ —	$ 49
Other U.S. obligations	1,385	—	—	1,385	1	(9)	1,377
GSE and Tennessee Valley Authority obligations	1,839	—	—	1,839	15	(15)	1,839
State or local housing agency obligations	234	—	—	234	—	(13)	221
Total non-mortgage-backed securities	**3,507**	**—**	**—**	**3,507**	**16**	**(37)**	**3,486**
Mortgage-backed securities							
U.S. obligations single-family	8,520	—	—	8,520	16	(208)	8,328
GSE single-family	16,513	—	—	16,513	57	(411)	16,159
GSE multifamily	40,105	—	—	40,105	15	(603)	39,517
Private-label	215	—	(1)	214	4	(12)	206
Total mortgage-backed securities	**65,353**	**—**	**(1)**	**65,352**	**92**	**(1,234)**	**64,210**
Total	**$ 68,860**	**$ —**	**$ (1)**	**$ 68,859**	**$ 108**	**$ (1,271)**	**$ 67,696**

(1) Amortized cost of HTM securities includes adjustments made to the cost basis of an investment for accretion, amortization, and/or net charge-offs and excludes accrued interest receivable of $194 million and $212 million at June 30, 2024 and December 31, 2023.
(2) Represents other-than-temporary impairment (OTTI) recognized in accumulated other comprehensive income (AOCI).
(3) Gross unrecognized holding gains (losses) represent the difference between fair value and net carrying value.

Table 3.8 presents the amortized cost, net carrying value, and fair value of HTM securities by contractual maturity at June 30, 2024 and December 31, 2023.

Table 3.8 - HTM Securities by Contractual Maturity
(dollars in millions)

	June 30, 2024			December 31, 2023		
Year of Maturity	**Amortized Cost**	**Net Carrying Value[(1)]**	**Fair Value**	**Amortized Cost**	**Net Carrying Value[(1)]**	**Fair Value**
Non-mortgage-backed securities						
Due in one year or less	$ 879	$ 879	$ 879	$ 1,909	$ 1,909	$ 1,897
Due after one year through five years	1,040	1,040	1,040	1,041	1,041	1,044
Due after five years through ten years	333	333	324	318	318	313
Due after ten years	208	208	201	239	239	232
Total non-mortgage-backed securities	**2,460**	**2,460**	**2,444**	**3,507**	**3,507**	**3,486**
Mortgage-backed securities[(2)]	**63,572**	**63,571**	**62,374**	**65,353**	**65,352**	**64,210**
Total	**$ 66,032**	**$ 66,031**	**$ 64,818**	**$ 68,860**	**$ 68,859**	**$ 67,696**

(1) Net carrying value of HTM securities represents amortized cost after adjustments for non-credit-related losses recognized in AOCI and allowance for credit losses.
(2) MBS are not presented by contractual maturity because their expected maturities will likely differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment fees.

Certain FHLBanks sold securities out of their respective HTM portfolio that were near enough to their maturity date (for example, within three months of maturity) that changes in market interest rates would not have a significant effect on the security's fair value or had less than 15% of the acquired principal outstanding at the time of the sale. These sales are considered maturities for purposes of security classification. Table 3.9 presents the proceeds from sales and gains and losses on sales of HTM securities for the three and six months ended June 30, 2024 and 2023.

Table 3.9 - Proceeds from Sales and Gains and Losses on Sales of HTM Securities

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Proceeds from sales of HTM securities	$ —	$ 29	$ —	$ 39
Amortized cost of HTM securities sold	—	28	—	38
Net realized gains (losses) from sales of HTM securities	**$ —**	**$ 1**	**$ —**	**$ 1**

Allowance for Credit Losses on AFS and HTM Securities

The FHLBanks evaluate AFS and HTM securities for credit losses on a quarterly basis. During the three and six months ended June 30, 2024, the FHLBanks recognized a provision for credit losses of $4 million and $1 million on AFS securities. During both the three and six months ended June 30, 2023, the FHLBanks recognized a provision for credit losses of $2 million on AFS securities.

Table 3.10 presents a rollforward of the allowance for credit losses on debt securities for the three and six months ended June 30, 2024 and 2023.

Table 3.10 - Allowance for Credit Losses on Debt Securities

(dollars in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	AFS	HTM	AFS	HTM	AFS	HTM	AFS	HTM
Balance, at beginning of period	$ 39	$ —	$ 37	$ 1	$ 43	$ —	$ 38	$ —
Provision (reversal) for credit losses	4	—	2	—	1	—	2	—
Charge-offs, net of recoveries	(1)	—	(1)	—	(2)	—	(2)	1
Balance, at end of period	**$ 42**	**$ —**	**$ 38**	**$ 1**	**$ 42**	**$ —**	**$ 38**	**$ 1**

To evaluate investment securities for credit losses at June 30, 2024 and December 31, 2023, the FHLBanks employed the following methodologies, based on the type of security:

AFS and HTM Securities (Excluding PLMBS)

The FHLBanks' AFS and HTM securities are principally certificates of deposit, U.S. Treasury and other U.S. obligations, GSE and Tennessee Valley Authority obligations, state or local housing agency obligations, and MBS issued by Ginnie Mae, Freddie Mac, and Fannie Mae that are backed by single-family or multifamily mortgage loans. The FHLBanks only purchase securities that are considered investment quality. Excluding PLMBS investments, at June 30, 2024 and December 31, 2023, substantially all and all of the AFS and HTM securities, based on amortized cost, were rated single-A or above by a nationally recognized statistical rating organization, based on the lowest long-term credit rating for each security used by each individual FHLBank. These may differ from any internal ratings of the securities by an FHLBank, if applicable.

Each FHLBank evaluates its individual AFS securities for impairment by comparing the security's fair value to its amortized cost. Impairment may exist when the fair value of the investment is less than its amortized cost (i.e., in an unrealized loss position). At June 30, 2024 and December 31, 2023, certain of the FHLBanks' AFS securities were in an unrealized loss position. These losses are considered temporary as each FHLBank expects to recover the entire amortized cost basis on these AFS securities and neither intends to sell these securities nor considers it more likely than not that it will be required to sell these securities before its anticipated recovery of each security's remaining amortized cost basis. Furthermore, the FHLBanks had not experienced any payment defaults on these securities at June 30, 2024 or December 31, 2023; and substantially all of these securities are highly-rated. In the case of U.S. obligations, they carry an explicit government guarantee. In the case of GSE securities, they are purchased under an assumption that the issuers' obligation to pay principal and interest on those securities will be honored, taking into account their status as GSEs. As a result, no allowance for credit losses was recorded on these AFS securities at June 30, 2024 and December 31, 2023.

Each FHLBank evaluates its HTM securities for impairment on a collective or pooled basis unless an individual assessment is deemed necessary because the securities do not possess similar risk characteristics. At June 30, 2024 and December 31, 2023, the FHLBanks had not established an allowance for credit losses on any of these HTM securities because the securities: (1) were all highly-rated and/or had short remaining terms to maturity, (2) had not experienced, nor did the FHLBanks expect, any material payment defaults on these securities, (3) in the case of U.S. obligations, carry an explicit government guarantee, and (4) in the case of GSE securities, are purchased under an assumption that the issuers' obligation to pay principal and interest on those securities will be honored, taking into account their status as GSEs.

Private-label MBS

Certain FHLBanks also hold investments in private-label MBS. No FHLBank has purchased private-label MBS since 2008. Although the FHLBanks invested in private-label MBS that at the date of purchase were substantially all rated triple-A, many of these securities have subsequently experienced significant credit deterioration. At June 30, 2024 and December 31, 2023, 6% and 7% of private-label MBS, based on amortized cost, were rated single-A, or above, by a nationally recognized statistical rating organization; and the remaining securities were either rated less than single-A, or were unrated. To determine whether an allowance for credit losses is necessary on these securities, the FHLBanks perform cash flow analyses.

Each applicable FHLBank performs a cash flow analysis using third-party models to assess whether the entire amortized cost basis of its private-label MBS will be recovered. The projected cash flows are based on a number of assumptions and expectations, and the results of these models can vary significantly with changes in assumptions and expectations. The projected cash flows, determined based on the model approach, reflect a best estimate scenario and include a base case housing price forecast and a base case housing price recovery path. At June 30, 2024 and December 31, 2023, the allowance for credit losses was $42 million and $43 million for AFS PLMBS. For certain private-label MBS where underlying collateral data is not available, alternative procedures as determined by each FHLBank are used to assess these securities for credit loss.

Note 4 - Advances

The FHLBanks offer a wide range of fixed- and variable-rate advance products with different maturities, interest rates, payment characteristics, and optionality. Fixed-rate advances generally have maturities ranging from one day to 30 years. Variable-rate advances generally have maturities ranging from less than 30 days to 20 years, where the interest rates reset periodically at a fixed spread to the Secured Overnight Financing Rate (SOFR) or other specified indices, or to consolidated obligation yields.

Table 4.1 presents advances outstanding by redemption term and weighted-average interest rate at June 30, 2024 and December 31, 2023.

Table 4.1 - Advances by Redemption Term
(dollars in millions)

	June 30, 2024		December 31, 2023	
Redemption Term	**Amount[(1)]**	**Weighted-Average Interest Rate**	**Amount[(1)]**	**Weighted-Average Interest Rate**
Overdrawn demand and overnight deposit accounts	$ 5	6.03 %	$ 11	5.86 %
Due in 1 year or less	448,229	4.76 %	434,148	4.98 %
Due after 1 year through 2 years	112,773	4.38 %	115,395	4.15 %
Due after 2 years through 3 years	85,187	4.01 %	84,483	4.22 %
Due after 3 years through 4 years	56,528	4.11 %	55,922	3.81 %
Due after 4 years through 5 years	38,491	4.35 %	78,692	4.65 %
Thereafter	45,978	3.48 %	45,144	3.29 %
Total principal amount	**787,191**	4.49 %	**813,795**	4.58 %
Premiums	36		52	
Discounts	(71)		(62)	
Fair value hedging adjustments	(6,386)		(4,204)	
Fair value option valuation adjustments	(13)		(10)	
Total	**$ 780,757**		**$ 809,571**	

(1) Carrying amounts exclude accrued interest receivable of $3,096 million and $3,147 million at June 30, 2024 and December 31, 2023.

The FHLBanks offer advances to members and housing associates that provide the right, based upon predetermined option exercise dates, to call the advance prior to maturity without incurring prepayment or termination fees (callable advances). The FHLBanks also offer certain floating-rate and/or amortizing advances that may be contractually prepaid by the borrower on specified dates without incurring prepayment or termination fees (prepayable advances). Other advances may only be prepaid by paying a fee to the FHLBank (prepayment fee) that makes the FHLBank financially indifferent to the prepayment of the advance.

Some advances contain embedded options allowing an FHLBank to offer putable and convertible advances. A member can either sell an embedded option to an FHLBank or purchase an embedded option from an FHLBank. With a putable advance to a member, an FHLBank effectively purchases a put option from the member that allows that FHLBank to put or extinguish the fixed-rate advance to the member on predetermined exercise dates. Generally, these put options are exercised when interest rates increase relative to contractual rates.

Convertible advances allow an FHLBank to convert an advance from one interest-payment term structure to another. Fixed-rate to variable-rate convertible advances have a defined lockout period after which they convert to the current market rate or another structure. A convertible advance generally carries a lower initial interest rate than a comparable-maturity fixed-rate advance without the conversion feature. Variable- to fixed-rate convertible advances have a defined lockout period during which the interest rates adjust based on a spread to SOFR or other specified indices, or to consolidated obligation yields. At the end of the lockout period, these advances may convert to fixed-rate advances. The fixed rates on the converted advances are determined at origination.

Table 4.2 presents advances by redemption term or next call date and next put or convert date at June 30, 2024 and December 31, 2023.

Table 4.2 - Advances by Redemption Term or Next Call Date and Next Put or Convert Date

(dollars in millions)

	Redemption Term or Next Call Date(1)		Redemption Term or Next Put or Convert Date	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Overdrawn demand and overnight deposit accounts	$ 5	$ 11	$ 5	$ 11
Due in 1 year or less	482,310	494,249	480,302	464,121
Due after 1 year through 2 years	107,486	106,889	111,669	115,245
Due after 2 years through 3 years	72,376	70,036	81,949	82,698
Due after 3 years through 4 years	51,246	52,805	53,984	54,492
Due after 4 years through 5 years	30,625	47,481	31,787	69,967
Thereafter	43,143	42,324	27,495	27,261
Total principal amount	**$ 787,191**	**$ 813,795**	**$ 787,191**	**$ 813,795**

(1) Also includes certain floating-rate and/or amortizing advances that may be contractually prepaid by the borrower on specified dates without incurring prepayment or termination fees.

Table 4.3 presents fixed-rate and variable-rate advances at June 30, 2024 and December 31, 2023.

Table 4.3 - Advances by Current Interest Rate Terms

(dollars in millions)

	June 30, 2024	December 31, 2023
Total fixed-rate	$ 512,904	$ 526,062
Total variable-rate	274,287	287,733
Total principal amount	**$ 787,191**	**$ 813,795**

Credit Risk Exposure and Security Terms

The FHLBanks' advances are primarily made to member financial institutions, including commercial banks and insurance companies. Each FHLBank manages its credit exposure to advances through an integrated approach that includes establishing a credit limit for each borrower. This approach includes an ongoing review of each borrower's financial condition, in conjunction with the FHLBank's collateral and lending policies to limit risk of loss, while balancing borrowers' needs for a reliable source of funding.

In addition, each FHLBank lends to eligible borrowers in accordance with federal law and FHFA regulations. Specifically, each FHLBank is required to obtain sufficient collateral to fully secure credit products up to the counterparty's total credit limit. Residential mortgage loans are the principal form of collateral for advances.

An FHLBank either allows a borrower to retain physical possession of the collateral assigned to it, or requires the borrower to specifically assign or place physical possession of the collateral with the FHLBank or its safekeeping agent. Each FHLBank perfects its security interest in all pledged collateral. (See *Note 5 - Advances* on pages F-36 to F-38 of the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for additional information about the FHLBanks' collateral securing advances, including eligible collateral types, valuation and other risk mitigation procedures.)

Using a risk-based approach and taking into consideration each borrower's financial strength, the FHLBanks consider the types and level of collateral to be the primary indicator of credit quality on their advances. At June 30, 2024 and December 31, 2023, each FHLBank had rights to collateral on a borrower-by-borrower basis with an estimated value equal to, or greater than, its outstanding advances.

Each FHLBank continues to evaluate and make changes to its collateral guidelines, as necessary, based on current market conditions. At June 30, 2024 and December 31, 2023, none of the FHLBanks had any advances that were considered past due, on nonaccrual status, or considered impaired. In addition, there were no modifications related to advances with borrowers experiencing financial difficulties at any FHLBank during the three and six months ended June 30, 2024 and 2023, and based on the collateral held as security, each FHLBank management's credit extension and collateral policies, and repayment history on advances, no allowance for credit losses on advances was recorded at June 30, 2024 and December 31, 2023.

Note 5 - Mortgage Loans

Mortgage Loans Held for Portfolio

Mortgage loans held for portfolio consist of loans obtained through the Mortgage Partnership Finance® (MPF®) Program ("Mortgage Partnership Finance," "MPF," and "MPF Xtra®" are registered trademarks of the FHLBank of Chicago), the Mortgage Purchase Program (MPP), or the Mortgage Asset Program ("MAP®" is a registered trademark of the FHLBank of New York), and are either conventional mortgage loans or government-guaranteed or -insured mortgage loans. Under these mortgage programs, the FHLBanks purchase single-family mortgage loans that are originated or acquired by participating financial institutions. These mortgage loans are credit-enhanced by participating financial institutions or are guaranteed or insured by federal agencies.

Table 5.1 presents the composition of mortgage loans held for portfolio, net of the allowance for credit losses at June 30, 2024 and December 31, 2023.

Table 5.1 - Mortgage Loans Held for Portfolio

(dollars in millions)

	June 30, 2024	December 31, 2023
Fixed-rate, long-term[(1)] single-family mortgage loans	$ 59,231	$ 55,338
Fixed-rate, medium-term[(2)] single-family mortgage loans	4,968	5,190
Total unpaid principal balance	**64,199**	**60,528**
Premiums	1,004	963
Discounts	(80)	(76)
Hedging adjustments	(48)	(45)
Total mortgage loans held for portfolio[(3)]	**65,075**	**61,370**
Allowance for credit losses on mortgage loans	(29)	(35)
Mortgage loans held for portfolio, net	**$ 65,046**	**$ 61,335**

(1) Long-term is defined as an original term of greater than 15 years and up to 30 years.
(2) Medium-term is defined as an original term of 15 years or less.
(3) Excludes accrued interest receivable of $355 million and $324 million at June 30, 2024 and December 31, 2023.

Table 5.2 presents mortgage loans held for portfolio by collateral/guarantee type at June 30, 2024 and December 31, 2023.

Table 5.2 - Mortgage Loans Held for Portfolio by Collateral/Guarantee Type

(dollars in millions)

	June 30, 2024	December 31, 2023
Conventional mortgage loans	$ 62,069	$ 58,423
Government-guaranteed or -insured mortgage loans	2,130	2,105
Total unpaid principal balance	**$ 64,199**	**$ 60,528**

Credit Enhancements. An FHLBank's allowance for credit losses considers the credit enhancements associated with conventional mortgage loans under the MPF Program, the MPP, and the MAP. Credit enhancements may include primary mortgage insurance, supplemental mortgage insurance, the credit enhancement amount plus any recoverable performance-based credit enhancement fees (for certain MPF loans), Lender Risk Account (for MPP loans), and Member Performance Account (for MAP loans). The credit risk analysis of all conventional loans is performed at the individual master commitment level to determine the credit enhancements available to recover losses on loans under each individual master commitment.

MPF Program. Participating financial institutions are paid a credit enhancement fee for assuming credit risk, and in some instances all or a portion of the credit enhancement fee may be performance-based. An FHLBank records credit enhancement fees paid to the participating financial institutions as a reduction to mortgage interest income. A participating financial institution may obtain supplemental mortgage insurance that it intends to use to cover a portion of its credit loss obligation under a master commitment.

Conventional MPF loans are evaluated for credit enhancement by use of third-party models. Each FHLBank participating in the MPF program (MPF FHLBank) and its participating financial institution share the risk of credit losses on conventional MPF loan products held for portfolio, by structuring potential losses into layers with respect to each master commitment. Credit losses in a master commitment are first absorbed by an FHLBank, up to a specified amount referred to as the First Loss Account. For certain product master commitments, the FHLBank may withhold a participating financial institution's scheduled performance credit enhancement fee in order to reimburse the FHLBank for a portion of credit losses allocated to the First Loss Account.

The First Loss Account represents the first layer or portion of credit losses that each MPF FHLBank absorbs with respect to its MPF loans after considering the borrower's equity, primary mortgage insurance, and recoverable credit enhancement fees. The participating financial institution is required to cover the next layer of losses up to an agreed-upon credit enhancement obligation amount, which may consist of a direct liability of the participating financial institution to pay credit losses up to a specified amount, a contractual obligation of a participating financial institution to provide supplemental mortgage insurance, or a combination of both. Any remaining unallocated losses are absorbed by the MPF FHLBank.

Unlike conventional MPF products held for portfolio, under the MPF Xtra, MPF Government, and MPF Government MBS products, participating financial institutions are not required to provide credit enhancement and do not receive credit enhancement fees. Loans sold to the FHLBank of Chicago under the MPF Xtra product are concurrently sold to third-party investors, and are not recorded on the MPF FHLBank's statement of condition.

MPP and MAP Loans. The conventional mortgage loans under the MPP are supported by a Lender Risk Account, and may also be supported by primary or supplemental mortgage insurance, in addition to the associated property as collateral. The Lender Risk Account is funded by an FHLBank participating in the MPP (MPP FHLBank) either upfront as a portion of the purchase proceeds or through a portion of the net interest remitted monthly by the borrower in an amount sufficient to cover expected losses on the pool of mortgages. The Lender Risk Account is recorded in other liabilities on the Combined Statements of Condition. To the extent available, Lender Risk Account funds are used to offset any losses that occur. Typically after five years, excess funds over required balances are returned to the participating financial institution in accordance with a step-down schedule that is established upon execution of a master commitment contract. The Lender Risk Account is released in accordance with the terms of the master commitment. Similar to the MPP's Lender Risk Account, the FHLBank of New York maintains a Member Performance Account as credit enhancement for MAP loans. At June 30, 2024 and December 31, 2023, the amount of the credit enhancements in the Lender Risk and Member Performance accounts remaining to cover future potential losses totaled $495 million and $490 million.

Payment Status of Mortgage Loans. Payment status is the key credit quality indicator for conventional mortgage loans and allows the FHLBanks to monitor borrower performance. A past due loan is one where the borrower has failed to make a full payment of principal and interest within 30 days of its due date. Other delinquency statistics include, non-accrual loans and loans in process of foreclosure. Tables 5.3 and 5.4 present the payment status for conventional mortgage loans and other delinquency statistics for all of the FHLBanks' mortgage loans at June 30, 2024 and December 31, 2023.

Table 5.3 - Credit Quality Indicator for Conventional Mortgage Loans

(dollars in millions)

	June 30, 2024		
	Conventional Mortgage Loans		
	Origination Year		
Payment Status at Amortized Cost[1]	**Prior to 2020**	**2020 to 2024**	**Total**
Past due 30-59 days	$ 170	$ 167	$ 337
Past due 60-89 days	48	30	78
Past due 90 days or more	91	41	132
Total past due mortgage loans	**309**	**238**	**547**
Total current mortgage loans	18,633	43,737	62,370
Total conventional mortgage loans	**$ 18,942**	**$ 43,975**	**$ 62,917**

	December 31, 2023		
	Conventional Mortgage Loans		
	Origination Year		
Payment Status at Amortized Cost[1]	**Prior to 2019**	**2019 to 2023**	**Total**
Past due 30-59 days	$ 147	$ 202	$ 349
Past due 60-89 days	41	51	92
Past due 90 days or more	87	52	139
Total past due mortgage loans	**275**	**305**	**580**
Total current mortgage loans	13,531	45,125	58,656
Total conventional mortgage loans	**$ 13,806**	**$ 45,430**	**$ 59,236**

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(1) Amortized cost excludes accrued interest receivable.

Table 5.4 - Other Delinquency Statistics

(dollars in millions)

	June 30, 2024		
Amortized Cost	**Conventional Mortgage Loans**	**Government-Guaranteed or - Insured**	**Total**
In process of foreclosure[1]	$ 36	$ 12	$ 48
Serious delinquency rate[2]	0.21 %	1.34 %	0.25 %
Past due 90 days or more and still accruing interest	$ 13	$ 28	$ 41
Loans on non-accrual status[3]	$ 175	$ —	$ 175

	December 31, 2023		
Amortized Cost	**Conventional Mortgage Loans**	**Government-Guaranteed or - Insured**	**Total**
In process of foreclosure[1]	$ 43	$ 12	$ 55
Serious delinquency rate[2]	0.24 %	1.46 %	0.28 %
Past due 90 days or more and still accruing interest	$ 16	$ 30	$ 46
Loans on non-accrual status[3]	$ 168	$ —	$ 168

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(1) Includes loans where the decision of foreclosure or a similar alternative, such as pursuit of deed-in-lieu, has been reported.

(2) Represents seriously delinquent loans as a percentage of total mortgage loans. Seriously delinquent loans are comprised of all loans past due 90 days or more and loans that are in the process of foreclosure.

(3) At June 30, 2024 and December 31, 2023, $82 million and $78 million of conventional mortgage loans on non-accrual status did not have a related allowance for credit losses because either these loans were previously charged-off to the expected recoverable value or the fair value of the underlying collateral, including any credit enhancements, was greater than the amortized cost of the loans.

Allowance for Credit Losses for Mortgage Loans

See *Note 1 - Summary of Significant Accounting Policies* on pages F-19 to F-21 and *Note 6 - Mortgage Loans* on pages F-39 to F-42 of the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for information on measuring credit losses on mortgage loans, placing them on non-accrual status, and charging them off when necessary.

Each FHLBank established an allowance for credit losses on its conventional mortgage loans held for portfolio. Table 5.5 presents a rollforward of the allowance for credit losses on conventional mortgage loans for the three and six months ended June 30, 2024 and 2023.

Table 5.5 - Allowance for Credit Losses on Conventional Mortgage Loans

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Balance, at beginning of period	$ 31	$ 30	$ 35	$ 30
(Charge-offs), net of recoveries	—	1	(2)	1
Provision (reversal) for credit losses	(2)	5	(4)	5
Balance, at end of period	**$ 29**	**$ 36**	**$ 29**	**$ 36**

Government-Guaranteed or -Insured Mortgage Loans. An FHLBank may invest in fixed-rate mortgage loans that are insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs, the Rural Housing Service of the Department of Agriculture, and/or the Department of Housing and Urban Development. The servicer provides and maintains insurance or a guarantee from the applicable government agency. Any losses incurred on these loans that are not recovered from the issuer or the guarantor are absorbed by the servicer. Therefore, each FHLBank only has credit risk for these loans if the servicer fails to pay for losses not covered by the guarantee or insurance, but in such instance, the FHLBank would have recourse against the servicer for such failure. Based on each FHLBank's assessment of its servicers and the collateral backing the loans, the risk of loss was immaterial and, consequently, no FHLBank recorded an allowance for credit losses for government-guaranteed or -insured mortgage loans at June 30, 2024 and December 31, 2023.

Note 6 - Derivatives and Hedging Activities

Nature of Business Activity

The FHLBanks are exposed to interest-rate risk primarily from the effect of interest rate changes on their interest-earning assets and their interest-bearing liabilities that finance these assets. The goal of each FHLBank's interest-rate risk management strategy is not to eliminate interest-rate risk, but to manage it within appropriate limits. To mitigate the risk of loss, each FHLBank has established policies and procedures, which include guidelines on the amount of exposure to interest rate changes it is willing to accept. In addition, each FHLBank monitors the risk to its interest income, net interest margin, and average maturity of interest-earning assets and interest-bearing liabilities. (See *Note 7 - Derivatives and Hedging Activities* on pages F-43 to F-52 of the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for a description of the application of derivatives and the types of derivatives and hedged items.)

Each FHLBank reevaluates its hedging strategies periodically and may change the hedging techniques it uses or may adopt new strategies. Each FHLBank transacts most of its derivatives with counterparties that are large banks and major broker-dealers. Some of these banks and broker-dealers, or their affiliates, buy, sell, and distribute consolidated obligations. Derivative transactions may be either executed with a counterparty, referred to as uncleared derivatives, or cleared through a Futures Commission Merchant (i.e., clearing agent) with a Derivative Clearing Organization, referred to as cleared derivatives. The FHLBanks are not derivative dealers and do not trade derivatives for short-term profit.

Financial Statement Effect and Additional Financial Information

Derivative Notional Amounts. The notional amount of derivatives serves as a factor in determining periodic interest payments or cash flows received and paid. However, the notional amount of derivatives reflects the FHLBanks' involvement in the various classes of financial instruments and represents neither the actual amounts exchanged nor the overall exposure of the FHLBanks to credit and market risk; the overall risk is much smaller. The risks of derivatives can be measured meaningfully on a portfolio basis that takes into account the counterparties, the types of derivatives, the items being hedged, and any offsets between the derivatives and the items being hedged.

Table 6.1 presents the notional amount, fair value of derivative instruments, and total derivative assets and liabilities at June 30, 2024 and December 31, 2023. Total derivative assets and liabilities include the effect of netting adjustments and cash collateral. For purposes of this disclosure, the derivative values include the fair value of derivatives and the related accrued interest.

Table 6.1 - Fair Value of Derivative Instruments
(dollars in millions)

	June 30, 2024			December 31, 2023		
	Notional Amount of Derivatives	Derivative Assets	Derivative Liabilities	Notional Amount of Derivatives	Derivative Assets	Derivative Liabilities
Derivatives designated as hedging instruments						
Interest-rate swaps	$ 917,579	$ 5,877	$ 11,465	$ 1,035,435	$ 5,550	$ 12,404
Derivatives not designated as hedging instruments						
Interest-rate swaps	161,137	2,023	1,313	188,990	1,495	889
Interest-rate swaptions	1,925	4	—	2,125	8	—
Interest-rate caps or floors	8,790	10	—	6,790	7	—
Interest-rate futures or forwards	344	1	1	172	—	1
Mortgage delivery commitments	954	1	3	588	4	—
Other	153	—	—	116	—	1
Total derivatives not designated as hedging instruments	**173,303**	**2,039**	**1,317**	**198,781**	**1,514**	**891**
Total derivatives before netting and collateral adjustments	**$ 1,090,882**	**7,916**	**12,782**	**$ 1,234,216**	**7,064**	**13,295**
Netting adjustments and cash collateral[1]		(4,356)	(12,741)		(3,268)	(13,199)
Total derivative assets and total derivative liabilities		**$ 3,560**	**$ 41**		**$ 3,796**	**$ 96**

(1) Amounts represent the application of the netting requirements that allow an FHLBank to settle positive and negative positions, and also cash collateral, including accrued interest, held or placed by that FHLBank with the same clearing agent and/or counterparty. Cash collateral posted, including accrued interest, was $9,350 million and $10,525 million at June 30, 2024 and December 31, 2023. Cash collateral received, including accrued interest, was $2,005 million and $1,836 million at June 30, 2024 and December 31, 2023.

Table 6.2 presents the net gains (losses) on qualifying and discontinued fair value and cash flow hedging relationships for the three and six months ended June 30, 2024 and 2023.

Table 6.2 - Net Gains (Losses) on Fair Value and Cash Flow Hedging Relationships

(dollars in millions)

	Three Months Ended June 30, 2024				
	Interest Income/Expense				Other Comprehensive Income
	Advances	Available-for-Sale Securities	Consolidated Discount Notes	Consolidated Bonds	
Total interest income (expense) presented on the Combined Statements of Income	$ 11,305	$ 2,530	$ (4,093)	$ (11,375)	
Gains (losses) on fair value hedging relationships					
Interest rate contracts					
Derivatives[1]	$ 1,206	$ 1,015	$ (51)	$ (967)	
Hedged items[2]	325	(110)	8	(1,070)	
Net gains (losses) on fair value hedging relationships	**$ 1,531**	**$ 905**	**$ (43)**	**$ (2,037)**	
Gains (losses) on cash flow hedging relationships[3]					
Interest rate contracts					
Reclassified from AOCI into interest income (expense)	$ —	$ —	$ 17	$ 1	
Recognized in OCI					$ 14

	Three Months Ended June 30, 2023				
	Interest Income/Expense				Other Comprehensive Income
	Advances	Available-for-Sale Securities	Consolidated Discount Notes	Consolidated Bonds	
Total interest income (expense) presented on the Combined Statements of Income	$ 13,663	$ 2,075	$ (5,679)	$ (11,926)	
Gains (losses) on fair value hedging relationships					
Interest rate contracts					
Derivatives[1]	$ 5,014	$ 3,093	$ (68)	$ (4,455)	
Hedged items[2]	(3,518)	(2,259)	47	2,348	
Net gains (losses) on fair value hedging relationships	**$ 1,496**	**$ 834**	**$ (21)**	**$ (2,107)**	
Gains (losses) on cash flow hedging relationships[3]					
Interest rate contracts					
Reclassified from AOCI into interest income (expense)	$ —	$ —	$ 18	$ (2)	
Recognized in OCI					$ 93

	Six Months Ended June 30, 2024				
	Interest Income/Expense				Other Comprehensive Income
	Advances	Available-for-Sale Securities	Consolidated Discount Notes	Consolidated Bonds	
Total interest income (expense) presented on the Combined Statements of Income	$ 22,762	$ 5,014	$ (7,961)	$ (23,097)	
Gains (losses) on fair value hedging relationships					
Interest rate contracts					
Derivatives[1]	$ 5,344	$ 4,114	$ (139)	$ (3,717)	
Hedged items[2]	(2,186)	(2,274)	76	(441)	
Net gains (losses) on fair value hedging relationships	**$ 3,158**	**$ 1,840**	**$ (63)**	**$ (4,158)**	
Gains (losses) on cash flow hedging relationships[3]					
Interest rate contracts					
Reclassified from AOCI into interest income (expense)	$ —	$ —	$ 36	$ —	
Recognized in OCI					$ 86

	Six Months Ended June 30, 2023				
	Interest Income/Expense				Other Comprehensive Income
	Advances	Available-for-Sale Securities	Consolidated Discount Notes	Consolidated Bonds	
Total interest income (expense) presented on the Combined Statements of Income	$ 24,471	$ 3,803	$ (10,983)	$ (20,357)	
Gains (losses) on fair value hedging relationships					
Interest rate contracts					
Derivatives[1]	$ 3,572	$ 1,641	$ (17)	$ (3,011)	
Hedged items[2]	(1,242)	(182)	(28)	(955)	
Net gains (losses) on fair value hedging relationships	**$ 2,330**	**$ 1,459**	**$ (45)**	**$ (3,966)**	
Gains (losses) on cash flow hedging relationships[3]					
Interest rate contracts					
Reclassified from AOCI into interest income (expense)	$ —	$ —	$ 32	$ (3)	
Recognized in OCI					$ 34

(1) Includes changes in fair value and net interest settlements and excludes the interest income (expense) of the respective hedged item.
(2) Includes changes in fair value and amortization and accretion of basis adjustments.
(3) Includes changes in fair value, net interest settlements, and amortization and accretion of hedging activities into interest income. Excludes the interest income (expense) of the respective hedged item.

For the three and six months ended June 30, 2024 and 2023, no material amounts were reclassified from AOCI into earnings as a result of discontinued cash flow hedges because the original forecasted transactions occurred by the end of the originally specified time period or within a two-month period thereafter. At June 30, 2024, $20 million of deferred net gains on derivative instruments in AOCI was expected to be reclassified to earnings during the next twelve months. At June 30, 2024, the maximum length of time over which an FHLBank was hedging its exposure to the variability in future cash flows for forecasted transactions was eight years, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments.

Table 6.3 presents the cumulative basis adjustments on hedged items designated in fair value hedging relationships and the related amortized cost of the hedged items at June 30, 2024 and December 31, 2023.

Table 6.3 - Cumulative Basis Adjustments for Fair Value Hedges

(dollars in millions)

	June 30, 2024				
	Advances	Available-for-Sale Securities	Mortgage Loans	Consolidated Discount Notes	Consolidated Bonds
Amortized cost of hedged asset or liability[1]	$ 334,208	$ 133,257	$ 163	$ 76,795	$ 353,631
Fair value hedging adjustments					
Basis adjustments for active hedging relationships included in amortized cost	$ (6,366)	$ (7,600)	$ —	$ (82)	$ (9,622)
Basis adjustments for discontinued hedging relationships included in amortized cost	(20)	918	3	(1)	115
Total amount of fair value hedging basis adjustments	**$ (6,386)**	**$ (6,682)**	**$ 3**	**$ (83)**	**$ (9,507)**

	December 31, 2023				
	Advances	Available-for-Sale Securities	Mortgage Loans	Consolidated Discount Notes	Consolidated Bonds
Amortized cost of hedged asset or liability[1]	$ 340,423	$ 128,886	$ 179	$ 59,406	$ 491,118
Fair value hedging adjustments					
Basis adjustments for active hedging relationships included in amortized cost	$ (4,170)	$ (7,310)	$ —	$ (7)	$ (10,052)
Basis adjustments for discontinued hedging relationships included in amortized cost	(34)	1,023	3	—	103
Total amount of fair value hedging basis adjustments	**$ (4,204)**	**$ (6,287)**	**$ 3**	**$ (7)**	**$ (9,949)**

(1) Includes only the portion of amortized cost representing the hedged items in active or discontinued fair value hedging relationships. Amortized cost includes fair value hedging adjustments.

Table 6.4 presents net gains (losses) related to derivatives and economic hedging activities recorded in non-interest income for the three and six months ended June 30, 2024 and 2023.

Table 6.4 - Net Gains (Losses) on Derivatives and Economic Hedging Activities Recorded in Non-interest Income
(dollars in millions)

Derivatives not designated as hedging instruments	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Economic hedges				
Interest-rate swaps	$ (12)	$ 132	$ 106	$ 91
Interest-rate swaptions	1	(4)	(3)	(7)
Interest-rate caps or floors	(2)	1	(3)	(2)
Interest-rate futures or forwards	1	4	1	2
Net interest settlements	31	—	64	2
Other	1	1	2	1
Mortgage delivery commitments	(6)	(6)	(8)	(4)
Total net gains (losses) related to derivatives not designated as hedging instruments	**14**	**128**	**159**	**83**
Price alignment amount[1]	3	(21)	5	(44)
Net gains (losses) on derivatives	**$ 17**	**$ 107**	**$ 164**	**$ 39**

(1) This amount is for derivatives for which variation margin is characterized as a daily settled contract.

Managing Credit Risk on Derivatives

Each FHLBank is subject to credit risk due to the risk of non-performance by counterparties to its derivative transactions, and manages credit risk through credit analyses of derivative counterparties, collateral requirements, and adherence to the requirements set forth in its policies, U.S. Commodity Futures Trading Commission regulations, and FHFA regulations.

Uncleared Derivatives. For uncleared derivatives, the degree of credit risk depends on the extent to which master netting arrangements are included in these contracts to mitigate the risk. Each FHLBank requires collateral agreements on its uncleared derivatives. Additionally, collateral related to derivatives with member institutions includes collateral assigned to an FHLBank, as evidenced by a written security agreement and held by the member institution for the benefit of that FHLBank.

Uncleared derivative transactions executed on or after the dates specified in applicable regulations are subject to two-way initial margin requirements as mandated by the Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, if an FHLBank's aggregate uncleared derivative transactions exposure to a counterparty exceeds a specified threshold. The initial margin is required to be held at a third-party custodian and does not change ownership. Rather, the party in respect of which the initial margin has been posted to the third-party custodian will have a security interest in the amount of initial margin required under the uncleared margin rules and can only take ownership upon the occurrence of certain events, including an event of default due to bankruptcy, insolvency, or similar proceeding.

For all uncleared transactions entered into on or after March 1, 2017, the derivative agreements are fully collateralized with a zero unsecured threshold in accordance with variation margin requirements issued by the U.S. federal bank regulatory agencies and the Commodity Futures Trading Commission.

Cleared Derivatives. For cleared derivatives, a Derivative Clearing Organization (Clearinghouse) is an FHLBank's counterparty. The Clearinghouse notifies the clearing agent of the required initial and variation margin and the clearing agent in turn notifies the FHLBank. Each FHLBank utilizes one or two Clearinghouses for all cleared derivative transactions, LCH Ltd. and/or CME Clearing. At both Clearinghouses, variation margin is characterized as daily settlement payments and initial margin is considered collateral. The requirement that an FHLBank post initial and variation margin, through the clearing agent to the Clearinghouse, exposes an FHLBank to credit risk if the clearing agent or the Clearinghouse fails to meet its obligations. The use of cleared derivatives is intended to mitigate credit risk exposure because a central counterparty is substituted for individual counterparties and collateral/payments for changes in the fair value of cleared derivatives is posted daily through a clearing agent.

The Clearinghouse determines initial margin requirements and generally credit ratings are not factored into the initial margin. However, clearing agents may require additional initial margin to be posted based on credit considerations, including, but not limited to, credit rating downgrades. None of the FHLBanks were required to post additional initial margin by its clearing agents, based on credit considerations, at June 30, 2024.

Offsetting of Derivative Assets and Derivative Liabilities

An FHLBank presents derivative instruments, related cash collateral received or pledged, and associated accrued interest, on a net basis by clearing agent and/or by counterparty when it has met the netting requirements.

Each FHLBank has analyzed the enforceability of offsetting rights incorporated in its cleared derivative transactions and determined that the exercise of those offsetting rights by a non-defaulting party under these transactions should be upheld under applicable law upon an event of default including a bankruptcy, insolvency, or similar proceeding involving the Clearinghouse or that FHLBank's clearing agent, or both. Based on this analysis, each FHLBank presents a net derivative receivable or payable for all of its transactions through a particular clearing agent with a particular Clearinghouse.

Table 6.5 presents separately the fair value of derivative instruments meeting or not meeting netting requirements, with and without the legal right of offset, including the related collateral at June 30, 2024 and December 31, 2023.

Table 6.5 - Offsetting of Derivative Assets and Derivative Liabilities
(dollars in millions)

	June 30, 2024						
	Derivative Instruments Meeting Netting Requirements				Non-cash Collateral Not Offset		
	Gross Recognized Amount	Gross Amounts of Netting Adjustments and Cash Collateral	Derivative Instruments Not Meeting Netting Requirements[1]	Total Derivative Assets and Total Derivative Liabilities	Can Be Sold or Repledged	Cannot Be Sold or Repledged	Net Amount[2][3]
Derivative Assets							
Uncleared	$ 5,274	$ (5,107)	$ 1	$ 168	$ —	$ 98	$ 70
Cleared	2,641	751	—	3,392	—	—	3,392
Total				**$ 3,560**			**$ 3,462**
Derivative Liabilities							
Uncleared	$ 10,437	$ (10,400)	$ 3	$ 40	$ —	$ 5	$ 35
Cleared	2,342	(2,341)	—	1	—	—	1
Total				**$ 41**			**$ 36**

	December 31, 2023						
	Derivative Instruments Meeting Netting Requirements				Non-cash Collateral Not Offset		
	Gross Recognized Amount	Gross Amounts of Netting Adjustments and Cash Collateral	Derivative Instruments Not Meeting Netting Requirements(1)	Total Derivative Assets and Total Derivative Liabilities	Can Be Sold or Repledged	Cannot Be Sold or Repledged	Net Amount(2)(3)
Derivative Assets							
Uncleared	$ 5,117	$ (4,861)	$ 4	$ 260	$ 61	$ 100	$ 99
Cleared	1,943	1,593	—	3,536	—	—	3,536
Total				**$ 3,796**			**$ 3,635**
Derivative Liabilities							
Uncleared	$ 11,339	$ (11,282)	$ 1	$ 58	$ —	$ 6	$ 52
Cleared	1,955	(1,917)	—	38	37	—	1
Total				**$ 96**			**$ 53**

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(1) Represents derivatives that are not subject to an enforceable netting agreement (e.g., mortgage delivery commitments and certain interest-rate futures or forwards).

(2) Any over-collateralization at an FHLBank's individual clearing agent and/or counterparty level is not included in the determination of the net amount. At June 30, 2024 and December 31, 2023, the FHLBanks had additional net credit exposure of $3,514 million and $3,971 million due to instances where an FHLBank's non-cash collateral to a counterparty exceeded the FHLBank's net derivative position.

(3) The amount of non-cash collateral for uncleared derivatives included in the determination of the net amount is limited to the amount needed to secure the FHLBanks' or counterparties' uncleared exposure. In addition to the additional net credit exposure included in footnote 2 to this table, the FHLBanks pledged excess non-cash collateral with a fair value of $145 million and $174 million at June 30, 2024 and December 31, 2023, and the FHLBanks received excess noncash collateral with a fair value of $72 million and $81 million at June 30, 2024 and December 31, 2023.

Note 7 - Deposits

The FHLBanks offer demand and overnight deposit programs to members and to qualifying non-members. In addition, certain FHLBanks offer short-term interest-bearing deposit programs to members, and in certain cases, to qualifying non-members. A member that services mortgage loans may deposit in its FHLBank funds collected in connection with the mortgage loans, pending disbursement of these funds to the owners of the mortgage loans. The FHLBanks classify these funds as other deposits. Deposits classified as demand, overnight, or other pay interest based on a daily interest rate. Term deposits pay interest based on a fixed rate determined at the issuance of the deposit.

Table 7.1 presents interest-bearing and non-interest bearing deposits at June 30, 2024 and December 31, 2023.

Table 7.1 - Deposits

(dollars in millions)

	June 30, 2024	December 31, 2023
Interest-bearing		
Demand and overnight	$ 12,253	$ 12,608
Term	155	202
Other	11	14
Total interest-bearing	**12,419**	**12,824**
Non-interest-bearing		
Demand and overnight	124	91
Other	284	235
Total non-interest-bearing	**408**	**326**
Total deposits	**$ 12,827**	**$ 13,150**

Note 8 - Consolidated Obligations

Consolidated obligations consist of consolidated bonds and consolidated discount notes, which are joint and several obligations of all FHLBanks. The FHLBanks issue consolidated obligations through the Office of Finance as their agent. In connection with each debt issuance, an FHLBank specifies the amount of debt it wants issued on its behalf. The Office of Finance tracks the amount of debt issued on behalf of each FHLBank. In addition, each FHLBank records as a liability its specific portion of consolidated obligations for which it is the primary obligor.

The FHFA and the Secretary of the Treasury oversee the issuance of FHLBank debt through the Office of Finance. Consolidated bonds may be issued to raise short-, intermediate-, or long-term funds for the FHLBanks and are not subject to any statutory or regulatory limits on their maturity. Consolidated discount notes are issued primarily to raise short-term funds and have original maturities of up to one year. These notes generally sell below their face value and are redeemed at face value when they mature.

Although each FHLBank is primarily liable for its portion of consolidated obligations, each FHLBank is also jointly and severally liable with the other FHLBanks for the payment of principal and interest on all consolidated obligations of the FHLBanks. The principal amount of the FHLBanks' outstanding consolidated obligations was $1,192.0 billion and $1,204.3 billion at June 30, 2024 and December 31, 2023.

Table 8.1 presents the carrying value and principal amount of consolidated discount notes outstanding and the weighted-average interest rate at June 30, 2024 and December 31, 2023.

Table 8.1 - Consolidated Discount Notes Outstanding

(dollars in millions)

	Carrying Value	Principal Amount	Weighted-Average Interest Rate[(1)]
June 30, 2024	$ 316,228	$ 320,164	5.09 %
December 31, 2023	$ 287,050	$ 289,885	5.20 %

(1) Represents yield to maturity excluding concession fees.

Table 8.2 presents consolidated bonds outstanding by contractual maturity and the weighted-average interest rate at June 30, 2024 and December 31, 2023.

Table 8.2 - Consolidated Bonds Outstanding by Contractual Maturity

(dollars in millions)

	June 30, 2024		December 31, 2023	
Year of Contractual Maturity	**Amount**	**Weighted-Average Interest Rate**	**Amount**	**Weighted-Average Interest Rate**
Due in 1 year or less	$ 513,332	4.71 %	$ 552,368	4.81 %
Due after 1 year through 2 years	176,107	4.07 %	163,647	4.23 %
Due after 2 years through 3 years	73,303	2.39 %	86,428	1.83 %
Due after 3 years through 4 years	28,534	3.38 %	37,259	2.57 %
Due after 4 years through 5 years	27,275	4.00 %	27,542	3.44 %
Thereafter	53,279	3.35 %	47,187	2.87 %
Total principal amount	**871,830**	4.24 %	**914,431**	4.19 %
Net premiums	78		119	
Fair value hedging adjustments	(9,507)		(9,949)	
Fair value option valuation adjustments	(75)		35	
Total	**$ 862,326**		**$ 904,636**	

Consolidated bonds outstanding were issued with either fixed-rate coupon payment terms or variable-rate coupon payment terms that are indexed to specified indices, such as SOFR. To meet the specific needs of both the FHLBanks and certain investors in consolidated obligations, both fixed-rate and variable-rate consolidated bonds may contain features that result in complex coupon payment terms and call options. When these consolidated bonds are issued, an FHLBank may enter into derivatives containing features that offset the terms and embedded options, if any, of the consolidated bond obligations.

Table 8.3 presents consolidated bonds outstanding by call features at June 30, 2024 and December 31, 2023.

Table 8.3 - Consolidated Bonds Outstanding by Call Features

(dollars in millions)

Principal Amount of Consolidated Bonds	June 30, 2024	December 31, 2023
Non-callable/non-putable	$ 558,393	$ 474,641
Callable	313,437	439,790
Total principal amount	**$ 871,830**	**$ 914,431**

Table 8.4 presents consolidated bonds outstanding by contractual maturity or next call date at June 30, 2024 and December 31, 2023.

Table 8.4 - Consolidated Bonds Outstanding by Contractual Maturity or Next Call Date

(dollars in millions)

Year of Contractual Maturity or Next Call Date	June 30, 2024	December 31, 2023
Due in 1 year or less	$ 711,141	$ 752,826
Due after 1 year through 2 years	100,754	103,417
Due after 2 years through 3 years	27,360	25,760
Due after 3 years through 4 years	12,247	8,566
Due after 4 years through 5 years	8,808	12,812
Thereafter	11,520	11,050
Total principal amount	**$ 871,830**	**$ 914,431**

Note 9 - Capital

Each FHLBank is subject to three capital requirements under its capital plan and the FHFA rules and regulations. Regulatory capital does not include AOCI, but does include mandatorily redeemable capital stock.

1. *Risk-based capital.* Each FHLBank must maintain at all times permanent capital, defined as the amounts paid-in for Class B stock and retained earnings, in an amount at least equal to the sum of its credit risk, market risk, and operational risk capital requirements, all of which are calculated in accordance with the rules and regulations of the FHFA.

2. *Regulatory capital.* Each FHLBank must maintain at all times a total capital-to-assets ratio of at least four percent. Regulatory capital is the sum of permanent capital, the amounts paid-in for Class A stock, any general loss allowance, if consistent with GAAP and not established for specific assets, and other amounts from sources determined by the FHFA as available to absorb losses.

3. *Leverage capital.* Each FHLBank must maintain at all times a leverage capital-to-assets ratio of at least five percent. Leverage capital is defined as the sum of permanent capital weighted 1.5 times and all other components of total capital.

The FHFA may require an FHLBank to maintain greater minimum capital levels than are required based on FHFA rules and regulation. At June 30, 2024, each FHLBank was in compliance with FHFA regulatory capital requirements.

Table 9.1 presents the risk-based capital requirements at June 30, 2024.

Table 9.1 - Risk-Based Capital Requirements at June 30, 2024

(dollars in millions)

	Risk-Based Capital	
FHLBank	Minimum Requirement	Actual
Boston	$ 767	$ 3,956
New York	1,139	8,859
Pittsburgh	951	5,675
Atlanta	1,331	8,217
Cincinnati	920	6,539
Indianapolis	1,151	4,333
Chicago	2,081	8,462
Des Moines	1,524	9,554
Dallas	1,226	7,211
Topeka	805	3,933
San Francisco	1,120	7,410
Combined[(1)]	13,015	74,149

(1) Based on FHFA rules and regulations, risk-based capital requirements apply to individual FHLBanks, and there are no minimum risk-based capital requirements at a combined level. The combined risk-based capital amounts are for analysis only and are calculated based on the sum of the individual FHLBanks' risk-based capital amounts. The sum of the individual FHLBank risk-based capital amounts may not agree to the combined amount due to combining adjustments.

Table 9.2 presents the regulatory capital requirements at June 30, 2024.

Table 9.2 - Regulatory Capital Requirements at June 30, 2024

(dollars in millions)

	Regulatory Capital Ratio		Regulatory Capital	
FHLBank	Minimum Requirement	Actual	Minimum Requirement	Actual
Boston	4.00 %	5.75 %	$ 2,751	$ 3,956
New York	4.00 %	5.27 %	6,724	8,859
Pittsburgh	4.00 %	5.19 %	4,373	5,675
Atlanta	4.00 %	5.59 %	5,880	8,217
Cincinnati	4.00 %	5.25 %	4,981	6,539
Indianapolis	4.00 %	5.47 %	3,170	4,333
Chicago	4.00 %	6.89 %	4,913	8,462
Des Moines	4.00 %	5.80 %	6,593	9,554
Dallas	4.00 %	5.71 %	5,049	7,211
Topeka	4.00 %	5.33 %	3,190	4,252
San Francisco	4.00 %	8.58 %	3,453	7,410
Combined[(1)]		5.83 %	51,077	74,468

(1) Based on FHFA rules and regulations, regulatory capital requirements apply to individual FHLBanks, and there are no minimum regulatory capital requirements at a combined level. The combined regulatory capital ratio and amounts are for analysis only. The combined regulatory capital ratio is calculated based on the combined regulatory capital as a percentage of combined total assets, and the combined regulatory capital amounts are calculated based on the sum of the individual FHLBanks' regulatory capital amounts. The sum of the individual FHLBank regulatory capital amounts may not agree to the combined amount due to combining adjustments.

Table 9.3 presents the leverage capital requirements at June 30, 2024.

Table 9.3 - Leverage Capital Requirements at June 30, 2024

(dollars in millions)

	Leverage Capital Ratio		Leverage Capital	
FHLBank	Minimum Requirement	Actual	Minimum Requirement	Actual
Boston	5.00 %	8.63 %	$ 3,438	$ 5,933
New York	5.00 %	7.91 %	8,405	13,288
Pittsburgh	5.00 %	7.79 %	5,467	8,512
Atlanta	5.00 %	8.39 %	7,350	12,326
Cincinnati	5.00 %	7.88 %	6,227	9,809
Indianapolis	5.00 %	8.20 %	3,962	6,499
Chicago	5.00 %	10.33 %	6,141	12,693
Des Moines	5.00 %	8.69 %	8,241	14,331
Dallas	5.00 %	8.57 %	6,312	10,817
Topeka	5.00 %	7.80 %	3,988	6,218
San Francisco	5.00 %	12.88 %	4,317	11,115
Combined(1)		8.74 %	63,848	111,541

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(1) Based on FHFA rules and regulations, leverage capital requirements apply to individual FHLBanks, and there are no minimum leverage capital requirements at a combined level. The combined leverage capital ratio and amounts are for analysis only. The combined leverage capital ratio is calculated based on the combined leverage capital as a percentage of combined total assets, and the combined leverage capital amounts are calculated based on the sum of the individual FHLBanks' leverage capital amounts. The sum of the individual FHLBank leverage capital amounts may not agree to the combined amount due to combining adjustments.

Capital Stock

Each FHLBank is a cooperative whose member financial institutions own most of the FHLBank's capital stock. Former members (including certain non-members that own FHLBank capital stock as a result of merger or acquisition, relocation, charter termination, voluntary termination, or involuntary termination of an FHLBank member) own the remaining capital stock to support business transactions still carried on an FHLBank's statement of condition. Shares of capital stock cannot be purchased or sold except between an FHLBank and its members at its $100 per share par value, as mandated by each FHLBank's capital plan. Members can redeem Class A stock by giving six-months' written notice, and members can redeem Class B stock by giving five-years' written notice, subject to certain restrictions. An FHLBank's board of directors may declare and pay dividends in either cash or capital stock, assuming the FHLBank is in compliance with FHFA rules.

Restricted Retained Earnings

The Joint Capital Enhancement Agreement, as amended (Capital Agreement), is intended to enhance the capital position of each FHLBank. The Capital Agreement provides that each FHLBank will, on a quarterly basis, allocate 20% of its net income to a separate restricted retained earnings account until the balance of that account, calculated as of the last day of each calendar quarter, equals at least one percent of that FHLBank's average balance of outstanding consolidated obligations for the calendar quarter. These restricted retained earnings are not available to pay dividends. Additionally, the Capital Agreement provides that amounts in restricted retained earnings in excess of 150% of an FHLBank's restricted retained earnings minimum (i.e., one percent of that FHLBank's average balance of outstanding consolidated obligations calculated as of the last day of each calendar quarter) may be released from restricted retained earnings. As of June 30, 2024, none of the FHLBanks had restricted retained earnings that exceeded one percent of its average balance of outstanding consolidated obligations.

Mandatorily Redeemable Capital Stock

An FHLBank generally reclassifies capital stock subject to redemption from capital to the mandatorily redeemable capital stock liability upon expiration of a grace period, if applicable, after a member exercises a written redemption right, or gives notice of intent to withdraw from membership, or attains non-member status by merger or acquisition, relocation, charter termination, or involuntary termination from membership. Shares of capital stock meeting these definitions are reclassified to mandatorily redeemable capital stock at fair value. Dividends related to capital stock classified as mandatorily redeemable capital stock are accrued at the expected dividend rate and reported as interest expense on the Combined Statements of Income. For the three and six months ended June 30, 2024, dividends on mandatorily redeemable capital stock of $37 million and $62 million were recorded as interest expense. For the three and six months ended June 30, 2023, dividends on mandatorily redeemable capital stock of $13 million and $24 million were recorded as interest expense.

A member may cancel or revoke its written notice of redemption or its notice of withdrawal from membership prior to the end of the applicable redemption period. Each FHLBank's capital plan provides the terms for cancellation fees that may be incurred by the member upon cancellation.

Table 9.4 presents a rollforward of capital stock subject to mandatory redemption for the three and six months ended June 30, 2024 and 2023. Payment is contingent on, among other things, each FHLBank's waiting period and the FHLBank's ability to meet its minimum regulatory capital requirements. These amounts have been classified as a liability on the Combined Statements of Condition.

Table 9.4 - Rollforward of Mandatorily Redeemable Capital Stock
(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Balance, beginning of year	$ 1,185	$ 798	$ 1,230	$ 708
Capital stock subject to mandatory redemption reclassified from capital	92	1,658	282	2,076
Redemption/repurchase of mandatorily redeemable capital stock	(198)	(918)	(433)	(1,246)
Balance, end of year	**$ 1,079**	**$ 1,538**	**$ 1,079**	**$ 1,538**

Table 9.5 presents the amount of mandatorily redeemable capital stock by contractual year of redemption at June 30, 2024 and December 31, 2023. The year of redemption in the table is the end of the appropriate redemption period applicable to each FHLBank's capital plan. An FHLBank is not required to redeem membership stock until either five years or six months, depending on the type of capital stock issuable under its capital plan, after the membership is terminated or the FHLBank receives notice of withdrawal. However, for certain membership terminations such as mergers, consolidations, terminations related to insolvency, or out-of-district relocations, the FHLBank may recalculate the former member's stock requirement following that termination and the stock may be deemed excess stock subject to repurchase at the FHLBank's discretion. An FHLBank is not required to redeem activity-based stock until the later of the expiration of the notice of redemption or until the activity to which the capital stock relates no longer remains outstanding. If activity-based stock becomes excess stock as a result of an activity no longer remaining outstanding, an FHLBank may repurchase those shares, at its sole discretion, subject to the statutory and regulatory restrictions on excess capital stock redemption.

Table 9.5 - Mandatorily Redeemable Capital Stock by Contractual Year of Redemption
(dollars in millions)

	June 30, 2024	December 31, 2023
Year 1	$ 13	$ 16
Year 2	103	20
Year 3	16	96
Year 4	872	342
Year 5	37	716
Past contractual redemption date due to remaining activity[1]	38	40
Total	**$ 1,079**	**$ 1,230**

(1) Represents mandatorily redeemable capital stock that is past the end of the contractual redemption period because there is activity outstanding to which the mandatorily redeemable capital stock relates.

Excess Capital Stock

The FHLBanks define excess capital stock as the amount of stock held by a member (or former member) in excess of that institution's minimum stock ownership requirement. FHFA rules limit the ability of an FHLBank to create member excess capital stock under certain circumstances. An FHLBank may not pay dividends in the form of capital stock or issue new excess capital stock to members if that FHLBank's excess capital stock exceeds one percent of its total assets or if the issuance of excess capital stock would cause that FHLBank's excess capital stock to exceed one percent of its total assets. At June 30, 2024, none of the FHLBanks had excess capital stock outstanding totaling more than one percent of its total assets.

Capital Classification Determination

The FHFA determines each FHLBank's capital classification on at least a quarterly basis. If an FHLBank is determined to be other than adequately capitalized, that FHLBank becomes subject to additional supervisory authority by the FHFA. Before implementing a reclassification, the Director of the FHFA is required to provide that FHLBank with written notice of the proposed action and an opportunity to submit a response. Each FHLBank was classified by the FHFA as adequately capitalized as of the date of the FHFA's most recent notification to each FHLBank.

Note 10 - Accumulated Other Comprehensive Income (Loss)

Table 10.1 presents a summary of changes in accumulated other comprehensive income (loss) for the three and six months ended June 30, 2024 and 2023.

Table 10.1 - Accumulated Other Comprehensive Income (Loss)

(dollars in millions)

	Net Unrealized Gains (Losses) on AFS Securities (Note 3)	Net Non-Credit Portion of OTTI Gains (Losses) on HTM Securities (Note 3)	Net Unrealized Gains (Losses) Relating to Hedging Activities (Note 6)	Pension and Postretirement Benefits	Total Accumulated Other Comprehensive Income (Loss)
Balance, March 31, 2024	**$ (354)**	**$ (1)**	**$ 305**	**$ (26)**	**$ (76)**
Other comprehensive income before reclassifications					
Unrealized gains (losses)	(6)	—	14	—	8
Reclassifications from accumulated other comprehensive income (loss) to net income					
Reclassification of realized net (gains) losses included in net income	(2)	—	—	—	(2)
Amortization on hedging activities	—	—	(18)	—	(18)
Pension and postretirement benefits	—	—	—	(5)	(5)
Net current period other comprehensive income (loss)	**(8)**	**—**	**(4)**	**(5)**	**(17)**
Balance, June 30, 2024	**$ (362)**	**$ (1)**	**$ 301**	**$ (31)**	**$ (93)**
Balance, March 31, 2023	**$ (1,400)**	**$ (4)**	**$ 253**	**$ (24)**	**$ (1,175)**
Other comprehensive income before reclassifications					
Unrealized gains (losses)	538	—	93	—	631
Non-credit losses included in basis of HTM securities sold	—	3	—	—	3
Reclassifications from accumulated other comprehensive income (loss) to net income					
Amortization on hedging activities	—	—	(16)	—	(16)
Pension and postretirement benefits	—	—	—	—	—
Net current period other comprehensive income (loss)	**538**	**3**	**77**	**—**	**618**
Balance, June 30, 2023	**$ (862)**	**$ (1)**	**$ 330**	**$ (24)**	**$ (557)**

	Net Unrealized Gains (Losses) on AFS Securities (Note 3)	Net Non-Credit Portion of OTTI Gains (Losses) on HTM Securities (Note 3)	Net Unrealized Gains (Losses) Relating to Hedging Activities (Note 6)	Pension and Postretirement Benefits	Total Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2023	**$ (1,268)**	**$ (1)**	**$ 251**	**$ (26)**	**$ (1,044)**
Other comprehensive income before reclassifications					
Unrealized gains (losses)	909	—	86	—	995
Reclassifications from accumulated other comprehensive income (loss) to net income					
Reclassification of realized net (gains) losses included in net income	(3)	—	—	—	(3)
Amortization on hedging activities	—	—	(36)	—	(36)
Pension and postretirement benefits	—	—	—	(5)	(5)
Net current period other comprehensive income (loss)	**906**	**—**	**50**	**(5)**	**951**
Balance, June 30, 2024	**$ (362)**	**$ (1)**	**$ 301**	**$ (31)**	**$ (93)**
Balance, December 31, 2022	**$ (1,027)**	**$ (4)**	**$ 325**	**$ (47)**	**$ (753)**
Other comprehensive income before reclassifications					
Unrealized gains (losses)	165	—	34	—	199
Non-credit losses included in basis of HTM securities sold	—	3	—	—	3
Reclassifications from accumulated other comprehensive income (loss) to net income					
Amortization on hedging activities	—	—	(29)	—	(29)
Pension and postretirement benefits	—	—	—	23	23
Net current period other comprehensive income (loss)	**165**	**3**	**5**	**23**	**196**
Balance, June 30, 2023	**$ (862)**	**$ (1)**	**$ 330**	**$ (24)**	**$ (557)**

Note 11 - Fair Value

The fair value amounts recorded on the Combined Statements of Condition and presented in the note disclosures for the periods presented have been determined by the FHLBanks using available market and other pertinent information and reflect each FHLBank's best judgment of appropriate valuation methods. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Although each FHLBank uses its best judgment in estimating the fair value of its financial instruments, there are inherent limitations in any valuation technique. Therefore, the fair values may not be indicative of the amounts that would have been realized in market transactions at June 30, 2024 and December 31, 2023. Additionally, these values do not represent an estimate of the overall market value of the FHLBanks as going concerns, which would take into account future business opportunities and the net profitability of assets and liabilities.

Fair Value Hierarchy

GAAP establishes a fair value hierarchy and requires an entity to maximize the use of significant observable inputs and minimize the use of significant unobservable inputs when measuring fair value. The inputs are evaluated and an overall level for the fair value measurement is determined. This overall level is an indication of market observability of the fair value measurement for the asset or liability. An entity must disclose the level within the fair value hierarchy in which the measurements are classified.

The fair value hierarchy prioritizes the inputs used to measure fair value into three broad levels:

- **Level 1 Inputs.** Quoted prices (unadjusted) for identical assets or liabilities in an active market that the reporting entity can access on the measurement date. An active market for the asset or liability is a market in which the transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

- **Level 2 Inputs.** Inputs other than quoted prices within Level 1, that are observable inputs for the asset or liability, either directly or indirectly. If the asset or liability has a specified or contractual term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in markets that are not active; (3) inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates and yield curves that are observable at commonly quoted intervals, and implied volatilities); and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- **Level 3 Inputs.** Unobservable inputs for the asset or liability. Valuations are derived from techniques that use significant assumptions not observable in the market, which include pricing models, discounted cash flow models, or similar techniques.

Each FHLBank reviews its fair value hierarchy classifications on a quarterly basis. Changes in the observability of the valuation inputs may result in a reclassification of certain assets or liabilities. The FHLBanks had no transfers of assets or liabilities into or out of Level 3 of the fair value hierarchy during the three and six months ended June 30, 2024 and 2023.

Table 11.1 presents the carrying value, fair value, and fair value hierarchy of financial assets and liabilities of the FHLBanks at June 30, 2024 and December 31, 2023. The FHLBanks record trading securities, AFS securities, derivative assets, derivative liabilities, certain advances, certain consolidated obligations, and certain other assets at fair value on a recurring basis, and on occasion certain mortgage loans held for portfolio and certain other assets at fair value on a non-recurring basis. The FHLBanks record all other financial assets and liabilities at amortized cost. Refer to Table 11.2 for further details about the financial assets and liabilities held at fair value on either a recurring or non-recurring basis.

Table 11.1 - Fair Value Summary

(dollars in millions)

	June 30, 2024					
		Fair Value				
Financial Instruments	**Carrying Value[1]**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Netting Adjustment and Cash Collateral[2]**
Assets						
Cash and due from banks	$ 379	$ 379	$ 379	$ —	$ —	$ —
Interest-bearing deposits	26,205	26,205	12,263	13,942	—	—
Securities purchased under agreements to resell	73,787	73,787	—	73,787	—	—
Federal funds sold	66,447	66,447	—	66,447	—	—
Trading securities	19,026	19,026	5,616	13,410	—	—
Available-for-sale securities	168,878	168,878	—	166,518	2,360	—
Held-to-maturity securities	66,031	64,818	—	64,449	369	—
Advances[3]	780,757	780,741	—	780,741	—	—
Mortgage loans held for portfolio	65,046	58,054	—	57,980	74	—
Mortgage loans held for sale[4]	23	23	—	23	—	—
Accrued interest receivable	4,537	4,537	—	4,537	—	—
Derivative assets, net	3,560	3,560	—	7,916	—	(4,356)
Other assets	405	402	300	102	—	—
Liabilities						
Deposits	12,827	12,827	—	12,827	—	—
Consolidated obligations						
Discount notes[5]	316,228	316,202	—	316,202	—	—
Bonds[6]	862,326	855,170	—	855,170	—	—
Total consolidated obligations	**1,178,554**	**1,171,372**	**—**	**1,171,372**	**—**	**—**
Mandatorily redeemable capital stock	1,079	1,079	1,079	—	—	—
Accrued interest payable	6,576	6,576	—	6,576	—	—
Derivative liabilities, net	41	41	—	12,782	—	(12,741)
Other liabilities	35	32	—	32	—	—

	December 31, 2023					
		Fair Value				
Financial Instruments	**Carrying Value(1)**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Netting Adjustment and Cash Collateral(2)**
Assets						
Cash and due from banks	$ 481	$ 481	$ 481	$ —	$ —	$ —
Interest-bearing deposits	24,163	24,163	11,132	13,031	—	—
Securities purchased under agreements to resell	81,012	81,012	—	81,012	—	—
Federal funds sold	57,860	57,860	—	57,860	—	—
Trading securities	15,553	15,553	5,886	9,667	—	—
Available-for-sale securities	160,455	160,455	—	158,020	2,435	—
Held-to-maturity securities	68,859	67,696	—	67,301	395	—
Advances(3)	809,571	809,090	—	809,090	—	—
Mortgage loans held for portfolio	61,335	55,725	—	55,655	70	—
Mortgage loans held for sale(4)	15	15	—	15	—	—
Accrued interest receivable	4,519	4,519	—	4,519	—	—
Derivative assets, net	3,796	3,796	—	7,064	—	(3,268)
Other assets	386	384	283	101	—	—
Liabilities						
Deposits	13,150	13,150	—	13,150	—	—
Consolidated obligations						
Discount notes(5)	287,050	287,040	—	287,040	—	—
Bonds(6)	904,636	897,114	—	897,114	—	—
Total consolidated obligations	**1,191,686**	**1,184,154**	—	**1,184,154**	—	—
Mandatorily redeemable capital stock	1,230	1,230	1,230	—	—	—
Accrued interest payable	6,772	6,772	—	6,772	—	—
Derivative liabilities, net	96	96	—	13,295	—	(13,199)
Other liabilities	35	33	—	33	—	—

(1) For certain financial instruments, the amounts represent net carrying value, which includes an allowance for credit losses.
(2) Amounts represent the application of the netting requirements that allow an FHLBank to settle positive and negative positions, and also cash collateral and related accrued interest held or placed by that FHLBank with the same clearing agent and/or counterparty.
(3) Includes $4,247 million and $2,247 million of advances recorded under fair value option at June 30, 2024 and December 31, 2023.
(4) Represents mortgage loans held for sale recorded under fair value option, included in other assets, net on the Combined Statements of Condition.
(5) Includes $63,408 million and $65,118 million of consolidated discount notes recorded under fair value option at June 30, 2024 and December 31, 2023.
(6) Includes $7,841 million and $26,149 million of consolidated bonds recorded under fair value option at June 30, 2024 and December 31, 2023.

Summary of Valuation Methodologies and Primary Inputs

A description of the valuation methodologies and primary inputs is disclosed in *Note 14 - Fair Value* on pages F-65 to F-74 of the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023. There were no significant changes in these valuation methodologies and primary inputs during the six months ended June 30, 2024.

Fair Value Measurements

Table 11.2 presents the fair value of assets and liabilities that are recorded on a recurring or non-recurring basis at June 30, 2024 and December 31, 2023, by level within the fair value hierarchy. The FHLBanks measure certain mortgage loans at fair value on a non-recurring basis due to the recognition of a credit loss. Real estate owned is measured using fair value when the asset's fair value less costs to sell is lower than its carrying amount.

Table 11.2 - Fair Value Measurements
(dollars in millions)

	June 30, 2024				
	Total	Level 1	Level 2	Level 3	Netting Adjustment and Cash Collateral[1]
Recurring fair value measurements - Assets					
Trading securities					
U.S. Treasury obligations	$ 16,307	$ 5,616	$ 10,691	$ —	$ —
Other U.S. obligations	61	—	61	—	—
GSE and Tennessee Valley Authority obligations	1,946	—	1,946	—	—
Other non-MBS	107	—	107	—	—
GSE single-family MBS	13	—	13	—	—
GSE multifamily MBS	592	—	592	—	—
Total trading securities	**19,026**	**5,616**	**13,410**	**—**	**—**
Available-for-sale securities					
U.S. Treasury obligations	34,027	—	34,027	—	—
Other U.S. obligations	1,461	—	1,461	—	—
GSE and Tennessee Valley Authority obligations	6,707	—	6,707	—	—
State or local housing agency obligations	1,944	—	699	1,245	—
Federal Family Education Loan Program ABS	1,766	—	1,766	—	—
Other non-MBS	499	—	499	—	—
U.S. obligations single-family MBS	6,900	—	6,900	—	—
U.S. obligations multifamily MBS	469	—	469	—	—
GSE single-family MBS	9,667	—	9,667	—	—
GSE multifamily MBS	104,323	—	104,323	—	—
Private-label MBS	1,115	—	—	1,115	—
Total available-for-sale securities	**168,878**	**—**	**166,518**	**2,360**	**—**
Advances[2]	4,247	—	4,247	—	—
Mortgage loans held for sale[2]	23	—	23	—	—
Derivative assets, net					
Interest-rate related	3,559	—	7,915	—	(4,356)
Mortgage delivery commitments	1	—	1	—	—
Total derivative assets, net	**3,560**	**—**	**7,916**	**—**	**(4,356)**
Other assets	370	300	70	—	—
Total recurring assets at fair value	**$ 196,104**	**$ 5,916**	**$ 192,184**	**$ 2,360**	**$ (4,356)**
Recurring fair value measurements - Liabilities					
Consolidated Obligations					
Discount notes[2]	$ 63,408	$ —	$ 63,408	$ —	$ —
Bonds[2]	7,841	—	7,841	—	—
Total consolidated obligations	**71,249**	**—**	**71,249**	**—**	**—**
Derivative liabilities, net					
Interest-rate related	38	—	12,779	—	(12,741)
Mortgage delivery commitments	3	—	3	—	—
Total derivative liabilities, net	**41**	**—**	**12,782**	**—**	**(12,741)**
Total recurring liabilities at fair value	**$ 71,290**	**$ —**	**$ 84,031**	**$ —**	**$ (12,741)**
Non-recurring fair value measurements - Assets[3]					
Mortgage loans held for portfolio	$ 20	$ —	$ —	$ 20	
Real estate owned	1	—	—	1	
Total non-recurring assets at fair value	**$ 21**	**$ —**	**$ —**	**$ 21**	

	December 31, 2023				
	Total	Level 1	Level 2	Level 3	Netting Adjustment and Cash Collateral(1)
Recurring fair value measurements - Assets					
Trading securities					
U.S. Treasury obligations	$ 12,698	$ 5,886	$ 6,812	$ —	$ —
Other U.S. obligations	68	—	68	—	—
GSE and Tennessee Valley Authority obligations	2,052	—	2,052	—	—
Other non-MBS	111	—	111	—	—
U.S. obligations single-family MBS	1	—	1	—	—
GSE single-family MBS	14	—	14	—	—
GSE multifamily MBS	609	—	609	—	—
Total trading securities	**15,553**	**5,886**	**9,667**	**—**	**—**
Available-for-sale securities					
U.S. Treasury obligations	33,359	—	33,359	—	—
Other U.S. obligations	1,515	—	1,515	—	—
GSE and Tennessee Valley Authority obligations	6,770	—	6,770	—	—
State or local housing agency obligations	1,890	—	640	1,250	—
Federal Family Education Loan Program ABS	1,957	—	1,957	—	—
Other non-MBS	506	—	506	—	—
U.S. obligations single-family MBS	6,120	—	6,120	—	—
U.S. obligations multifamily MBS	478	—	478	—	—
GSE single-family MBS	6,576	—	6,576	—	—
GSE multifamily MBS	100,099	—	100,099	—	—
Private-label MBS	1,185	—	—	1,185	—
Total available-for-sale securities	**160,455**	**—**	**158,020**	**2,435**	**—**
Advances(2)	2,247	—	2,247	—	—
Mortgage loans held for sale(2)	15	—	15	—	—
Derivative assets, net					
Interest-rate related	3,792	—	7,060	—	(3,268)
Mortgage delivery commitments	4	—	4	—	—
Total derivative assets, net	**3,796**	**—**	**7,064**	**—**	**(3,268)**
Other assets	351	283	68	—	—
Total recurring assets at fair value	**$ 182,417**	**$ 6,169**	**$ 177,081**	**$ 2,435**	**$ (3,268)**
Recurring fair value measurements - Liabilities					
Consolidated Obligations					
Discount notes(2)	$ 65,118	$ —	$ 65,118	$ —	$ —
Bonds(2)	26,149	—	26,149	—	—
Total consolidated obligations	**91,267**	**—**	**91,267**	**—**	**—**
Derivative liabilities, net					
Interest-rate related	96	—	13,295	—	(13,199)
Mortgage delivery commitments	—	—	—	—	—
Total derivative liabilities, net	**96**	**—**	**13,295**	**—**	**(13,199)**
Total recurring liabilities at fair value	**$ 91,363**	**$ —**	**$ 104,562**	**$ —**	**$ (13,199)**
Non-recurring fair value measurements - Assets(3)					
Mortgage loans held for portfolio	$ 38	$ —	$ —	$ 38	
Real estate owned	1	—	—	1	
Total non-recurring assets at fair value	**$ 39**	**$ —**	**$ —**	**$ 39**	

(1) Amounts represent the application of the netting requirements that allow an FHLBank to settle positive and negative positions, and also cash collateral and related accrued interest held or placed by that FHLBank with the same clearing agent and/or counterparty.
(2) Represents financial instruments recorded under fair value option at June 30, 2024 and December 31, 2023.
(3) The fair value information presented is as of the date the fair value adjustment was recorded during the period.

Level 3 Disclosures for All Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Table 11.3 presents a rollforward of assets and liabilities measured at fair value on a recurring basis and classified as Level 3 during the three and six months ended June 30, 2024 and 2023.

Table 11.3 - Rollforward of Level 3 Assets and Liabilities

(dollars in millions)

	Three Months Ended June 30,			
	2024		2023	
	State and Local Housing Agency Obligations	Private-Label MBS	State and Local Housing Agency Obligations	Private-Label MBS
Balance, at beginning of period	$ 1,249	$ 1,150	$ 1,142	$ 1,289
Total gains (losses) included in earnings				
Interest income	—	6	—	9
(Provision) reversal for credit losses on available-for-sale securities	—	(4)	—	(2)
Total gains (losses) included in other comprehensive income				
Net unrealized gains (losses) on available-for-sale securities	—	(11)	(1)	(1)
Purchases, issuances, sales, and settlements				
Settlements	(4)	(26)	(3)	(44)
Transfers from held-to-maturity securities to available-for-sale securities	—	—	—	2
Balance, at end of period	**$ 1,245**	**$ 1,115**	**$ 1,138**	**$ 1,253**
Total amount of unrealized gains (losses) for the period included in OCI relating to assets held at the end of the period	$ —	$ (11)	$ (1)	$ (1)
Total amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains/losses relating to assets held at the end of period	$ —	$ 2	$ —	$ 7

	Six Months Ended June 30,			
	2024		2023	
	State and Local Housing Agency Obligations	Private-Label MBS	State and Local Housing Agency Obligations	Private-Label MBS
Balance, at beginning of period	$ 1,250	$ 1,185	$ 1,141	$ 1,325
Total gains (losses) included in earnings				
Interest income	—	6	—	22
(Provision) reversal for credit losses on available-for-sale securities	—	(1)	—	(2)
Total gains (losses) included in other comprehensive income				
Net unrealized gains (losses) on available-for-sale securities	(1)	(16)	—	(14)
Purchases, issuances, sales, and settlements				
Settlements	(4)	(59)	(3)	(80)
Transfers from held-to-maturity securities to available-for-sale securities	—	—	—	2
Balance, at end of period	**$ 1,245**	**$ 1,115**	**$ 1,138**	**$ 1,253**
Total amount of unrealized gains (losses) for the period included in OCI relating to assets held at the end of the period	$ (1)	$ (16)	$ —	$ (14)
Total amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains/losses relating to assets held at the end of period	$ —	$ 5	$ —	$ 20

Fair Value Option

The fair value option provides an irrevocable option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, unrecognized firm commitments, and written loan commitments not previously carried at fair value. It requires entities to display the fair value of those assets and liabilities for which the entity has chosen to use fair value on the face of the statement of condition. Fair value is used for both the initial and subsequent measurement of the designated assets, liabilities and commitments, with the changes in fair value recognized in net income. Interest income and interest expense on advances and consolidated obligations at fair value are recognized solely on the contractual amount of interest due or unpaid. Any transaction fees or costs are immediately recognized into non-interest income or non-interest expense.

The FHLBanks of New York, Cincinnati, Chicago, Des Moines, and San Francisco (Electing FHLBanks) have each elected the fair value option for certain financial instruments when a hedge relationship does not qualify for hedge accounting or may be at risk for not meeting hedge effectiveness requirements. These fair value elections were made primarily in an effort to mitigate the potential income statement volatility that can arise when an economic derivative is adjusted for changes in fair value, but the related hedged item is not.

Table 11.4 presents net gains (losses) recognized in earnings related to financial assets and liabilities for which the fair value option was elected during the three and six months ended June 30, 2024 and 2023.

Table 11.4 - Fair Value Option - Financial Assets and Liabilities

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
Net Gains (Losses) from Changes in Fair Value Recognized in Earnings	**2024**	**2023**	**2024**	**2023**
Advances	$ 6	$ (20)	$ (13)	$ 5
Consolidated discount notes	14	37	50	(54)
Consolidated bonds	(23)	62	(42)	(20)
Total net gains (losses)	**$ (3)**	**$ 79**	**$ (5)**	**$ (69)**

For instruments for which the fair value option has been elected, the related contractual interest income, contractual interest expense, and the discount amortization on fair value option discount notes are recorded as part of net interest income on the Combined Statements of Income. The remaining changes in fair value for instruments for which the fair value option has been elected are recorded as net gains (losses) on financial instruments held under fair value option on the Combined Statements of Income, except for changes in fair value related to instrument specific credit risk, which are recorded in AOCI on the Combined Statements of Condition. Each of the Electing FHLBanks determined that none of the remaining changes in fair value were related to instrument specific credit risk during the three and six months ended June 30, 2024 and 2023. In determining that there has been no change in instrument specific credit risk period to period, the Electing FHLBanks primarily considered the following factors:

- The FHLBanks are federally chartered GSEs, and as a result of this status, the FHLBanks' consolidated obligations have historically received the same credit ratings as the government bond credit rating of the United States, even though they are not obligations of the United States and are not guaranteed by the United States.

- Each FHLBank is jointly and severally liable with the other FHLBanks for the payment of principal and interest on all consolidated obligations of each of the FHLBanks.

Table 11.5 presents the difference between the aggregate fair value and the aggregate unpaid principal balance outstanding for advances, mortgage loans held for sale, and consolidated obligations for which the fair value option has been elected at June 30, 2024 and December 31, 2023.

Table 11.5 - Aggregate Fair Value and Aggregate Unpaid Principal Balance

(dollars in millions)

	June 30, 2024			December 31, 2023		
	Aggregate Fair Value	Aggregate Unpaid Principal Balance	Aggregate Fair Value Over/(Under) Aggregate Unpaid Principal Balance	Aggregate Fair Value	Aggregate Unpaid Principal Balance	Aggregate Fair Value Over/(Under) Aggregate Unpaid Principal Balance
Advances	$ 4,247	$ 4,260	$ (13)	$ 2,247	$ 2,257	$ (10)
Mortgage loans held for sale[1]	23	23	—	15	15	—
Consolidated discount notes	63,408	64,645	(1,237)	65,118	65,950	(832)
Consolidated bonds	7,841	7,916	(75)	26,149	26,114	35

(1) Included in other assets, net on the Combined Statements of Condition.

Note 12 - Commitments and Contingencies

Off-Balance Sheet Commitments

Table 12.1 represents off-balance sheet commitments at June 30, 2024 and December 31, 2023. Each FHLBank has deemed it unnecessary to record any liabilities for credit losses on these commitments at June 30, 2024 and December 31, 2023, based on each FHLBank's credit extension and collateral policies.

Table 12.1 - Off-Balance Sheet Commitments

(dollars in millions)

	June 30, 2024			December 31, 2023
Notional amount	Expire Within One Year	Expire After One Year	Total	Total
Standby letters of credit notional amount[1]	$ 183,609	$ 33,403	$ 217,012	$ 203,279
Unsettled consolidated bonds, principal amount	9,872	—	9,872	1,602
Commitments for standby bond purchases	633	2,699	3,332	3,335
Unused lines of credit - advances	2,469	—	2,469	2,380
Unsettled consolidated discount notes, principal amount	1,457	—	1,457	612
Commitments to fund additional advances	1,277	41	1,318	2,265
Commitments to purchase mortgage loans	878	—	878	560

(1) Excludes unconditional commitments to issue standby letters of credit of $1,254 million and $61 million at June 30, 2024 and December 31, 2023.

Standby Letters of Credit. An FHLBank issues standby letters of credit on behalf of its members to support certain obligations of the members to third-party beneficiaries. These standby letters of credit are generally subject to the same collateralization and borrowing limits that are applicable to advances. Standby letters of credit may be offered to assist members and non-member housing associates in facilitating residential housing finance, community lending, and asset-liability management, and to provide liquidity. In particular, members often use standby letters of credit as collateral for deposits from federal, state, and local government agencies. Standby letters of credit are executed for members for a fee. If an FHLBank is required to make payment for a beneficiary's draw, the member either reimburses the FHLBank for the amount drawn or, subject to the applicable FHLBank's discretion, the amount drawn may be converted into a collateralized advance to the member. However, standby letters of credit usually expire without being drawn upon. At June 30, 2024, the outstanding standby letters of credits issued by the FHLBanks expire no later than 2047. The carrying value of guarantees related to standby letters of credit is recorded in other liabilities and was $134 million and $125 million at June 30, 2024 and December 31, 2023.

Each FHLBank monitors the creditworthiness of its members that have standby letters of credit. In addition, standby letters of credit are subject to the same collateralization and borrowing limits that apply to advances and are fully collateralized at the time of issuance.

Standby Bond-Purchase Agreements. Certain FHLBanks have entered into standby bond-purchase agreements with state housing authorities within their district whereby these FHLBanks agree to provide liquidity for a fee. If required, the affected FHLBanks will purchase and hold the state housing authority's bonds until the designated marketing agent can find a suitable investor or the state housing authority repurchases the bond according to a schedule established by the standby bond-purchase agreement. Each standby bond-purchase agreement dictates the specific terms that would require the affected FHLBank to purchase the bond and typically allows the FHLBank to terminate the agreement upon the occurrence of a default event of the issuer. At June 30, 2024, the outstanding standby bond-purchase commitments entered into by these FHLBanks expire no later than 2029, although some are renewable at the option of the affected FHLBank. At both June 30, 2024 and December 31, 2023, the FHLBanks had standby bond-purchase commitments with 13 state housing authorities. During the six months ended June 30, 2024 and 2023, the FHLBanks were not required to purchase any bonds under these agreements.

Pledged Collateral

Certain FHLBanks pledged securities, as collateral, related to derivatives. (See *Note 6 - Derivatives and Hedging Activities* for additional information about the FHLBanks' pledged collateral and other credit-risk-related contingent features.)

Legal Proceedings

The FHLBanks are subject to legal proceedings arising in the normal course of business. The FHLBanks would record an accrual for a loss contingency when it is probable that a loss has been incurred and the amount can be reasonably estimated. After consultation with legal counsel, management of each FHLBank does not anticipate that the ultimate liability, if any, arising out of these matters will have a material effect on its FHLBank's financial condition, results of operations, or cash flows.

Note 13 - Subsequent Events

Subsequent events have been evaluated from July 1, 2024, through the time of this Combined Financial Report publication and no significant subsequent events were identified. Significant subsequent events do not include the declaration of dividends or repurchase or redemption of excess capital stock, which generally occur in the normal course of business unless there are regulatory or self-imposed restrictions.

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FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CONDITION (unaudited)

JUNE 30, 2024

(dollars in millions, except par value)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Assets							
Cash and due from banks	$ 379	$ 1	$ 50	$ 66	$ 14	$ 35	$ 23
Investments, net	420,374	(11)	22,436	50,335	30,746	51,469	37,866
Advances	780,757	1	42,294	114,363	72,874	94,163	78,834
Mortgage loans held for portfolio, net	65,046	1	3,346	2,227	4,746	96	7,193
Other assets, net	10,366	(3)	643	1,101	953	1,239	617
Total assets	**$ 1,276,922**	**$ (11)**	**$ 68,769**	**$ 168,092**	**$ 109,333**	**$ 147,002**	**$ 124,533**
Liabilities							
Deposits	$ 12,827	$ (10)	$ 891	$ 2,215	$ 745	$ 2,008	$ 1,170
Consolidated obligations							
Discount notes	316,228	(1)	21,041	60,758	8,605	15,632	21,576
Bonds	862,326	(3)	42,651	95,174	93,294	120,010	94,023
Total consolidated obligations	**1,178,554**	**(4)**	**63,692**	**155,932**	**101,899**	**135,642**	**115,599**
Mandatorily redeemable capital stock	1,079	1	5	6	28	—	15
Other liabilities	11,166	2	499	1,189	1,050	1,135	1,250
Total liabilities	**1,203,626**	**(11)**	**65,087**	**159,342**	**103,722**	**138,785**	**118,034**
Capital							
Capital stock							
Class B putable ($100 par value) issued and outstanding	43,690	1	2,094	6,402	3,670	5,547	4,791
Class A putable ($100 par value) issued and outstanding	319	—	—	—	—	—	—
Total capital stock	**44,009**	**1**	**2,094**	**6,402**	**3,670**	**5,547**	**4,791**
Retained earnings							
Unrestricted	21,208	1	1,375	1,309	1,301	1,815	981
Restricted	8,172	(2)	481	1,142	676	855	752
Total retained earnings	**29,380**	**(1)**	**1,856**	**2,451**	**1,977**	**2,670**	**1,733**
Accumulated other comprehensive income (loss)	(93)	—	(268)	(103)	(36)	—	(25)
Total capital	**73,296**	**—**	**3,682**	**8,750**	**5,611**	**8,217**	**6,499**
Total liabilities and capital	**$ 1,276,922**	**$ (11)**	**$ 68,769**	**$ 168,092**	**$ 109,333**	**$ 147,002**	**$ 124,533**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CONDITION (unaudited, continued)

JUNE 30, 2024

(dollars in millions, except par value)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Assets						
Cash and due from banks	$ 56	$ 25	$ 35	$ 41	$ 27	$ 6
Investments, net	32,401	48,176	47,415	45,043	24,115	30,383
Advances	36,556	60,708	104,784	75,225	46,220	54,735
Mortgage loans held for portfolio, net	9,393	12,381	10,810	5,409	8,720	724
Other assets, net	839	1,530	1,777	514	673	483
Total assets	**$ 79,245**	**$ 122,820**	**$ 164,821**	**$ 126,232**	**$ 79,755**	**$ 86,331**
Liabilities						
Deposits	$ 782	$ 802	$ 1,234	$ 1,420	$ 816	$ 754
Consolidated obligations						
Discount notes	22,443	42,852	63,786	19,010	18,210	22,316
Bonds	50,747	69,493	89,045	96,907	56,060	54,925
Total consolidated obligations	**73,190**	**112,345**	**152,831**	**115,917**	**74,270**	**77,241**
Mandatorily redeemable capital stock	363	83	10	—	3	565
Other liabilities	923	1,086	1,183	1,448	531	870
Total liabilities	**75,258**	**114,316**	**155,258**	**118,785**	**75,620**	**79,430**
Capital						
Capital stock						
Class B putable ($100 par value) issued and outstanding	2,346	3,206	6,185	4,582	2,417	2,449
Class A putable ($100 par value) issued and outstanding	—	—	—	—	319	—
Total capital stock	**2,346**	**3,206**	**6,185**	**4,582**	**2,736**	**2,449**
Retained earnings						
Unrestricted	1,189	4,187	2,363	2,050	1,056	3,581
Restricted	435	986	996	579	457	815
Total retained earnings	**1,624**	**5,173**	**3,359**	**2,629**	**1,513**	**4,396**
Accumulated other comprehensive income (loss)	17	125	19	236	(114)	56
Total capital	**3,987**	**8,504**	**9,563**	**7,447**	**4,135**	**6,901**
Total liabilities and capital	**$ 79,245**	**$ 122,820**	**$ 164,821**	**$ 126,232**	**$ 79,755**	**$ 86,331**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CONDITION

DECEMBER 31, 2023

(dollars in millions, except par value)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Assets							
Cash and due from banks	$ 481	$ —	$ 53	$ 48	$ 12	$ 142	$ 21
Investments, net	407,902	(12)	21,168	46,267	28,004	54,207	42,641
Advances	809,571	(1)	41,959	108,890	78,432	96,608	73,553
Mortgage loans held for portfolio, net	61,335	(1)	3,059	2,180	4,698	103	7,109
Other assets, net	10,124	—	903	948	1,002	1,310	672
Total assets	**$ 1,289,413**	**$ (14)**	**$ 67,142**	**$ 158,333**	**$ 112,148**	**$ 152,370**	**$ 123,996**
Liabilities							
Deposits	$ 13,150	$ (11)	$ 923	$ 3,482	$ 636	$ 1,568	$ 1,114
Consolidated obligations							
Discount notes	287,050	—	22,000	47,907	13,684	25,972	23,691
Bonds	904,636	(1)	40,249	97,569	90,801	115,600	91,756
Total consolidated obligations	**1,191,686**	**(1)**	**62,249**	**145,476**	**104,485**	**141,572**	**115,447**
Mandatorily redeemable capital stock	1,230	1	6	7	28	—	17
Other liabilities	11,811	(1)	426	1,123	1,320	1,114	991
Total liabilities	**1,217,877**	**(12)**	**63,604**	**150,088**	**106,469**	**144,254**	**117,569**
Capital							
Capital stock							
Class B putable ($100 par value) issued and outstanding	44,407	—	2,042	6,050	3,921	5,597	4,846
Class A putable ($100 par value) issued and outstanding	279	—	—	—	—	—	—
Total capital stock	**44,686**	**—**	**2,042**	**6,050**	**3,921**	**5,597**	**4,846**
Retained earnings							
Unrestricted	20,348	(1)	1,339	1,277	1,216	1,743	964
Restricted	7,546	(1)	451	1,061	615	781	694
Total retained earnings	**27,894**	**(2)**	**1,790**	**2,338**	**1,831**	**2,524**	**1,658**
Accumulated other comprehensive income (loss)	(1,044)	—	(294)	(143)	(73)	(5)	(77)
Total capital	**71,536**	**(2)**	**3,538**	**8,245**	**5,679**	**8,116**	**6,427**
Total liabilities and capital	**$ 1,289,413**	**$ (14)**	**$ 67,142**	**$ 158,333**	**$ 112,148**	**$ 152,370**	**$ 123,996**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CONDITION (continued)

DECEMBER 31, 2023

(dollars in millions, except par value)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Assets						
Cash and due from banks	$ 59	$ 34	$ 31	$ 50	$ 26	$ 5
Investments, net	31,544	40,843	49,828	42,631	20,487	30,294
Advances	35,562	65,306	122,530	79,952	45,445	61,335
Mortgage loans held for portfolio, net	8,614	11,410	9,967	5,089	8,353	754
Other assets, net	829	791	2,050	543	636	440
Total assets	**$ 76,608**	**$ 118,384**	**$ 184,406**	**$ 128,265**	**$ 74,947**	**$ 92,828**
Liabilities						
Deposits	$ 629	$ 628	$ 1,039	$ 1,428	$ 752	$ 962
Consolidated obligations						
Discount notes	22,622	28,109	54,537	8,598	20,743	19,187
Bonds	48,432	80,389	116,961	109,536	49,047	64,297
Total consolidated obligations	**71,054**	**108,498**	**171,498**	**118,134**	**69,790**	**83,484**
Mandatorily redeemable capital stock	369	83	12	1	—	706
Other liabilities	813	1,035	2,026	1,443	513	1,008
Total liabilities	**72,865**	**110,244**	**174,575**	**121,006**	**71,055**	**86,160**
Capital						
Capital stock						
Class B putable ($100 par value) issued and outstanding	2,285	3,277	6,873	4,737	2,329	2,450
Class A putable ($100 par value) issued and outstanding	—	—	—	—	279	—
Total capital stock	**2,285**	**3,277**	**6,873**	**4,737**	**2,608**	**2,450**
Retained earnings						
Unrestricted	1,134	4,061	2,242	1,908	990	3,475
Restricted	398	918	896	505	413	815
Total retained earnings	**1,532**	**4,979**	**3,138**	**2,413**	**1,403**	**4,290**
Accumulated other comprehensive income (loss)	(74)	(116)	(180)	109	(119)	(72)
Total capital	**3,743**	**8,140**	**9,831**	**7,259**	**3,892**	**6,668**
Total liabilities and capital	**$ 76,608**	**$ 118,384**	**$ 184,406**	**$ 128,265**	**$ 74,947**	**$ 92,828**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF INCOME (unaudited)

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
June 30, 2024							
Interest income							
Advances	$ 11,305	$ 1	$ 553	$ 1,591	$ 1,023	$ 1,509	$ 1,080
Investments	5,964	3	349	674	451	735	534
Mortgage loans held for portfolio	599	—	31	20	41	1	59
Other interest income	1	(1)	—	—	—	—	—
Total interest income	**17,869**	**3**	**933**	**2,285**	**1,515**	**2,245**	**1,673**
Interest expense							
Consolidated obligations - Discount notes	4,093	—	280	768	152	297	275
Consolidated obligations - Bonds	11,375	2	535	1,235	1,157	1,681	1,183
Other interest expense	219	(2)	10	33	9	26	14
Total interest expense	**15,687**	**—**	**825**	**2,036**	**1,318**	**2,004**	**1,472**
Net interest income	**2,182**	**3**	**108**	**249**	**197**	**241**	**201**
Provision (reversal) for credit losses	3	2	(1)	(1)	1	—	—
Net interest income after provision (reversal) for credit losses	**2,179**	**1**	**109**	**250**	**196**	**241**	**201**
Non-interest income (loss)	82	(9)	3	17	10	5	5
Non-interest expense	502	(8)	34	65	40	50	47
Affordable Housing Program assessments	179	—	8	20	17	19	15
Net income	**$ 1,580**	**$ —**	**$ 70**	**$ 182**	**$ 149**	**$ 177**	**$ 144**
June 30, 2023							
Interest income							
Advances	$ 13,663	$ (1)	$ 600	$ 1,653	$ 1,160	$ 2,038	$ 1,441
Investments	6,034	2	315	682	361	701	621
Mortgage loans held for portfolio	453	1	22	17	35	1	52
Other interest income	1	**(3)**	—	—	—	—	1
Total interest income	**20,151**	**(1)**	**937**	**2,352**	**1,556**	**2,740**	**2,115**
Interest expense							
Consolidated obligations - Discount notes	5,679	(2)	325	751	334	523	768
Consolidated obligations - Bonds	11,926	(1)	494	1,293	1,014	1,959	1,087
Other interest expense	174	(4)	8	33	8	24	13
Total interest expense	**17,779**	**(7)**	**827**	**2,077**	**1,356**	**2,506**	**1,868**
Net interest income	**2,372**	**6**	**110**	**275**	**200**	**234**	**247**
Provision (reversal) for credit losses	8	1	—	2	1	—	—
Net interest income after provision (reversal) for credit losses	**2,364**	**5**	**110**	**273**	**199**	**234**	**247**
Non-interest income (loss)	106	(10)	4	18	23	5	37
Non-interest expense	426	(7)	26	52	27	46	42
Affordable Housing Program assessments	205	—	9	24	19	19	24
Net income	**$ 1,839**	**$ 2**	**$ 79**	**$ 215**	**$ 176**	**$ 174**	**$ 218**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES
STATEMENTS OF INCOME (unaudited, continued)

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
June 30, 2024						
Interest income						
Advances	$ 508	$ 998	$ 1,534	$ 1,143	$ 634	$ 731
Investments	442	643	753	590	339	451
Mortgage loans held for portfolio	84	115	108	56	79	5
Other interest income	—	2	—	—	—	—
Total interest income	**1,034**	**1,758**	**2,395**	**1,789**	**1,052**	**1,187**
Interest expense						
Consolidated obligations - Discount notes	249	541	879	201	233	218
Consolidated obligations - Bonds	644	963	1,183	1,337	669	786
Other interest expense	17	18	14	22	11	47
Total interest expense	**910**	**1,522**	**2,076**	**1,560**	**913**	**1,051**
Net interest income	**124**	**236**	**319**	**229**	**139**	**136**
Provision (reversal) for credit losses	—	1	(1)	—	(1)	3
Net interest income after provision (reversal) for credit losses	**124**	**235**	**320**	**229**	**140**	**133**
Non-interest income (loss)	8	17	(9)	15	8	12
Non-interest expense	32	76	55	36	28	47
Affordable Housing Program assessments	11	18	26	21	12	12
Net income	**$ 89**	**$ 158**	**$ 230**	**$ 187**	**$ 108**	**$ 86**
June 30, 2023						
Interest income						
Advances	$ 492	$ 1,173	$ 1,608	$ 1,732	$ 613	$ 1,154
Investments	398	646	757	710	280	561
Mortgage loans held for portfolio	59	82	74	42	63	5
Other interest income	—	2	1	—	—	—
Total interest income	**949**	**1,903**	**2,440**	**2,484**	**956**	**1,720**
Interest expense						
Consolidated obligations - Discount notes	269	614	727	685	288	397
Consolidated obligations - Bonds	543	1,016	1,364	1,492	540	1,125
Other interest expense	14	19	12	20	8	19
Total interest expense	**826**	**1,649**	**2,103**	**2,197**	**836**	**1,541**
Net interest income	**123**	**254**	**337**	**287**	**120**	**179**
Provision (reversal) for credit losses	—	—	1	2	—	1
Net interest income after provision (reversal) for credit losses	**123**	**254**	**336**	**285**	**120**	**178**
Non-interest income (loss)	9	—	(17)	14	19	4
Non-interest expense	31	67	41	32	21	48
Affordable Housing Program assessments	10	20	28	27	12	13
Net income	**$ 91**	**$ 167**	**$ 250**	**$ 240**	**$ 106**	**$ 121**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES
STATEMENTS OF INCOME (unaudited)

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
June 30, 2024							
Interest income							
Advances	$ 22,762	$ 1	$ 1,081	$ 3,199	$ 2,088	$ 2,975	$ 2,137
Investments	11,985	3	683	1,361	884	1,460	1,088
Mortgage loans held for portfolio	1,165	—	60	39	82	2	117
Other interest income	1	(1)	—	—	—	—	—
Total interest income	**35,913**	**3**	**1,824**	**4,599**	**3,054**	**4,437**	**3,342**
Interest expense							
Consolidated obligations - Discount notes	7,961	—	545	1,535	323	591	535
Consolidated obligations - Bonds	23,097	1	1,042	2,484	2,320	3,301	2,376
Other interest expense	416	(1)	19	68	19	50	29
Total interest expense	**31,474**	**—**	**1,606**	**4,087**	**2,662**	**3,942**	**2,940**
Net interest income	**4,439**	**3**	**218**	**512**	**392**	**495**	**402**
Provision (reversal) for credit losses	(2)	1	—	(1)	2	—	—
Net interest income after provision (reversal) for credit losses	**4,441**	**2**	**218**	**513**	**390**	**495**	**402**
Non-interest income (loss)	237	(19)	6	53	25	11	12
Non-interest expense	959	(15)	59	119	78	94	92
Affordable Housing Program assessments	378	(1)	17	45	34	41	32
Net income	**$ 3,341**	**$ (1)**	**$ 148**	**$ 402**	**$ 303**	**$ 371**	**$ 290**
June 30, 2023							
Interest income							
Advances	$ 24,471	$ (1)	$ 1,102	$ 3,058	$ 2,050	$ 3,545	$ 2,338
Investments	10,674	—	595	1,142	674	1,266	1,052
Mortgage loans held for portfolio	894	(1)	43	34	71	3	105
Other interest income	1	(4)	—	—	—	—	1
Total interest income	**36,040**	**(6)**	**1,740**	**4,234**	**2,795**	**4,814**	**3,496**
Interest expense							
Consolidated obligations - Discount notes	10,983	(4)	662	1,332	723	1,039	1,316
Consolidated obligations - Bonds	20,357	(1)	872	2,350	1,699	3,319	1,728
Other interest expense	309	(5)	14	47	15	48	25
Total interest expense	**31,649**	**(10)**	**1,548**	**3,729**	**2,437**	**4,406**	**3,069**
Net interest income	**4,391**	**4**	**192**	**505**	**358**	**408**	**427**
Provision (reversal) for credit losses	8	1	—	2	2	—	—
Net interest income after provision (reversal) for credit losses	**4,383**	**3**	**192**	**503**	**356**	**408**	**427**
Non-interest income (loss)	174	(15)	8	59	30	4	26
Non-interest expense	834	(15)	49	102	54	82	70
Affordable Housing Program assessments	374	1	15	46	33	33	38
Net income	**$ 3,349**	**$ 2**	**$ 136**	**$ 414**	**$ 299**	**$ 297**	**$ 345**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES
STATEMENTS OF INCOME (unaudited, continued)

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
June 30, 2024						
Interest income						
Advances	$ 1,023	$ 2,016	$ 3,232	$ 2,294	$ 1,226	$ 1,490
Investments	865	1,293	1,593	1,173	670	912
Mortgage loans held for portfolio	162	222	209	108	153	11
Other interest income	—	2	—	—	—	—
Total interest income	**2,050**	**3,533**	**5,034**	**3,575**	**2,049**	**2,413**
Interest expense						
Consolidated obligations - Discount notes	499	1,032	1,725	304	461	411
Consolidated obligations - Bonds	1,265	1,987	2,612	2,780	1,293	1,636
Other interest expense	32	31	29	39	21	80
Total interest expense	**1,796**	**3,050**	**4,366**	**3,123**	**1,775**	**2,127**
Net interest income	**254**	**483**	**668**	**452**	**274**	**286**
Provision (reversal) for credit losses	—	1	(2)	(1)	(1)	(1)
Net interest income after provision (reversal) for credit losses	**254**	**482**	**670**	**453**	**275**	**287**
Non-interest income (loss)	17	41	(5)	25	23	48
Non-interest expense	65	145	105	69	51	97
Affordable Housing Program assessments	22	38	56	41	25	28
Net income	**$ 184**	**$ 340**	**$ 504**	**$ 368**	**$ 222**	**$ 210**
June 30, 2023						
Interest income						
Advances	$ 926	$ 2,112	$ 3,002	$ 2,872	$ 1,150	$ 2,317
Investments	725	1,209	1,304	1,140	520	1,047
Mortgage loans held for portfolio	117	162	143	81	124	12
Other interest income	—	2	1	—	1	—
Total interest income	**1,768**	**3,485**	**4,450**	**4,093**	**1,795**	**3,376**
Interest expense						
Consolidated obligations - Discount notes	526	1,287	1,462	1,256	552	832
Consolidated obligations - Bonds	990	1,688	2,347	2,318	1,002	2,045
Other interest expense	25	34	22	35	16	33
Total interest expense	**1,541**	**3,009**	**3,831**	**3,609**	**1,570**	**2,910**
Net interest income	**227**	**476**	**619**	**484**	**225**	**466**
Provision (reversal) for credit losses	—	—	1	2	—	—
Net interest income after provision (reversal) for credit losses	**227**	**476**	**618**	**482**	**225**	**466**
Non-interest income (loss)	39	(4)	(32)	51	30	(22)
Non-interest expense	62	126	96	72	43	93
Affordable Housing Program assessments	21	36	49	46	21	35
Net income	**$ 183**	**$ 310**	**$ 441**	**$ 415**	**$ 191**	**$ 316**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
June 30, 2024							
Net income	**$ 1,580**	**$ —**	**$ 70**	**$ 182**	**$ 149**	**$ 177**	**$ 144**
Other comprehensive income							
Net unrealized gains (losses) on available-for-sale securities	(8)	—	(31)	(12)	(14)	(3)	(2)
Net unrealized gains (losses) relating to hedging activities	(4)	1	5	(3)	—	—	—
Pension and postretirement benefits	(5)	(1)	—	—	(2)	—	—
Total other comprehensive income (loss)	**(17)**	**—**	**(26)**	**(15)**	**(16)**	**(3)**	**(2)**
Comprehensive income (loss)	**$ 1,563**	**$ —**	**$ 44**	**$ 167**	**$ 133**	**$ 174**	**$ 142**
June 30, 2023							
Net income	**$ 1,839**	**$ 2**	**$ 79**	**$ 215**	**$ 176**	**$ 174**	**$ 218**
Other comprehensive income							
Net unrealized gains (losses) on available-for-sale securities	538	2	(1)	25	5	15	18
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	3	—	—	—	—	—	—
Net unrealized gains (losses) relating to hedging activities	77	—	15	31	—	—	—
Pension and postretirement benefits	—	—	—	—	—	—	—
Total other comprehensive income (loss)	**618**	**2**	**14**	**56**	**5**	**15**	**18**
Comprehensive income (loss)	**$ 2,457**	**$ 4**	**$ 93**	**$ 271**	**$ 181**	**$ 189**	**$ 236**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF COMPREHENSIVE INCOME (unaudited, continued)

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
June 30, 2024						
Net income	**$ 89**	**$ 158**	**$ 230**	**$ 187**	**$ 108**	**$ 86**
Other comprehensive income						
Net unrealized gains (losses) on available-for-sale securities	(9)	25	28	—	(19)	29
Net unrealized gains (losses) relating to hedging activities	—	(5)	—	(2)	—	—
Pension and postretirement benefits	(2)	—	—	—	—	—
Total other comprehensive income (loss)	**(11)**	**20**	**28**	**(2)**	**(19)**	**29**
Comprehensive income (loss)	**$ 78**	**$ 178**	**$ 258**	**$ 185**	**$ 89**	**$ 115**
June 30, 2023						
Net income	**$ 91**	**$ 167**	**$ 250**	**$ 240**	**$ 106**	**$ 121**
Other comprehensive income						
Net unrealized gains (losses) on available-for-sale securities	62	182	77	113	(2)	42
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	—	—	—	3	—	—
Net unrealized gains (losses) relating to hedging activities	—	11	—	20	—	—
Pension and postretirement benefits	1	—	(1)	—	—	—
Total other comprehensive income (loss)	**63**	**193**	**76**	**136**	**(2)**	**42**
Comprehensive income (loss)	**$ 154**	**$ 360**	**$ 326**	**$ 376**	**$ 104**	**$ 163**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
June 30, 2024							
Net income	**$ 3,341**	**$ (1)**	**$ 148**	**$ 402**	**$ 303**	**$ 371**	**$ 290**
Other comprehensive income							
Net unrealized gains (losses) on available-for-sale securities	906	—	2	25	39	5	52
Net unrealized gains (losses) relating to hedging activities	50	(1)	24	15	—	—	—
Pension and postretirement benefits	(5)	1	—	—	(2)	—	—
Total other comprehensive income (loss)	**951**	**—**	**26**	**40**	**37**	**5**	**52**
Comprehensive income (loss)	**$ 4,292**	**$ (1)**	**$ 174**	**$ 442**	**$ 340**	**$ 376**	**$ 342**
June 30, 2023							
Net income	**$ 3,349**	**$ 2**	**$ 136**	**$ 414**	**$ 299**	**$ 297**	**$ 345**
Other comprehensive income							
Net unrealized gains (losses) on available-for-sale securities	165	—	10	6	16	32	16
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	3	—	—	—	—	—	—
Net unrealized gains (losses) relating to hedging activities	5	1	4	4	—	—	—
Pension and postretirement benefits	23	—	—	—	—	—	—
Total other comprehensive income (loss)	**196**	**1**	**14**	**10**	**16**	**32**	**16**
Comprehensive income (loss)	**$ 3,545**	**$ 3**	**$ 150**	**$ 424**	**$ 315**	**$ 329**	**$ 361**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF COMPREHENSIVE INCOME (unaudited, continued)

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
June 30, 2024						
Net income	**$ 184**	**$ 340**	**$ 504**	**$ 368**	**$ 222**	**$ 210**
Other comprehensive income						
Net unrealized gains (losses) on available-for-sale securities	93	241	199	117	5	128
Net unrealized gains (losses) relating to hedging activities	—	2	—	10	—	—
Pension and postretirement benefits	(2)	(2)	—	—	—	—
Total other comprehensive income (loss)	**91**	**241**	**199**	**127**	**5**	**128**
Comprehensive income (loss)	**$ 275**	**$ 581**	**$ 703**	**$ 495**	**$ 227**	**$ 338**
June 30, 2023						
Net income	**$ 183**	**$ 310**	**$ 441**	**$ 415**	**$ 191**	**$ 316**
Other comprehensive income						
Net unrealized gains (losses) on available-for-sale securities	14	20	10	31	—	10
Net non-credit portion of other-than-temporary impairment gains (losses) on held-to-maturity securities	—	—	—	3	—	—
Net unrealized gains (losses) relating to hedging activities	—	(6)	—	2	—	—
Pension and postretirement benefits	2	21	—	—	—	—
Total other comprehensive income (loss)	**16**	**35**	**10**	**36**	**—**	**10**
Comprehensive income (loss)	**$ 199**	**$ 345**	**$ 451**	**$ 451**	**$ 191**	**$ 326**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CAPITAL (unaudited)

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Balance, March 31, 2024	**$ 71,813**	**$ (3)**	**$ 3,568**	**$ 8,313**	**$ 5,539**	**$ 8,248**	**$ 6,350**
Comprehensive income (loss)	1,563	—	44	167	133	174	142
Proceeds from issuance of capital stock	11,746	—	784	1,397	947	2,507	751
Repurchases/redemptions of capital stock	(10,942)	1	(673)	(981)	(924)	(2,604)	(632)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(92)	—	—	—	(6)	—	(7)
Dividends of capital stock	128	(1)	—	—	—	—	—
Dividends							
Cash	(792)	2	(41)	(146)	(78)	(108)	(105)
Stock	(128)	1	—	—	—	—	—
Balance, June 30, 2024	**$ 73,296**	**$ —**	**$ 3,682**	**$ 8,750**	**$ 5,611**	**$ 8,217**	**$ 6,499**
Balance, March 31, 2023	**$ 77,575**	**$ (1)**	**$ 3,815**	**$ 8,867**	**$ 5,795**	**$ 10,063**	**$ 8,007**
Comprehensive income (loss)	2,457	4	93	271	181	189	236
Proceeds from issuance of capital stock	12,613	(1)	1,082	2,009	1,246	2,077	522
Repurchases/redemptions of capital stock	(16,869)	(1)	(1,481)	(2,504)	(1,510)	(4,285)	(966)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(1,658)	—	—	(3)	(2)	—	(312)
Dividends of capital stock	122	—	—	—	—	—	—
Dividends							
Cash	(678)	1	(39)	(122)	(70)	(99)	(90)
Stock	(122)	—	—	—	—	—	—
Balance, June 30, 2023	**$ 73,440**	**$ 2**	**$ 3,470**	**$ 8,518**	**$ 5,640**	**$ 7,945**	**$ 7,397**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CAPITAL (unaudited, continued)

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Balance, March 31, 2024	**$ 3,968**	**$ 8,356**	**$ 9,709**	**$ 7,119**	**$ 3,866**	**$ 6,780**
Comprehensive income (loss)	78	178	258	185	89	115
Proceeds from issuance of capital stock	70	651	2,568	1,053	511	507
Repurchases/redemptions of capital stock	(81)	(611)	(2,825)	(909)	(253)	(450)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	(1)	(78)	—
Dividends of capital stock	—	—	—	71	58	—
Dividends						
Cash	(48)	(70)	(147)	—	—	(51)
Stock	—	—	—	(71)	(58)	—
Balance, June 30, 2024	**$ 3,987**	**$ 8,504**	**$ 9,563**	**$ 7,447**	**$ 4,135**	**$ 6,901**
Balance, March 31, 2023	**$ 3,571**	**$ 7,958**	**$ 9,122**	**$ 8,440**	**$ 3,866**	**$ 8,072**
Comprehensive income (loss)	154	360	326	376	104	163
Proceeds from issuance of capital stock	89	915	2,709	1,008	640	317
Repurchases/redemptions of capital stock	—	(924)	(2,852)	(1,247)	(431)	(668)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	(2)	(283)	(1,056)
Dividends of capital stock	—	—	—	66	56	—
Dividends						
Cash	(30)	(55)	(109)	—	—	(65)
Stock	—	—	—	(66)	(56)	—
Balance, June 30, 2023	**$ 3,784**	**$ 8,254**	**$ 9,196**	**$ 8,575**	**$ 3,896**	**$ 6,763**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CAPITAL (unaudited)

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Balance, December 31, 2023	**$ 71,536**	**$ (2)**	**$ 3,538**	**$ 8,245**	**$ 5,679**	**$ 8,116**	**$ 6,427**
Comprehensive income (loss)	4,292	(1)	174	442	340	376	342
Proceeds from issuance of capital stock	21,007	—	1,403	2,700	1,730	4,567	1,084
Repurchases/redemptions of capital stock	(21,665)	2	(1,351)	(2,348)	(1,975)	(4,617)	(1,132)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(282)	—	—	—	(6)	—	(7)
Dividends of capital stock	263	(1)	—	—	—	—	—
Dividends							
Cash	(1,592)	1	(82)	(289)	(157)	(225)	(215)
Stock	(263)	1	—	—	—	—	—
Balance, June 30, 2024	**$ 73,296**	**$ —**	**$ 3,682**	**$ 8,750**	**$ 5,611**	**$ 8,217**	**$ 6,499**
Balance, December 31, 2022	**$ 67,807**	**$ (2)**	**$ 3,415**	**$ 8,347**	**$ 4,897**	**$ 7,646**	**$ 6,502**
Comprehensive income (loss)	3,545	3	150	424	315	329	361
Proceeds from issuance of capital stock	41,557	(2)	2,763	6,631	3,356	7,680	3,630
Repurchases/redemptions of capital stock	(36,134)	1	(2,788)	(6,652)	(2,791)	(7,531)	(2,619)
Net stock reclassified (to)/from mandatorily redeemable capital stock	(2,076)	(1)	—	(4)	(8)	(2)	(313)
Dividends of capital stock	217	—	—	—	—	—	—
Dividends							
Cash	(1,259)	3	(70)	(228)	(129)	(177)	(164)
Stock	(217)	—	—	—	—	—	—
Balance, June 30, 2023	**$ 73,440**	**$ 2**	**$ 3,470**	**$ 8,518**	**$ 5,640**	**$ 7,945**	**$ 7,397**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CAPITAL (unaudited, continued)

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Balance, December 31, 2023	**$ 3,743**	**$ 8,140**	**$ 9,831**	**$ 7,259**	**$ 3,892**	**$ 6,668**
Comprehensive income (loss)	275	581	703	495	227	338
Proceeds from issuance of capital stock	142	1,320	4,465	1,581	1,026	989
Repurchases/redemptions of capital stock	(81)	(1,391)	(5,153)	(1,887)	(778)	(954)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	—	—	(1)	(232)	(36)
Dividends of capital stock	—	—	—	152	112	—
Dividends						
Cash	(92)	(146)	(283)	—	—	(104)
Stock	—	—	—	(152)	(112)	—
Balance, June 30, 2024	**$ 3,987**	**$ 8,504**	**$ 9,563**	**$ 7,447**	**$ 4,135**	**$ 6,901**
Balance, December 31, 2022	**$ 3,384**	**$ 7,465**	**$ 8,751**	**$ 6,001**	**$ 3,678**	**$ 7,723**
Comprehensive income (loss)	199	345	451	451	191	326
Proceeds from issuance of capital stock	258	2,251	6,343	4,462	1,663	2,522
Repurchases/redemptions of capital stock	—	(1,703)	(6,144)	(2,337)	(1,141)	(2,429)
Net stock reclassified (to)/from mandatorily redeemable capital stock	—	(1)	—	(2)	(494)	(1,251)
Dividends of capital stock	—	—	—	109	108	—
Dividends						
Cash	(57)	(103)	(205)	—	(1)	(128)
Stock	—	—	—	(109)	(108)	—
Balance, June 30, 2023	**$ 3,784**	**$ 8,254**	**$ 9,196**	**$ 8,575**	**$ 3,896**	**$ 6,763**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CASH FLOWS (unaudited)

SIX MONTHS ENDED JUNE 30, 2024

(dollars in millions)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Operating activities							
Net cash provided by (used in) operating activities	**$ 7,081**	**$ 3**	**$ 321**	**$ 981**	**$ 517**	**$ 503**	**$ 832**
Investing activities							
Net change/net proceeds and payments in							
Investments	(13,883)	(2)	(960)	(4,289)	(3,047)	2,996	4,793
Advances	26,601	(1)	(418)	(5,628)	5,495	2,200	(5,591)
Mortgage loans held for portfolio	(3,761)	(1)	(289)	(49)	(52)	7	(93)
Other investing activities	(44)	1	(1)	(7)	(9)	(4)	(4)
Net cash provided by (used in) investing activities	**8,913**	**(3)**	**(1,668)**	**(9,973)**	**2,387**	**5,199**	**(895)**
Financing activities							
Net change in deposits and pass-through reserves, and other financing activities	(215)	—	(27)	(1,267)	104	428	(19)
Net proceeds (payments) on derivative contracts with financing element	90	—	22	—	—	—	—
Net proceeds from issuance of consolidated obligations							
Discount notes	2,849,867	(2)	53,768	506,640	179,385	78,428	48,555
Bonds	446,343	—	15,166	41,912	56,394	85,351	59,506
Consolidated obligation discount notes transferred from other FHLBanks	—	(12)	6	—	—	6	—
Payments for maturing and retiring consolidated obligations							
Discount notes	(2,820,544)	(1)	(54,758)	(493,955)	(184,420)	(88,594)	(50,613)
Bonds	(488,954)	1	(12,797)	(44,382)	(53,953)	(81,151)	(57,091)
Consolidated obligation discount notes transferred to other FHLBanks	—	12	(5)	—	(4)	(2)	(1)
Proceeds from issuance of capital stock	21,007	—	1,403	2,700	1,730	4,567	1,084
Payments for repurchases/ redemptions of capital stock	(21,665)	2	(1,351)	(2,348)	(1,975)	(4,617)	(1,132)
Payments for repurchases/ redemptions of mandatorily redeemable capital stock	(433)	—	(1)	(1)	(6)	—	(9)
Cash dividends paid	(1,592)	1	(82)	(289)	(157)	(225)	(215)
Net cash provided by (used in) financing activities	**(16,096)**	**1**	**1,344**	**9,010**	**(2,902)**	**(5,809)**	**65**
Net increase (decrease) in cash and due from banks	(102)	1	(3)	18	2	(107)	2
Cash and due from banks at beginning of the period	481	—	53	48	12	142	21
Cash and due from banks at end of the period	**$ 379**	**$ 1**	**$ 50**	**$ 66**	**$ 14**	**$ 35**	**$ 23**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CASH FLOWS (unaudited, continued)

SIX MONTHS ENDED JUNE 30, 2024

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Operating activities						
Net cash provided by (used in) operating activities	**$ 552**	**$ 1,011**	**$ 1,241**	**$ 552**	**$ 181**	**$ 387**
Investing activities						
Net change/net proceeds and payments in						
Investments	(867)	(8,228)	1,718	(2,132)	(3,602)	(263)
Advances	(1,172)	4,315	17,370	4,386	(873)	6,518
Mortgage loans held for portfolio	(784)	(984)	(848)	(324)	(372)	28
Other investing activities	(4)	(8)	(5)	(2)	(1)	—
Net cash provided by (used in) investing activities	**(2,827)**	**(4,905)**	**18,235**	**1,928**	**(4,848)**	**6,283**
Financing activities						
Net change in deposits and pass-through reserves, and other financing activities	229	174	204	21	98	(160)
Net proceeds (payments) on derivative contracts with financing element	5	1	—	38	13	11
Net proceeds from issuance of consolidated obligations						
Discount notes	401,335	347,286	874,751	43,469	276,215	40,037
Bonds	17,523	21,411	22,083	64,765	35,852	26,380
Consolidated obligation discount notes transferred from other FHLBanks	—	—	—	—	—	—
Payments for maturing and retiring consolidated obligations						
Discount notes	(401,506)	(332,497)	(865,639)	(33,030)	(278,654)	(36,877)
Bonds	(15,277)	(32,273)	(49,898)	(77,444)	(28,875)	(35,814)
Consolidated obligation discount notes transferred to other FHLBanks	—	—	—	—	—	—
Proceeds from issuance of capital stock	142	1,320	4,465	1,581	1,026	989
Payments for repurchases/ redemptions of capital stock	(81)	(1,391)	(5,153)	(1,887)	(778)	(954)
Payments for repurchases/ redemptions of mandatorily redeemable capital stock	(6)	—	(2)	(2)	(229)	(177)
Cash dividends paid	(92)	(146)	(283)	—	—	(104)
Net cash provided by (used in) financing activities	**2,272**	**3,885**	**(19,472)**	**(2,489)**	**4,668**	**(6,669)**
Net increase (decrease) in cash and due from banks	(3)	(9)	4	(9)	1	1
Cash and due from banks at beginning of the period	59	34	31	50	26	5
Cash and due from banks at end of the period	**$ 56**	**$ 25**	**$ 35**	**$ 41**	**$ 27**	**$ 6**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CASH FLOWS (unaudited)

SIX MONTHS ENDED JUNE 30, 2023

(dollars in millions)	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Operating activities							
Net cash provided by (used in) operating activities	**$ 7,659**	**$ 2**	**$ 268**	**$ 468**	**$ 479**	**$ 581**	**$ 726**
Investing activities							
Net change/net proceeds and payments in							
Loans to FHLBanks	—	450	(200)	—	—	—	—
Investments	(102,900)	(108)	(1,045)	(20,179)	(840)	(17,445)	(22,312)
Advances	(64,168)	—	1,334	6,739	(11,807)	(2,850)	(19,974)
Mortgage loans held for portfolio	(1,615)	(2)	(52)	(36)	4	9	157
Other investing activities	(38)	—	(4)	(5)	(1)	(5)	(3)
Net cash provided by (used in) investing activities	**(168,721)**	**340**	**33**	**(13,481)**	**(12,644)**	**(20,291)**	**(42,132)**
Financing activities							
Net change in deposits and pass-through reserves, and other financing activities	3,081	1	370	1,923	145	312	163
Net change in loans from FHLBanks	—	(450)	—	—	—	—	—
Net proceeds (payments) on derivative contracts with financing element	71	—	7	(3)	—	—	—
Net proceeds from issuance of consolidated obligations							
Discount notes	2,940,150	—	75,735	169,288	262,851	177,655	137,488
Bonds	676,982	(1)	23,980	72,994	58,566	121,634	80,741
Consolidated obligation discount notes transferred from other FHLBanks	—	(11,157)	—	5,943	—	—	—
Consolidated obligation bonds transferred from other FHLBanks	—	(1,250)	—	—	—	—	250
Payments for maturing and retiring consolidated obligations							
Discount notes	(3,042,255)	1	(85,312)	(179,257)	(277,304)	(185,400)	(130,182)
Bonds	(417,867)	104	(14,739)	(57,606)	(32,518)	(81,304)	(47,587)
Consolidated obligation discount notes transferred to other FHLBanks	—	11,158	—	—	—	(11,158)	—
Consolidated obligation bonds transferred to other FHLBanks	—	1,250	—	—	—	(250)	—
Proceeds from issuance of capital stock	41,557	(2)	2,763	6,631	3,356	7,680	3,630
Payments for repurchases/ redemptions of capital stock	(36,134)	1	(2,788)	(6,652)	(2,791)	(7,531)	(2,619)
Payments for repurchases/ redemptions of mandatorily redeemable capital stock	(1,246)	—	(5)	(2)	(8)	(2)	(314)
Cash dividends paid	(1,259)	3	(70)	(228)	(129)	(177)	(164)
Net cash provided by (used in) financing activities	**163,080**	**(342)**	**(59)**	**13,031**	**12,168**	**21,459**	**41,406**
Net increase (decrease) in cash and due from banks	2,018	—	242	18	3	1,749	—
Cash and due from banks at beginning of the period	417	—	8	27	13	141	20
Cash and due from banks at end of the period	**$ 2,435**	**$ —**	**$ 250**	**$ 45**	**$ 16**	**$ 1,890**	**$ 20**

FEDERAL HOME LOAN BANKS CONDENSED COMBINING SCHEDULES STATEMENTS OF CASH FLOWS (unaudited, continued)

SIX MONTHS ENDED JUNE 30, 2023

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Operating activities						
Net cash provided by (used in) operating activities	**$ 272**	**$ 915**	**$ 1,302**	**$ 1,234**	**$ 464**	**$ 948**
Investing activities						
Net change/net proceeds and payments in						
Loans to FHLBanks	(250)	—	—	—	—	—
Investments	(1,765)	3,843	(11,374)	(18,633)	(923)	(12,119)
Advances	369	(13,293)	(3,125)	(40,492)	246	18,685
Mortgage loans held for portfolio	(215)	(382)	(569)	(391)	(166)	28
Other investing activities	(2)	(6)	(6)	(2)	(3)	(1)
Net cash provided by (used in) investing activities	**(1,863)**	**(9,838)**	**(15,074)**	**(59,518)**	**(846)**	**6,593**
Financing activities						
Net change in deposits and pass-through reserves, and other financing activities	73	271	(2)	187	(181)	(181)
Net change in loans from FHLBanks	—	—	200	—	—	250
Net proceeds (payments) on derivative contracts with financing element	4	—	—	44	11	8
Net proceeds from issuance of consolidated obligations						
Discount notes	338,362	278,798	858,608	362,243	207,990	71,132
Bonds	16,100	35,839	79,524	90,392	29,983	67,230
Consolidated obligation discount notes transferred from other FHLBanks	948	4,266	—	—	—	—
Consolidated obligation bonds transferred from other FHLBanks	—	—	—	1,000	—	—
Payments for maturing and retiring consolidated obligations						
Discount notes	(346,475)	(298,898)	(877,564)	(367,575)	(211,986)	(82,303)
Bonds	(7,577)	(11,800)	(47,023)	(30,128)	(24,463)	(63,226)
Consolidated obligation discount notes transferred from other FHLBanks	—	—	—	—	—	—
Consolidated obligation bonds transferred to other FHLBanks	—	—	—	—	(1,000)	—
Proceeds from issuance of capital stock	258	2,251	6,343	4,462	1,663	2,522
Payments for repurchases/ redemptions of capital stock	—	(1,703)	(6,144)	(2,337)	(1,141)	(2,429)
Payments for repurchases/ redemptions of mandatorily redeemable capital stock	(2)	(3)	(2)	(1)	(494)	(413)
Cash dividends paid	(57)	(103)	(205)	—	(1)	(128)
Net cash provided by (used in) financing activities	**1,634**	**8,918**	**13,735**	**58,287**	**381**	**(7,538)**
Net increase (decrease) in cash and due from banks	43	(5)	(37)	3	(1)	3
Cash and due from banks at beginning of the period	21	35	89	28	26	9
Cash and due from banks at end of the period	**$ 64**	**$ 30**	**$ 52**	**$ 31**	**$ 25**	**$ 12**

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SELECTED FINANCIAL DATA

(dollars in millions)	2024 June 30,	2024 March 31,	2023 December 31,	2023 September 30,	2023 June 30,
Selected Statement of Condition Data at					
Investments[1]	$ 420,374	$ 418,512	$ 407,902	$ 412,306	$ 469,504
Advances	780,757	762,908	809,571	826,945	882,057
Mortgage loans held for portfolio	65,046	62,661	61,335	59,783	57,607
Total assets	**1,276,922**	**1,254,036**	**1,289,413**	**1,309,489**	**1,421,817**
Deposits	12,827	12,835	13,150	13,256	13,314
Consolidated obligations					
Discount notes	316,228	283,639	287,050	304,971	365,472
Bonds	862,326	873,993	904,636	906,531	955,516
Total consolidated obligations	**1,178,554**	**1,157,632**	**1,191,686**	**1,211,502**	**1,320,988**
Mandatorily redeemable capital stock	1,079	1,185	1,230	1,402	1,538
Capital					
Total capital stock[2]	**44,009**	**43,169**	**44,686**	**45,219**	**47,570**
Retained earnings	29,380	28,720	27,894	27,192	26,427
Accumulated other comprehensive income (loss)	(93)	(76)	(1,044)	(1,034)	(557)
Total capital	**73,296**	**71,813**	**71,536**	**71,377**	**73,440**
Selected Statement of Income Data for the quarter ended					
Net interest income	$ 2,182	$ 2,257	$ 2,288	$ 2,330	$ 2,372
Provision (reversal) for credit losses	3	(5)	(3)	8	8
Net interest income after provision (reversal) for credit losses	**2,179**	**2,262**	**2,291**	**2,322**	**2,364**
Non-interest income (loss)	82	155	28	38	106
Non-interest expense	502	457	530	429	426
Affordable Housing Program assessments	179	199	182	196	205
Net income	**$ 1,580**	**$ 1,761**	**$ 1,607**	**$ 1,735**	**$ 1,839**
Selected Other Data for the quarter ended					
Cash and stock dividends	$ 920	$ 935	$ 905	$ 970	$ 800
Dividend payout ratio[3]	58.23 %	53.09 %	56.32 %	55.91 %	43.50 %
Return on average equity (annualized)[4][5]	8.67 %	9.83 %	8.87 %	9.62 %	9.54 %
Return on average assets (annualized)	0.49 %	0.54 %	0.48 %	0.51 %	0.47 %
Average equity to average assets[5]	5.64 %	5.49 %	5.39 %	5.29 %	4.92 %
Net interest margin (annualized)[6]	0.68 %	0.70 %	0.69 %	0.69 %	0.61 %
Selected Other Data at period end					
Regulatory capital-to-assets ratio[7]	5.83 %	5.83 %	5.72 %	5.64 %	5.31 %

(1) Investments consist of interest-bearing deposits, securities purchased under agreements to resell, federal funds sold, trading securities, available-for-sale securities (AFS), and held-to-maturity securities (HTM).
(2) FHLBank capital stock is redeemable at the request of a member subject to the statutory redemption periods and other conditions and limitations. (See *Note 9 - Capital* to the accompanying combined financial statements for additional information on the statutory redemption periods and other conditions and limitations.)
(3) Dividend payout ratio is equal to dividends declared in the period expressed as a percentage of net income in the period. This ratio may not be as relevant to the combined balances because there are no shareholders at the FHLBank System-wide level.
(4) Return on average equity is equal to net income expressed as a percentage of average total capital.
(5) Mandatorily redeemable capital stock is not included in the calculations of return on average equity or average equity to average assets.
(6) Net interest margin is equal to net interest income represented as a percentage of average interest-earning assets.
(7) The regulatory capital-to-assets ratio is calculated based on the FHLBanks' combined regulatory capital as a percentage of total assets. (See *Note 9 - Capital* to the accompanying combined financial statements for a definition and discussion of regulatory capital.)

FINANCIAL DISCUSSION AND ANALYSIS OF COMBINED FINANCIAL CONDITION AND COMBINED RESULTS OF OPERATIONS

Investors should read this financial discussion and analysis of combined financial condition and combined results of operations together with the combined financial statements and the accompanying notes in this Combined Financial Report of the Federal Home Loan Banks (FHLBanks). Each FHLBank discusses its financial condition and results of operations in its periodic reports filed with the SEC. The results of operations for interim periods are not necessarily indicative of the results to be expected for the year ending December 31, 2024, or for any future period. The unaudited combined financial statements, included in this Combined Financial Report, should be read in conjunction with the audited combined financial statements for the year ended December 31, 2023, included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023.

Each FHLBank's Annual Report on SEC Form 10-K and Quarterly Reports on SEC Form 10-Q contain, as required by applicable SEC rules, a "Management's Discussion and Analysis of Financial Condition and Results of Operations," commonly called MD&A. The SEC notes that one of the principal objectives of MD&A is "to provide a narrative explanation of a company's financial statements that enables investors to see the company through the eyes of management." Because there is no centralized management of the FHLBanks that can provide a system-wide "eyes of management" view of the FHLBanks as a whole, this Combined Financial Report does not contain a conventional MD&A. Instead, a "Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations" is prepared by the Office of Finance using information provided by each FHLBank. This Financial Discussion and Analysis does not generally include a separate discussion of how each FHLBank's operations affect the combined financial condition and combined results of operations. That level of information about each FHLBank is addressed in each respective FHLBank's periodic reports filed with the SEC. (See *Explanatory Statement about Federal Home Loan Banks Combined Financial Report* and *Supplemental Information - Individual Federal Home Loan Bank Selected Financial Data and Financial Ratios*.)

The combined financial statements include the financial results of the FHLBanks. (See *Condensed Combining Schedules* to the accompanying combined financial statements for information regarding each FHLBank's results.) Transactions between the FHLBanks have been eliminated in accordance with combination accounting principles similar to consolidation under GAAP.

Unless otherwise stated, dollar amounts disclosed in this Combined Financial Report represent values rounded to the nearest million. Dollar amounts rounding to less than one million are not reflected in this Combined Financial Report.

Forward-Looking Information

Statements contained in this report, including statements describing the objectives, projections, estimates, or predictions of the future 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," "intends," "projects," "plans," "may," "should," "will," "would," "likely," "possible," or their negatives or other variations on these terms. Investors should note that forward-looking statements, by their nature, involve risks or uncertainties, including those set forth in the *Risk Factors* on pages 28 to 39 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023. 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, money and capital markets, the rate of inflation (or deflation), employment rates, housing market activity and housing prices, the size and volatility of the residential mortgage market, and uncertainty regarding the global economy;

- levels and volatility of market prices, interest rates, and indices, including those that could affect the value of investments or collateral held by the FHLBanks;
- changes in monetary and fiscal policies;
- changes in liquidity in the financial markets;
- natural disasters, pandemics or other widespread health emergencies, terrorist attacks, cyber-attacks, civil unrest, geopolitical instability or conflicts, trade disruptions, economic or other sanctions, or other unanticipated or catastrophic events;
- political events, including legislative, regulatory, judicial, or other developments that affect the FHLBanks, their members, counterparties, dealers of consolidated obligations, or investors in consolidated obligations, such as changes in the Federal Home Loan Bank Act of 1932, as amended (FHLBank Act), or in regulations that affect FHLBank operations, housing finance and government-sponsored enterprise (GSE) reform, and Federal Housing Finance Agency (FHFA) actions (including legislative, regulatory, or other actions recommended, proposed, or implemented as a result of the FHFA's comprehensive review of the FHLBank System, such as those recommended in its "FHLBank System at 100: Focusing on the Future" report);
- the FHLBanks' plans, intent, and ability to make or increase voluntary contributions to their Affordable Housing Program (AHP) or other Community Investment Programs;
- competitive forces, including other sources of funding available to FHLBank members and other entities borrowing funds in the capital markets;
- disruptions in the credit and debt markets and the effect on the FHLBanks' funding costs, sources, and availability;
- changes in demand for FHLBank advances, including those resulting from changes in FHLBank members' deposit flows and credit demands, from changes in liquidity in the financial markets, or from changes in regulatory requirements or supervisory expectations affecting FHLBank members;
- loss of members and repayment of advances made to those members due to institutional failures, consolidations, voluntary withdrawals, or involuntary terminations from FHLBank membership, and changes in the financial health of members;
- changes in investor demand for consolidated obligations, including short-term funding, or the terms of derivative transactions and similar transactions, including changes in the relative attractiveness of consolidated obligations as compared to other investment opportunities, changes in the availability of other investment opportunities, and changes in support from dealers of consolidated obligations;
- changes in the credit ratings or ratings outlook of the U.S. government or the FHLBanks;
- the availability of acceptable institutional counterparties for business transactions, including derivative transactions used to manage interest-rate risk;
- the ability to introduce new products and services and successfully manage the risks associated with those products and services, including new types of collateral used to secure advances;
- the pace of technological change and the ability to develop, secure, and support technology and information systems to effectively manage the risks, including information security; and
- the effect of new accounting guidance, including the development of supporting systems and related internal controls.

Neither the FHLBanks nor the Office of Finance undertakes any obligation to publicly update or revise any forward-looking statements contained in this Combined Financial Report, whether as a result of new information, future events, changed circumstances, or any other reason.

Executive Summary

This executive summary highlights selected information and may not contain all of the information that is important to readers of this Combined Financial Report. For a more complete understanding of events, trends, and uncertainties, this executive summary should be read together with the Financial Discussion and Analysis section in its entirety and the FHLBanks' combined financial statements and related notes.

Overview

The FHLBanks are GSEs, federally-chartered, but privately capitalized and independently managed. The FHLBanks together with the Office of Finance, a joint office of the FHLBanks, comprise the FHLBank System. Each of the FHLBanks and the Office of Finance operates under the supervisory and regulatory framework of the FHFA.

The FHLBanks are cooperative institutions, whose stockholders are also the FHLBanks' primary customers. FHLBank capital stock is not publicly traded; it is purchased by members from, and redeemed or repurchased by, an FHLBank at the stated par value of $100 per share. Each FHLBank's primary business is to serve as a financial intermediary between the capital markets and its members. This intermediation process involves raising funds by issuing debt, known as consolidated obligations, in the capital markets and lending those proceeds to member institutions in the form of secured loans, known as advances. Each FHLBank's funding is principally obtained from consolidated obligations issued through the Office of Finance on behalf of the FHLBanks.

Consolidated obligations are joint and several obligations of all FHLBanks. FHLBank debt issuance is generally driven by members' needs for advances. As housing GSEs, the FHLBanks have served the public for more than 90 years, benefiting from their flexible debt issuance programs, fully-collateralized lending practices, highly-rated investment holdings, and a scalable capital base that is designed to expand and contract in response to changing needs of their members.

The FHLBanks seek to maintain a balance between their public policy mission and their goal of providing adequate returns on member capital. The FHLBanks strive to achieve this balance by providing value to their members through advances, mortgage loan purchases, other services, and dividend payments. The FHLBanks' primary sources of earnings are the net interest spread between the yield on interest-earning assets and the average rate on interest-bearing liabilities, combined with earnings on invested capital. Due to the FHLBanks' cooperative structures, the FHLBanks generally earn a narrow net interest spread.

External Credit Ratings

The FHLBanks' ability to raise funds in the capital markets at narrow spreads to the U.S. Treasury yield curve is due largely to their status as GSEs, which is reflected in their consolidated obligations receiving the same credit rating as the government bond credit rating of the United States, even though the consolidated obligations are not obligations of the United States and are not guaranteed by the United States. S&P Global Ratings (S&P), Moody's Investors Service (Moody's), or other rating organizations could downgrade or upgrade the credit rating of the U.S. government and GSEs, including the FHLBanks and their consolidated obligations. In addition to ratings on the FHLBanks' consolidated obligations, each FHLBank is rated individually by S&P and Moody's. Investors should note that a rating issued by a nationally recognized statistical rating organization is not a recommendation to buy, sell, or hold securities, and that the ratings may be revised or withdrawn by the rating organization at any time. Investors should evaluate the rating of each nationally recognized statistical rating organization independently. Investors should not take the historical or current ratings of the FHLBanks or their consolidated obligations as an indication of future ratings for the FHLBanks and their consolidated obligations. (See *External Credit Ratings* for more information.)

Business Environment

The primary external factors that affect the FHLBanks' combined financial condition and results of operations include: (1) the general state of the economy and financial markets, (2) conditions in the U.S. housing markets, (3) interest rate levels and volatility, and (4) the legislative and regulatory environment.

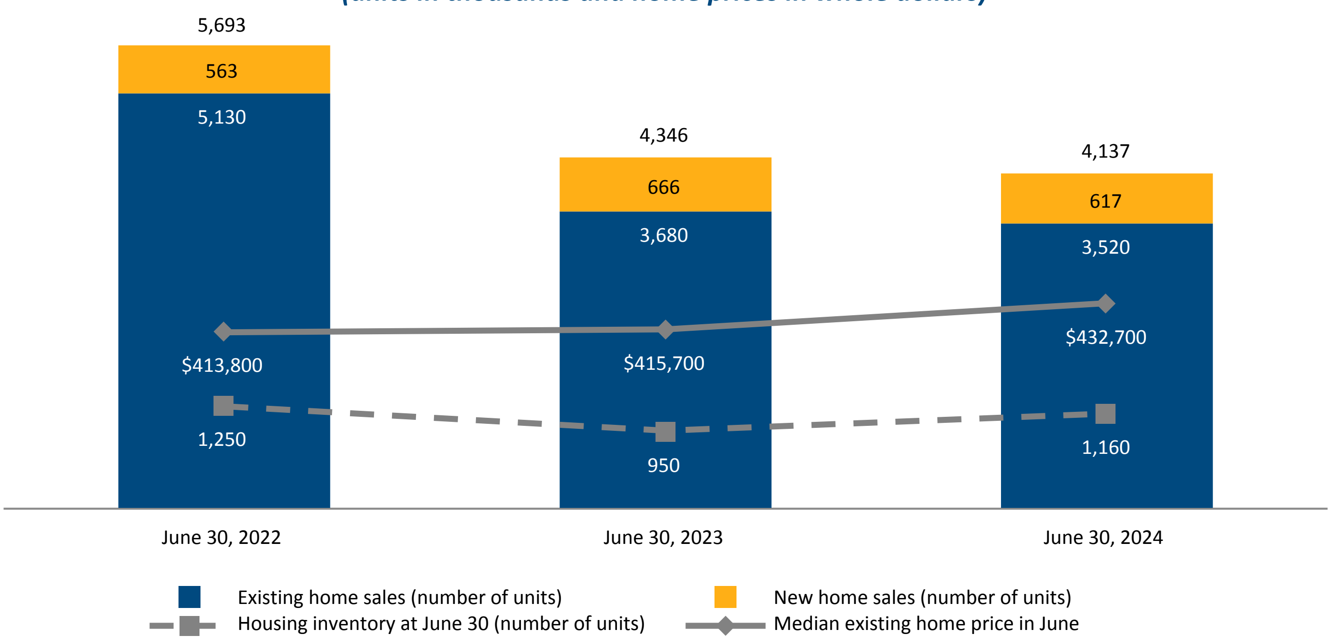
Economy and Financial Markets. The FHLBanks' results of operations are influenced by the economy and financial markets, and, in particular, by FHLBank members' demand for advances and the FHLBanks' ability to maintain sufficient access to diverse sources of funding at relatively favorable costs. The FHLBanks' flexibility in utilizing various funding tools, in combination with their diverse investor base and their status as GSEs, has helped ensure reliable market access and demand for consolidated obligations throughout fluctuating market environments and regulatory changes affecting dealers of and investors in consolidated obligations.

In July 2024, the Bureau of Labor Statistics reported that the U.S. unemployment rate was 4.1% in June 2024, up from 3.7% in December 2023, and 3.6% in June 2023. The Bureau of Labor Statistics also reported that the unadjusted U.S. consumer price index (CPI) increased 3.0% for both the twelve months ended June 30, 2024 and June 30, 2023. The CPI is one of the primary measures of inflation in the U.S. and has been trending downward in recent periods.

U.S. real gross domestic product (GDP) increased at an annualized rate of 2.8% in the second quarter of 2024, according to the advance estimate reported by the Bureau of Economic Analysis, compared to an increase at an annualized rate of 2.1% in the second quarter of 2023, as revised by the Bureau of Economic Analysis.

Conditions in U.S. Housing Markets. Conditions in the U.S. housing markets primarily affect the FHLBanks through the creation of demand for, and yield on, advances and mortgage loans, as well as the yield on investments in mortgage-backed securities (MBS). Figure 1 presents U.S. home sales, inventory, and prices for the most recent three years. The seasonally adjusted annual rate of U.S. home sales declined slightly in June 2024, compared to June 2023, driven by high home prices and high mortgage interest rates; however, the U.S. housing inventory increased over the same period.

Figure 1 - U.S. Home Sales, Inventory, and Prices
(units in thousands and home prices in whole dollars)



Source: National Association of REALTORS® for existing home sales, housing inventory, and median existing home price.
Source: U.S. Census Bureau and the Department of Housing and Urban Development for new home sales.

Interest Rate Levels and Volatility. The level and volatility of interest rates affect FHLBank member demand for advances. In addition, credit spreads and the shape of the yield curve affect investor demand for consolidated obligations. These factors, driven in part by federal monetary and fiscal policies, also affect the FHLBanks' combined results of operations, primarily affecting net interest income and the valuation of certain assets and liabilities.

At its first five meetings in 2024, the Federal Open Market Committee maintained its target range of the federal funds rate. The Federal Open Market Committee stated in July 2024 that recent indicators suggest that economic activity has continued to expand at a solid pace and that inflation has eased over the past year but remains somewhat elevated. In addition, it stated that the risks to achieving its employment and inflation goals continue to move into better balance. The Federal Open Market Committee also stated that the economic outlook is uncertain, it is attentive to the risks to both sides of its dual mandate, and in considering any adjustments to the target range for the federal funds rate, it will carefully assess incoming data, the evolving outlook, and the balance of risks. The Federal Open Market Committee is continuing its plan of reducing its holdings of Treasury securities, agency debt, and agency MBS. It also reiterated that it does not expect it will be appropriate to reduce the target range for the federal funds rate until it has gained greater confidence that inflation is moving sustainably toward a two percent rate.

Investor demand for the FHLBanks' consolidated obligations remained strong in the first half of 2024, with market participants generally favoring short-term variable-rate consolidated bonds and consolidated discount notes. The FHLBanks continued to meet their funding needs during the first half of 2024.

Table 1 presents the three-month and six-month averages and period-end rates for certain key interest rates. The three-month and six-month averages of those interest rates were higher during the 2024 periods, compared to the same periods in 2023, affecting the FHLBanks' combined results of operations. At June 30, 2024, U.S Treasury yields were higher, compared to December 31, 2023, which affected the fair values of certain assets and liabilities. The level and volatility of interest rates will likely remain a significant factor driving the FHLBanks' results of operations and financial condition.

Table 1 - Key Interest Rates

	Three-Month Average		Six-Month Average		Period End	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	December 31, 2023
Federal Funds Effective	5.33 %	4.99 %	5.33 %	4.76 %	5.33 %	5.33 %
SOFR	5.32 %	4.97 %	5.32 %	4.73 %	5.33 %	5.38 %
1-week Overnight Indexed Swap	5.33 %	5.01 %	5.33 %	4.78 %	5.33 %	5.33 %
3-month U.S. Treasury yield	5.39 %	5.17 %	5.39 %	4.94 %	5.36 %	5.34 %
2-year U.S. Treasury yield	4.84 %	4.29 %	4.67 %	4.32 %	4.76 %	4.25 %
10-year U.S. Treasury yield	4.45 %	3.60 %	4.30 %	3.62 %	4.40 %	3.88 %

Source: Bloomberg

Table 2 presents the average funding spreads of newly-issued consolidated obligations relative to Treasury and Secured Overnight Financing Rate (SOFR) indices, as well as the ending spread at each period end. Average funding spreads of newly-issued consolidated obligations relative to benchmark Treasury and SOFR indices generally declined during the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023.

Table 2 - Funding Spreads to Treasury and SOFR Indices

(in basis points)

	Three-Month Average		Six-Month Average		Ending Spread	
Borrowing Term	**June 30, 2024**	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**	**June 30, 2024**	**December 31, 2023**
Treasury						
3-months	1.9	(0.6)	1.7	5.9	4.3	7.0
2-years	4.4	16.5	4.0	17.4	6.5	8.5
5-years	5.8	14.6	5.6	14.4	4.5	5.5
10-years	30.0	58.9	31.4	58.3	31.5	43.0
SOFR						
3-months	0.4	(1.0)	(0.1)	0.4	0.8	(0.3)
2-years	13.2	18.7	13.5	15.8	17.8	21.4
5-years	28.2	33.0	28.4	33.2	29.5	34.1
10-years	64.9	82.9	65.9	83.2	69.8	79.7

Source: Funding spreads are derived using Office of Finance indications compared to Treasury and SOFR indices.

Legislative and Regulatory Environment. Potential legislative and regulatory changes, as well as other rules and regulations issued by the FHFA, could adversely affect the FHLBanks, FHLBank members, counterparties, and dealers of and investors in consolidated obligations. The FHLBanks' business operations, funding costs, rights, obligations, and the environment in which the FHLBanks carry out their mission could be significantly affected by these changes. In particular, on November 7, 2023, the FHFA issued a written report titled "FHLBank System at 100: Focusing on the Future," relating to its review and analysis of the FHLBank System, in which the FHFA summarized its recommended legislative, regulatory, and other actions that it plans to pursue in service of its vision for the future of the FHLBank System. (See *Legislative and Regulatory Developments - FHFA's Review and Analysis of the FHLBank System* for more information.)

Supporting Housing and Community Investment. The FHLBanks are required to set aside a portion of their profits to support affordable housing each year. These funds assist members in serving very low- and low- or moderate-income households. The FHLBanks' combined income subject to assessments resulted in statutory Affordable Housing Program (AHP) assessment expense of $179 million and $378 million for the three and six months ended June 30, 2024. In addition to the statutory AHP assessment, an FHLBank may elect to make voluntary contributions to the AHP or other housing and Community Investment Programs. In connection with that, and in recognition that additional funding would be beneficial in meeting community needs in affordable housing as well as business and community development, the FHLBanks are either already making additional voluntary contributions or are in the process of increasing their voluntary contribution levels. The FHLBanks expensed voluntary contributions to housing and Community Investment Programs, which totaled $86 million and $131 million, including $34 million and $48 million related to voluntary AHP contributions, during the three and six months ended June 30, 2024, compared to $35 million and $51 million in total voluntary contributions expensed during the three and six months ended June 30, 2023.

FHLBanks' Financial Highlights

Combined Financial Condition. The FHLBanks' assets and liabilities expand and contract as the needs of member financial institutions and their communities change over time. Total assets were $1,276.9 billion at June 30, 2024, a decrease of 1% from $1,289.4 billion at December 31, 2023.

- Advance balances totaled $780.8 billion at June 30, 2024, a decrease of 4% from $809.6 billion at December 31, 2023, resulting primarily from a decrease in advances to large depository members, principally advances with redemption terms of three through five years. Commercial banks represented the largest segment of borrowers, with 52% of the total principal amount of advances outstanding at June 30, 2024, compared to 54% at December 31, 2023. The top 10 advance holding borrowers by holding company represented 27% and 31% of the total principal amount of advances outstanding at June 30, 2024 and December 31, 2023. Each FHLBank reviews its borrowers' financial condition on an ongoing basis using current information and collateralizes all advances to mitigate credit risk. At June 30, 2024, each FHLBank had rights to collateral with an estimated value greater than the related outstanding advances.

- Investments were $420.4 billion at June 30, 2024, an increase of 3% from $407.9 billion at December 31, 2023, driven by an increase in federal funds sold and mortgage-backed securities, partially offset by a decrease in securities purchased under agreements to resell. The FHLBanks maintain investment portfolios to provide funds to meet the credit needs of their members, maintain liquidity, and earn interest income.

- Mortgage loans held for portfolio were $65.0 billion at June 30, 2024, an increase of 6% from $61.3 billion at December 31, 2023, as mortgage loan purchase volume outpaced repayments. An FHLBank may purchase mortgage loans to support its housing mission, provide an additional source of liquidity to its members, diversify its investments, and generate additional earnings.

Total liabilities were $1,203.6 billion at June 30, 2024, a decrease of 1% compared to $1,217.9 billion at December 31, 2023.

- Consolidated obligations totaled $1,178.6 billion at June 30, 2024, a decrease of 1% from $1,191.7 billion at December 31, 2023, in line with the decrease in total assets and consisting of a 5% decrease in consolidated bonds, partially offset by a 10% increase in consolidated discount notes. Consolidated obligations are the principal funding source used by the FHLBanks to make advances and to purchase mortgage loans and investments. The future amounts and types of consolidated obligations issued depend primarily on the demand for the FHLBanks' advances.

Total GAAP capital was $73.3 billion at June 30, 2024, an increase of 2%, compared to $71.5 billion at December 31, 2023. The regulatory capital-to-assets ratio was 5.83% at June 30, 2024, compared to 5.72% at December 31, 2023. Each FHLBank was in compliance with FHFA regulatory capital requirements at June 30, 2024.

- Capital stock was $44.0 billion at June 30, 2024, a decrease of 2% from $44.7 billion at December 31, 2023, due principally to the net redemption of activity-based capital stock.

- Retained earnings grew to $29.4 billion at June 30, 2024, an increase of 5% from $27.9 billion at December 31, 2023, resulting principally from net income of $3,341 million, partially offset by dividends of $1,855 million.

Combined Results of Operations. Net income was $1,580 million for the three months ended June 30, 2024, a decrease of $259 million, or 14%, compared to the three months ended June 30, 2023, resulting primarily from lower net interest income and higher levels of voluntary contributions expensed by the FHLBanks for their AHP and other Community Investment Programs. Net income was $3,341 million for the six months ended June 30, 2024, a decrease of $8 million, or less than 1%, compared to the six months ended June 30, 2023, driven by higher levels of voluntary contributions expensed by the FHLBanks for their AHP and other Community Investment Programs, partially offset by increases in non-interest income and net interest income.

Net interest income was $2,182 million for the three months ended June 30, 2024, a decrease of $190 million, or 8%, compared to the three months ended June 30, 2023. Net interest income was $4,439 million for the six months ended June 30, 2024, an increase of $48 million, or 1%, compared to the six months ended June 30, 2023. Net interest margin was 0.68% and 0.69% for the three and six months ended June 30, 2024, increases of 7 and 8 basis points compared to the three and six months ended June 30, 2023.

- Interest income was $17,869 million and $35,913 million for the three and six months ended June 30, 2024, decreases of $2,282 million and $127 million, or 11% and less than 1%, compared to the three and six months ended June 30, 2023, driven by decreases in the average balances of total interest-earning assets, principally advances, partially offset by increases in the average yields on total interest-earning assets, principally advances and investments. The average balances of total interest-earning assets were $1,285.0 billion and $1,292.1 billion for the three and six months ended June 30, 2024, decreases of 18% and 11% compared to the three and six months ended June 30, 2023. The average yields on total interest-earning assets were 5.59% for both the three and six months ended June 30, 2024, compared to 5.19% and 4.98% for the three and six months ended June 30, 2023.

- Interest expense was $15,687 million and $31,474 million for the three and six months ended June 30, 2024, decreases of $2,092 million and $175 million, or 12% and 1%, compared to the three and six months ended June 30, 2023, driven primarily by decreases in the average balances of consolidated obligations, partially offset by the higher average rates on consolidated obligations. The average balances of consolidated obligations were $1,188.2 billion and $1,195.0 billion for the three and six months ended June 30, 2024, decreases of 18% and 12%, compared to the three and six months ended June 30, 2023. The average rates on consolidated obligations were 5.24% and 5.23% for the three and six months ended June 30, 2024, compared to 4.87% and 4.66% for the three and six months ended June 30, 2023.

The future level of net interest income of the FHLBanks will depend, in part, upon the level and volatility of interest rates, demand for advances, cost of consolidated obligations, changes in fiscal or monetary policies, as well as the state of the U.S. economy and financial markets.

Non-interest income was a net gain of $82 million for the three months ended June 30, 2024, a decrease of $24 million, or 23%, compared to the three months ended June 30, 2023. Non-interest income was a net gain of $237 million for the six months ended June 30, 2024, an increase of $63 million, or 36%, compared to the six months ended June 30, 2023. The changes for the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023, resulted primarily from changes in the fair value of investment securities, derivatives, and financial instruments held under the fair value option, driven by changes in interest rates.

Non-interest expense was $502 million and $959 million for the three and six months ended June 30, 2024, increases of $76 million and $125 million, or 18% and 15%, compared to the three and six months ended June 30, 2023, driven by higher levels of voluntary contributions to housing and Community Investment Programs, as well as higher other operating expenses.

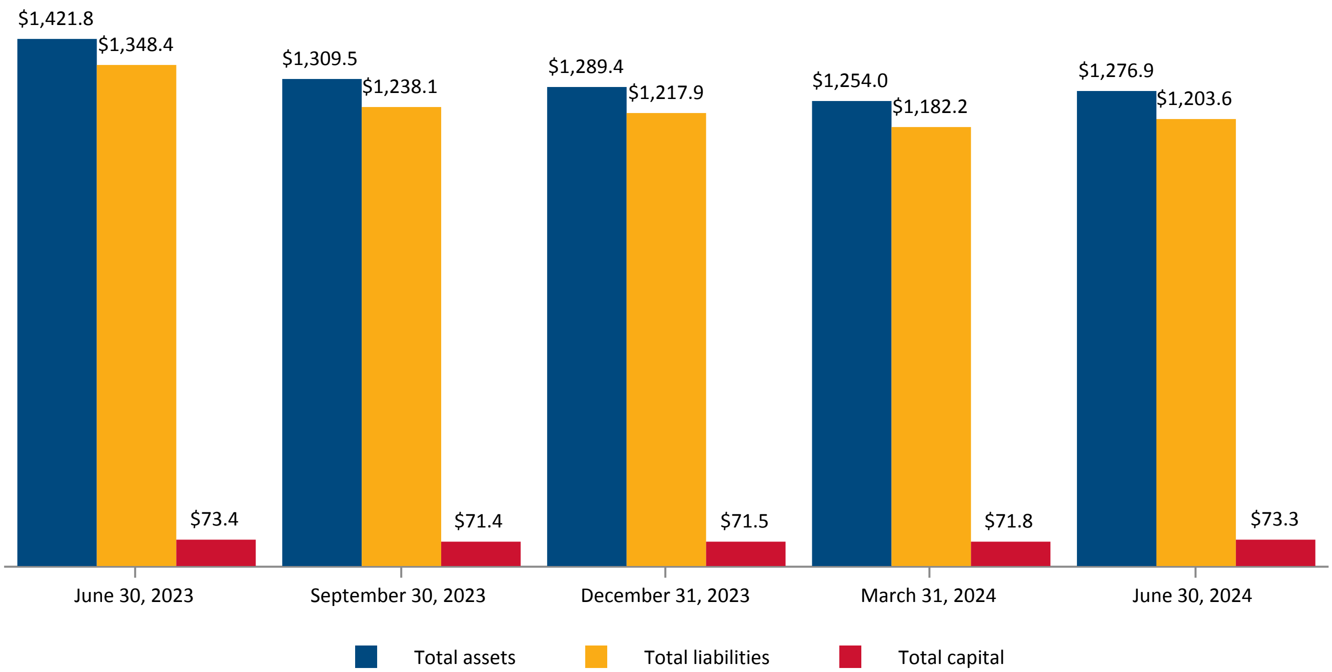
The FHLBanks’ income subject to assessments resulted in statutory AHP assessments of $179 million for the three months ended June 30, 2024, a decrease of $26 million, or 13%, compared to the three months ended June 30, 2023, and $378 million for the six months ended June 30, 2024, an increase of $4 million, or 1%, compared to the six months ended June 30, 2023.

See *Combined Financial Condition* and *Combined Results of Operations* for further information.

Combined Financial Condition

The FHLBanks' asset composition includes cash and due from banks, investments, advances, mortgage loans held for portfolio, and other assets. The FHLBanks' liability composition includes deposits, consolidated discount notes, consolidated bonds, mandatorily redeemable capital stock, and other liabilities. The FHLBanks' capital composition includes capital stock, retained earnings, and accumulated other comprehensive income (loss) (AOCI). The FHLBanks' assets and liabilities expand and contract as the needs of member financial institutions and their communities change over time. As of June 30, 2024, total assets decreased 1%, total liabilities decreased 1%, and total GAAP capital increased 2%, compared to December 31, 2023. Figure 2 presents the total assets, liabilities, and capital for the most recent five quarters.

Figure 2 - Total Assets, Liabilities, and Capital
(dollars in billions)



Figures 3 and 4 present the total assets and total liabilities and capital composition at June 30, 2024.

Figure 3 - Total Assets
(dollars in billions)

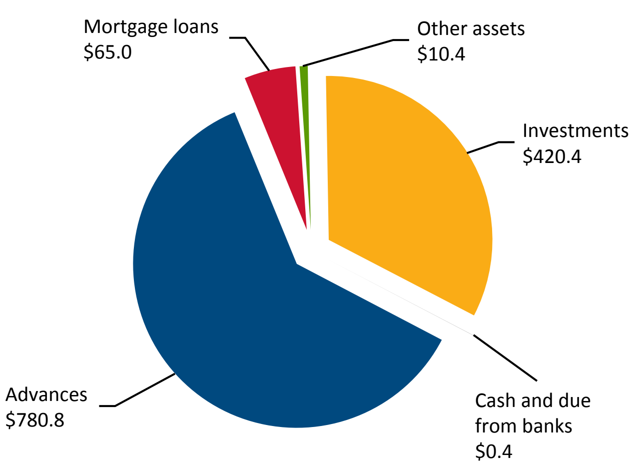
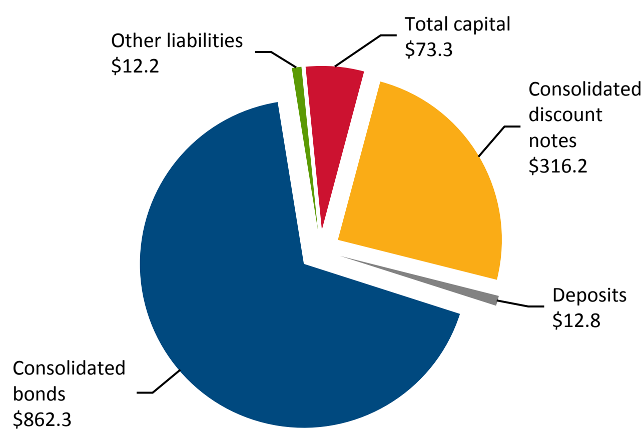


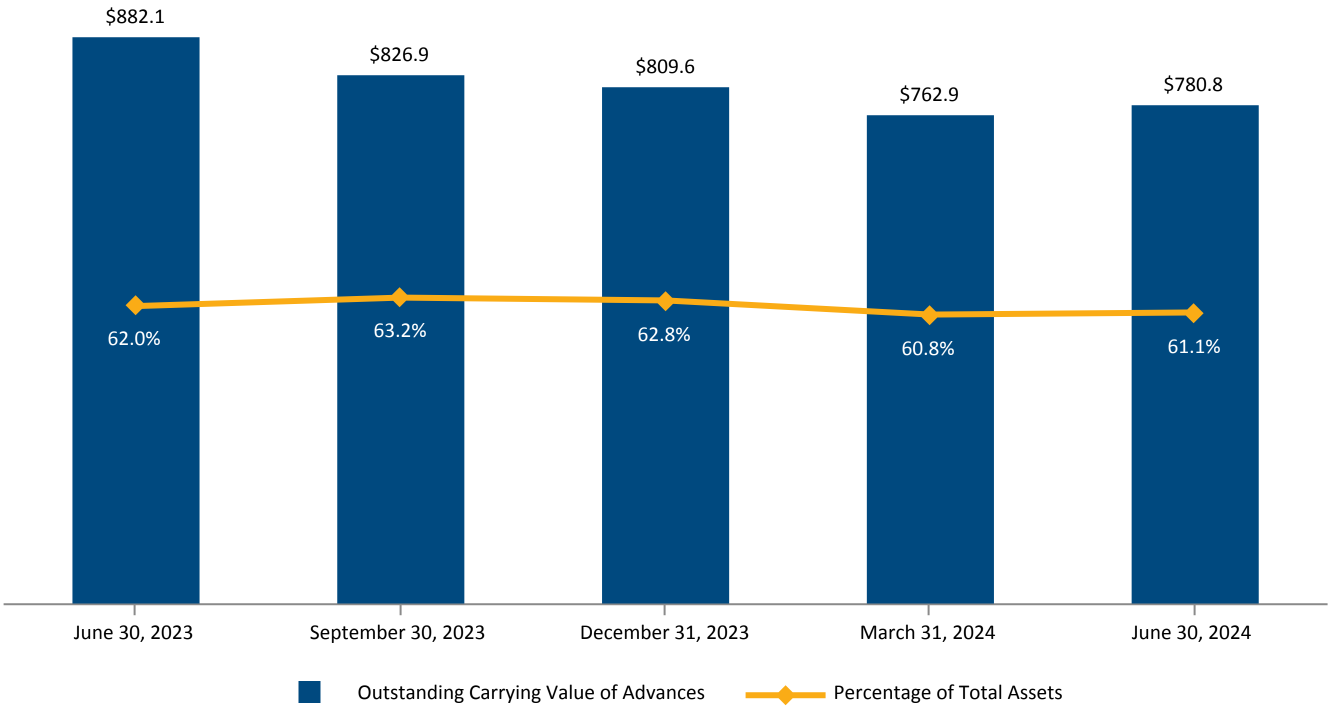
Figure 4 - Total Liabilities and Capital
(dollars in billions)



Advances

The FHLBanks provide funding to members and housing associates through secured loans (advances), which may be used for, among other things, residential mortgages, community investments, and other services for housing and community development. Each FHLBank makes advances based on the security of mortgage loans and other types of eligible collateral pledged by, and the creditworthiness and financial condition of, the borrowing institutions. Figure 5 presents advances for the most recent five quarters.

Figure 5 - Advances Outstanding (Carrying Value)
(dollars in billions)



The outstanding carrying value of advances totaled $780.8 billion at June 30, 2024, a decrease of $28.8 billion, or 4%, from $809.6 billion at December 31, 2023, resulting primarily from a decrease in advances to large depository members, principally advances with redemption terms of three through five years. The decrease in advances to the top 25 advance holders at each FHLBank, in aggregate, represented substantially all of the total decrease in the principal amount of advances outstanding at June 30, 2024, compared to December 31, 2023. The FHLBanks' assets and liabilities expand and contract as the needs of member financial institutions and their communities change over time. The future demand for advances will depend on many factors, including but not limited to, changes in interest rates, government liquidity programs, changes in fiscal and monetary policies, as well as the state of the U.S. economy and financial markets. 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 for advances moderated as market liquidity normalized, and as of June 30, 2024, outstanding advances decreased $263.8 billion from $1,044.6 billion at March 31, 2023.

The percentage of members with outstanding advances was 56% at June 30, 2024, compared to 58% at December 31, 2023. Figures 6 and 7 present the principal amount of advances by product type and by redemption term for the most recent five quarters.

Figure 6 - Advances by Product Type (dollars in billions)

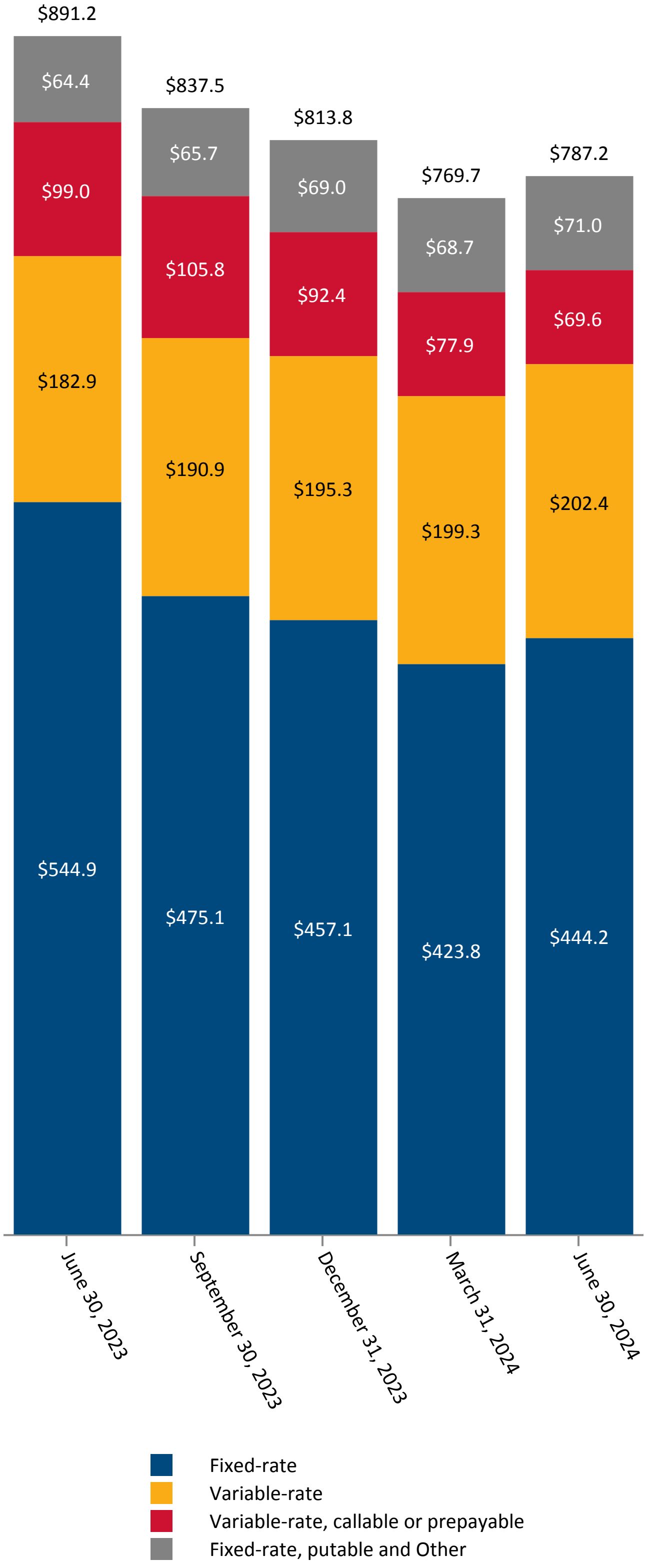


Figure 7 - Advances by Redemption Term (dollars in billions)

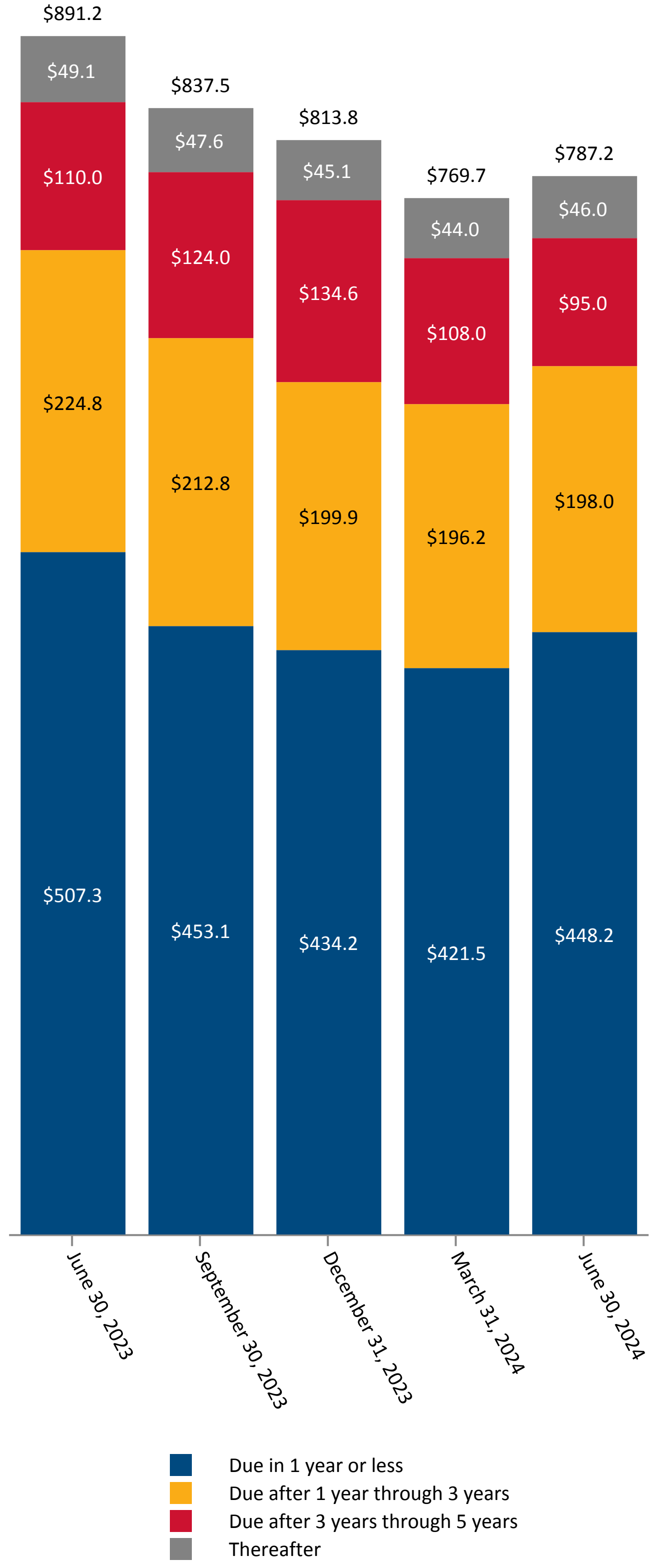


Table 3 presents advances outstanding by product type and redemption term, some of which include advances that contain embedded put or call options. A member can either sell an embedded option to an FHLBank or purchase an embedded option from an FHLBank. (See *Note 4 - Advances* to the accompanying combined financial statements for additional information on putable and callable advances and their potential effects on advance redemptions.)

Table 3 - Types of Advances by Redemption Term

(dollars in millions)

	June 30, 2024		December 31, 2023		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Fixed-rate						
Due in 1 year or less	$ 256,987	32.6 %	$ 254,450	31.3 %	$ 2,537	1.0 %
Due after 1 year through 3 years	114,573	14.6 %	113,804	14.0 %	769	0.7 %
Due after 3 years through 5 years	55,211	7.0 %	70,998	8.7 %	(15,787)	(22.2)%
Due after 5 years through 15 years	16,850	2.1 %	17,198	2.1 %	(348)	(2.0)%
Thereafter	625	0.1 %	627	0.1 %	(2)	(0.3)%
Total principal amount	**444,246**	**56.4 %**	**457,077**	**56.2 %**	**(12,831)**	(2.8)%
Fixed-rate, putable						
Due in 1 year or less	372	—	30	—	342	1,140.0 %
Due after 1 year through 3 years	8,889	1.1 %	8,062	1.0 %	827	10.3 %
Due after 3 years through 5 years	8,833	1.1 %	8,963	1.1 %	(130)	(1.5)%
Due after 5 years through 15 years	18,123	2.3 %	17,857	2.2 %	266	1.5 %
Thereafter	—	—	—	—	—	—
Total principal amount	**36,217**	**4.5 %**	**34,912**	**4.3 %**	**1,305**	3.7 %
Variable-rate						
Due in 1 year or less	155,351	19.7 %	149,746	18.4 %	5,605	3.7 %
Due after 1 year through 3 years	39,078	5.0 %	38,176	4.7 %	902	2.4 %
Due after 3 years through 5 years	5,210	0.7 %	5,257	0.6 %	(47)	(0.9)%
Due after 5 years through 15 years	2,801	0.4 %	2,128	0.3 %	673	31.6 %
Thereafter	—	—	—	—	—	—
Total principal amount	**202,440**	**25.8 %**	**195,307**	**24.0 %**	**7,133**	3.7 %
Variable-rate, callable or prepayable[(1)]						
Due in 1 year or less	24,990	3.2 %	21,652	2.7 %	3,338	15.4 %
Due after 1 year through 3 years	24,614	3.1 %	29,423	3.5 %	(4,809)	(16.3)%
Due after 3 years through 5 years	17,675	2.3 %	38,722	4.8 %	(21,047)	(54.4)%
Due after 5 years through 15 years	1,932	0.2 %	2,251	0.3 %	(319)	(14.2)%
Thereafter	396	—	369	—	27	7.3 %
Total principal amount	**69,607**	**8.8 %**	**92,417**	**11.3 %**	**(22,810)**	(24.7)%
Other[(2)]						
Due in 1 year or less	10,529	1.4 %	8,270	1.0 %	2,259	27.3 %
Due after 1 year through 3 years	10,806	1.4 %	10,413	1.3 %	393	3.8 %
Due after 3 years through 5 years	8,090	1.0 %	10,674	1.3 %	(2,584)	(24.2)%
Due after 5 years through 15 years	5,141	0.7 %	4,593	0.6 %	548	11.9 %
Thereafter	110	—	121	—	(11)	(9.1)%
Total principal amount	**34,676**	**4.5 %**	**34,071**	**4.2 %**	**605**	1.8 %
Overdrawn and overnight deposit accounts	5	—	11	—	(6)	(54.5)%
Total principal amount advances	**787,191**	**100.0 %**	**813,795**	**100.0 %**	**$ (26,604)**	(3.3)%
Other adjustments, net[(3)]	(6,434)		(4,224)			
Total advances	**$ 780,757**		**$ 809,571**			

(1) Prepayable advances are those advances that may be contractually prepaid by the borrower on specified dates without incurring prepayment or termination fees.
(2) Includes hybrid, fixed-rate amortizing/mortgage matched, convertible, fixed-rate callable or prepayable, and other advances.
(3) Consists of hedging and fair value option valuation adjustments and unamortized premiums, discounts, and commitment fees.

Table 4 presents the principal amount of advances indexed to a variable interest rate at June 30, 2024 and December 31, 2023.

Table 4 - Advances Indexed to a Variable Interest Rate[(1)]

(dollars in millions)

	June 30, 2024	December 31, 2023
SOFR	$ 221,499	$ 214,523
Consolidated obligation yields	23,267	27,368
Other[(2)]	29,521	45,842
Total principal amount of advances indexed to a variable interest rate	**$ 274,287**	**$ 287,733**

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(1) Includes fixed-rate advances that have cap/floor optionality linked to an interest-rate Index.
(2) Includes advances with floating rates that are not indexed to a single rate, but may be determined using a formula incorporating multiple indices.

The FHLBanks make advances primarily to their members. Table 5 presents the principal amount of advances by type of borrower and member.

Table 5 - Advances by Type of Borrower and Member

(dollars in millions)

	June 30, 2024		December 31, 2023	
	Principal Amount	Number of Members	Principal Amount	Number of Members
Commercial bank members	$ 409,875	2,246	$ 442,328	2,262
Insurance company members	154,028	232	142,790	225
Savings institution members	113,961	416	109,314	421
Credit union members	80,904	729	85,272	802
Community development financial institution members	342	31	336	31
Total	**759,110**	**3,654**	**780,040**	**3,741**
Non-members[(1)]	27,170		32,582	
Housing associates	911		1,173	
Total principal amount	**$ 787,191**		**$ 813,795**	
Total members		**6,498**		**6,504**

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(1) Includes advances outstanding to former members of certain FHLBanks that were acquired by members of other FHLBanks. Also includes $4.0 billion and $4.1 billion of principal amount of advances outstanding to captive insurance companies at June 30, 2024 and December 31, 2023, which had their memberships terminated no later than February 19, 2021.

Figures 8 and 9 present the percentage of principal amount of advances by type of borrower and percentage of member borrowers by type of member at June 30, 2024. Commercial banks represented the largest segment of borrowers, with 52% of the total principal amount of advances outstanding at June 30, 2024, compared to 54% at December 31, 2023.

Figure 8 - Percentage of Principal Amount of Advances by Type of Borrower

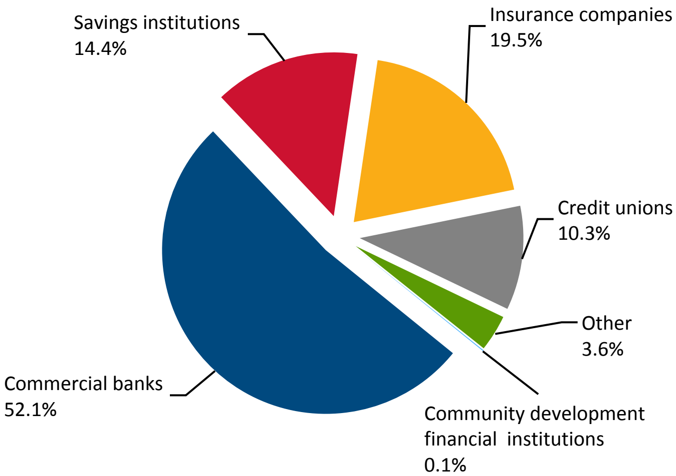


Figure 9 - Percentage of Member Borrowers by Type of Member

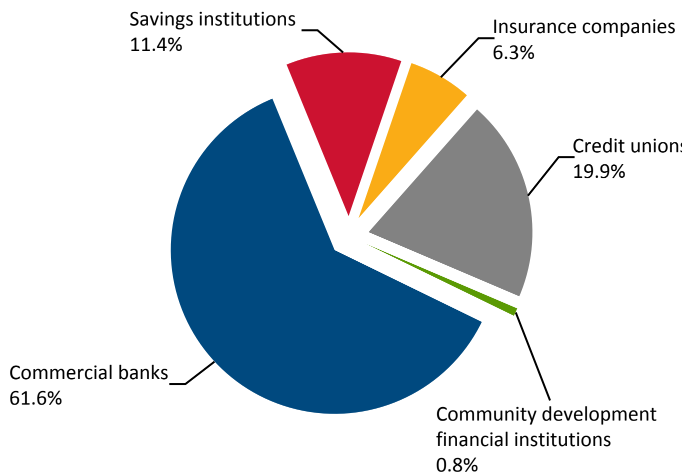


Table 6 presents the FHLBanks' top 10 advance holding borrowers by holding company, on a combined basis, based on the principal amount of advances outstanding at June 30, 2024. The percentage of total advances for each holding company was computed by dividing the principal amount of advances by subsidiaries of that holding company by the principal amount of total combined advances. These percentage concentrations do not represent borrowing concentrations in an individual FHLBank. The top 10 advance holding borrowers by holding company represented 27% of the total principal amount of advances outstanding at June 30, 2024, compared to 31% at December 31, 2023.

Table 6 - Top 10 Advance Holding Borrowers by Holding Company at June 30, 2024
(dollars in millions)

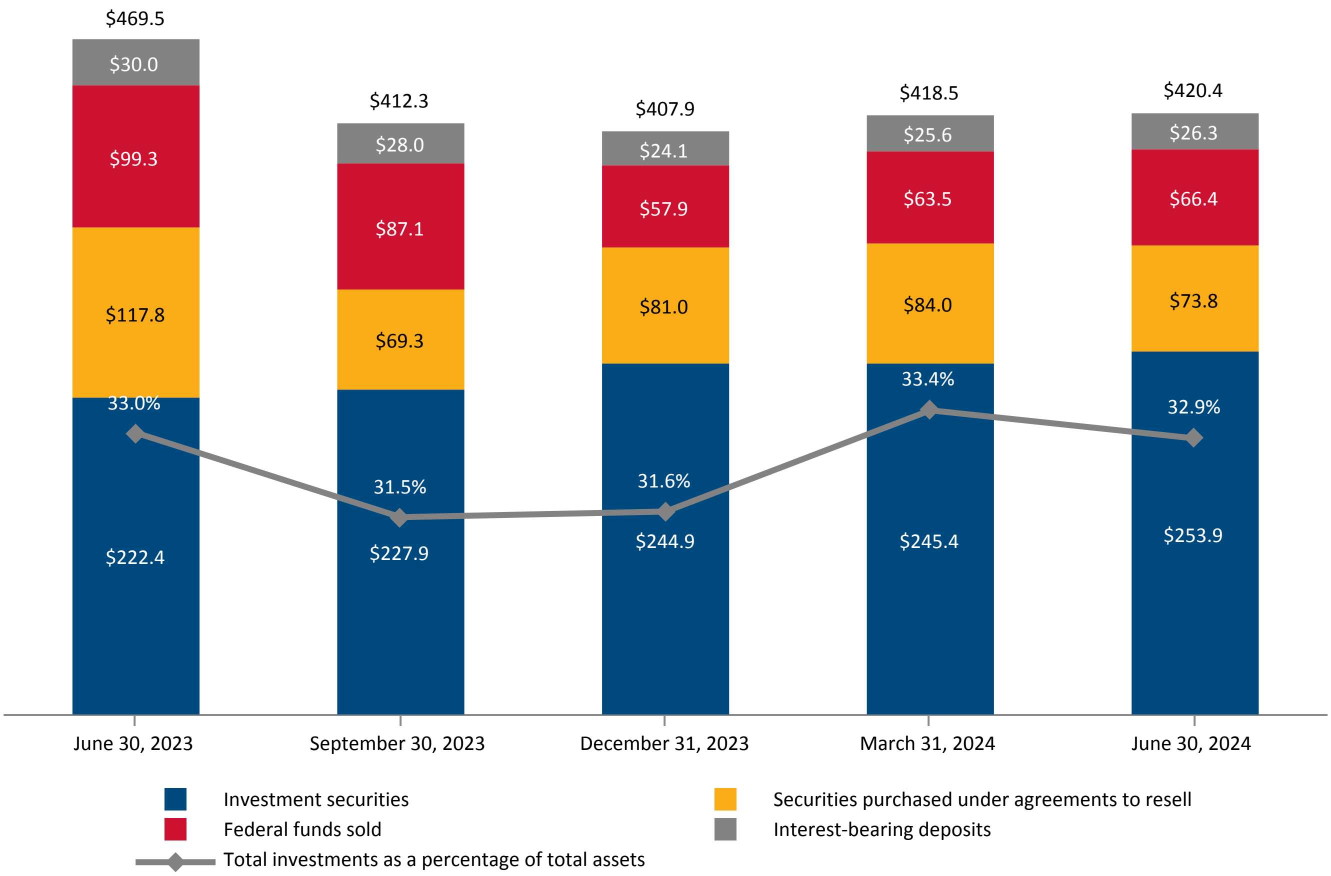
Holding Company Name[(1)]	FHLBank Districts[(2)]	Principal Amount	Percentage of Total Principal Amount of Advances
JPMorgan Chase & Co.	San Francisco, Cincinnati, Chicago	$ 35,717	4.5 %
The PNC Financial Services Group, Inc.	Pittsburgh	35,000	4.4 %
The Charles Schwab Corporation	Dallas	24,400	3.1 %
New York Community Bancorp, Inc.	New York, Indianapolis	22,750	2.9 %
Truist Financial Corporation	Atlanta	19,401	2.5 %
Bank of America Corporation	Atlanta, San Francisco, Boston, Des Moines	19,272	2.4 %
Citigroup Inc.	New York	16,500	2.1 %
MetLife, Inc.	New York	14,590	1.9 %
U.S. Bancorp	Cincinnati, San Francisco, Des Moines	12,051	1.5 %
Wells Fargo & Company	Des Moines	12,000	1.5 %
		$ 211,681	**26.8 %**

(1) Holding company information was obtained from the Federal Reserve System's website, the National Information Center (NIC), and SEC filings. The NIC is a central repository of data about banks and other institutions for which the Federal Reserve System has a supervisory, regulatory, or research interest, including both domestic and foreign banking organizations operating in the United States.
(2) At June 30, 2024, each holding company had subsidiaries with advance borrowings in these FHLBank districts.

Investments

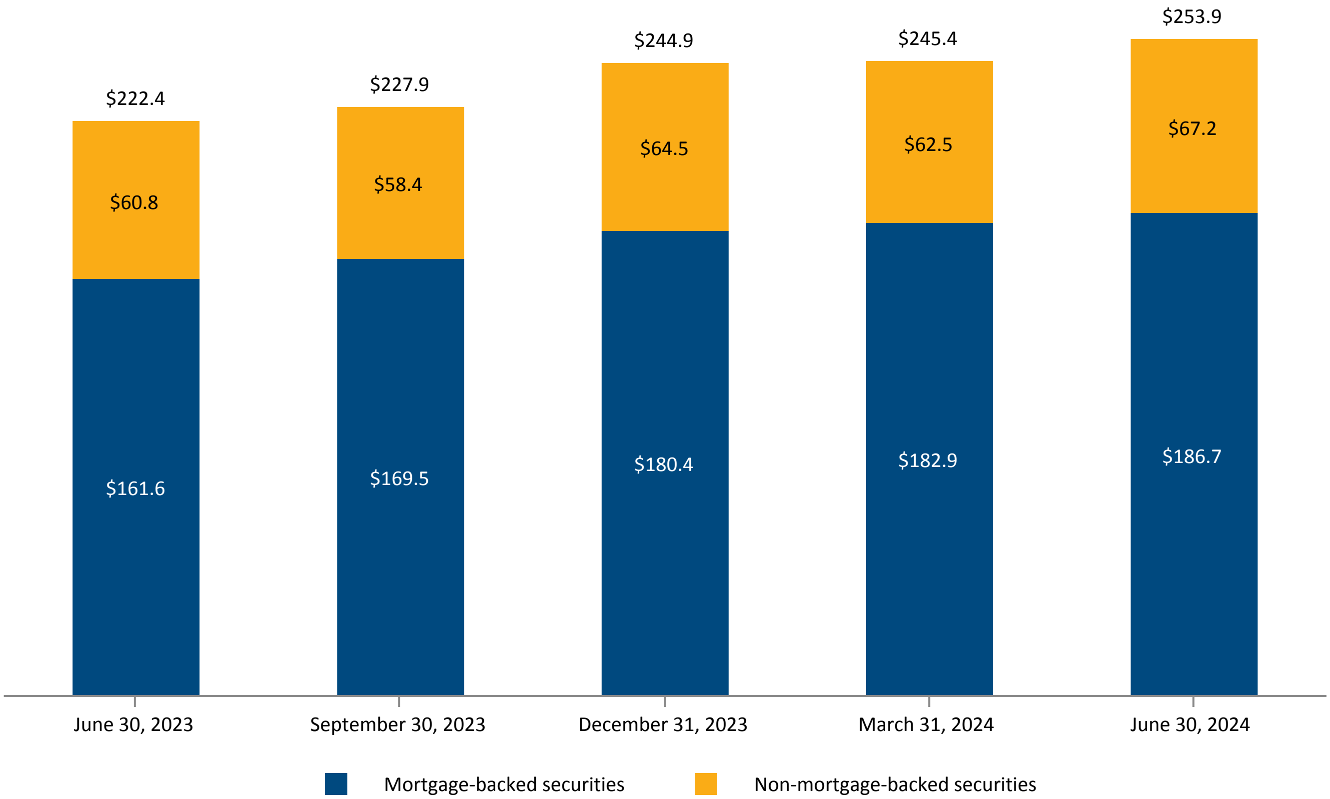
The FHLBanks maintain investment portfolios for liquidity purposes and to generate additional earnings. The income from these investment portfolios also bolsters the FHLBanks' capacity to support affordable housing and community investment. The FHLBanks invest in investment-quality securities to mitigate credit risk inherent in these portfolios. FHFA regulations prohibit the FHLBanks from investing in certain types of securities and limit the FHLBanks' investment in MBS and asset-backed securities (ABS). (See *Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations - Risk Management - Credit Risk - Investments* on pages 107 to 108 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for additional information regarding the regulatory restrictions on investments.) Figure 10 presents total investments for the most recent five quarters.

Figure 10 - Total Investments (Carrying Value)
(dollars in billions)



Total investments, net was $420.4 billion at June 30, 2024, an increase of $12.5 billion, or 3%, from $407.9 billion at December 31, 2023, driven by an increase in federal funds sold and mortgage-backed securities, partially offset by a decrease in securities purchased under agreements to resell. The FHLBanks classify investment securities as held-to-maturity (HTM), available-for-sale (AFS), or trading securities. Figure 11 presents the composition of investment securities by product type for the most recent five quarters.

Figure 11 - Investment Securities by Product Type (Carrying Value)
(dollars in billions)



The FHLBanks maintain short-term investment portfolios, the proceeds of which may provide funds to meet the credit needs of their members and to maintain liquidity. These portfolios may include:

- interest-bearing deposits;
- securities purchased under agreements to resell;
- federal funds sold;
- certificates of deposit;
- U.S. Treasury obligations;
- other U.S. obligations; and
- GSE obligations.

The yield earned on these short-term investments is highly correlated with short-term market interest rates. At June 30, 2024, the FHLBanks continued to maintain significant short-term investment balances as part of their ongoing investment strategy and to satisfy liquidity needs. (See *Liquidity and Capital Resources* for further discussion related to liquidity management.)

The FHLBanks maintain long-term investment portfolios as an additional source of liquidity and to earn interest income. These investments generally provide the FHLBanks with higher returns than those available on short-term investments. These portfolios may include:

- U.S. Treasury obligations;
- other U.S. obligations;
- GSE obligations;
- other agency obligations; and
- other MBS and ABS.

Table 7 presents the composition of investments, including investment securities, at June 30, 2024 and December 31, 2023.

Table 7 - Total Investments

(dollars in millions)

Net Carrying Value	June 30, 2024	December 31, 2023	Change
Interest-bearing deposits	$ 26,205	$ 24,163	$ 2,042
Securities purchased under agreements to resell	73,787	81,012	(7,225)
Federal funds sold	66,447	57,860	8,587
Total Investment Securities by Major Security Type			
Non-mortgage-backed investment securities			
U.S. Treasury obligations	50,383	46,106	4,277
Other U.S. obligations	2,548	2,968	(420)
GSE and Tennessee Valley Authority obligations	9,809	10,661	(852)
State or local housing agency obligations	2,173	2,124	49
Federal Family Education Loan Program ABS	1,766	1,957	(191)
Other	606	617	(11)
Total non-mortgage-backed investment securities	**67,285**	**64,433**	**2,852**
Mortgage-backed investment securities			
U.S. obligations single-family	14,745	14,641	104
U.S. obligations multifamily	469	478	(9)
GSE single-family	26,844	23,103	3,741
GSE multifamily	143,284	140,813	2,471
Private-label	1,308	1,399	(91)
Total mortgage-backed investment securities	**186,650**	**180,434**	**6,216**
Total investment securities	**253,935**	**244,867**	**9,068**
Total investments	**$ 420,374**	**$ 407,902**	**$ 12,472**

The interest-rate and prepayment risks associated with investment securities are managed through a combination of debt issuance and derivatives. (See *Note 6 - Derivatives and Hedging Activities* to the accompanying combined financial statements for additional information.) Figure 12 summarizes the interest-rate payment terms of investment securities by product type for the most recent five quarters, with trading securities presented at fair value and AFS and HTM securities presented at amortized cost.

Figure 12 - Interest-Rate Payment Terms of Investment Securities by Product Type (dollars in billions)

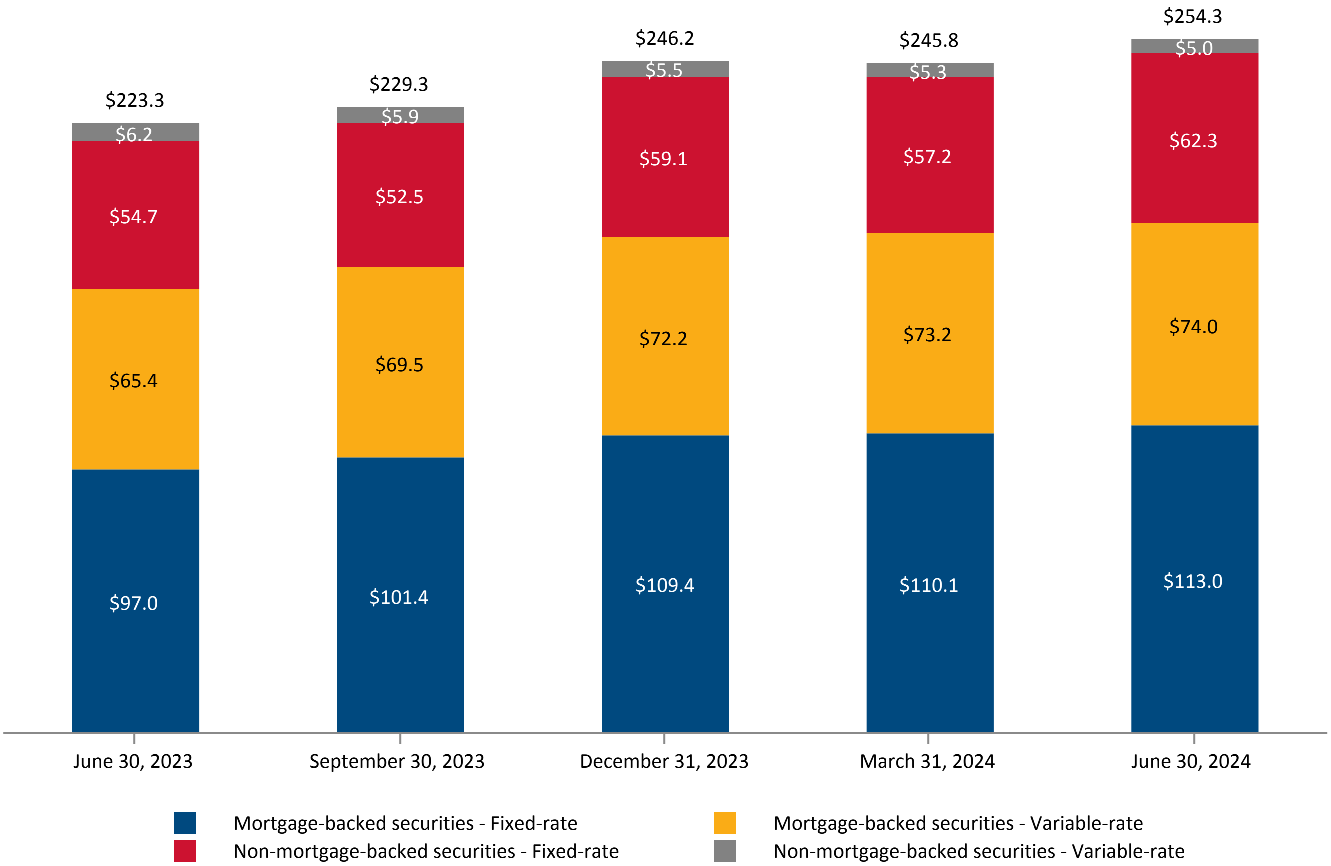


Table 8 presents the interest-rate payment terms of investment securities at June 30, 2024 and December 31, 2023.

Table 8 - Interest-Rate Payment Terms of Investment Securities

(dollars in millions)

	June 30, 2024	December 31, 2023
Trading Securities at Fair Value		
Trading non-mortgage-backed securities		
Fixed-rate	$ 17,770	$ 14,330
Variable-rate	651	599
Total trading non-mortgage-backed securities	**18,421**	**14,929**
Trading mortgage-backed securities		
Fixed-rate	592	609
Variable-rate	13	15
Total trading mortgage-backed securities	**605**	**624**
Total trading securities	**$ 19,026**	**$ 15,553**
Available-for-Sale Securities at Amortized Cost		
Available-for-sale non-mortgage-backed securities		
Fixed-rate	$ 43,044	$ 42,402
Variable-rate	3,448	3,717
Total available-for-sale non-mortgage-backed securities	**46,492**	**46,119**
Available-for-sale mortgage-backed securities		
Fixed-rate	96,553	92,610
Variable-rate	26,237	23,037
Total available-for-sale mortgage-backed securities	**122,790**	**115,647**
Total available-for-sale securities	**$ 169,282**	**$ 161,766**
Held-to-Maturity Securities at Amortized Cost		
Held-to-maturity non-mortgage-backed securities		
Fixed-rate	$ 1,458	$ 2,371
Variable-rate	1,002	1,136
Total held-to-maturity non-mortgage-backed securities	**2,460**	**3,507**
Held-to-maturity mortgage-backed securities		
Fixed-rate	15,848	16,207
Variable-rate	47,724	49,146
Total held-to-maturity mortgage-backed securities	**63,572**	**65,353**
Total held-to-maturity securities	**$ 66,032**	**$ 68,860**

Table 9 presents the principal amount of variable-rate investment securities by interest-rate index at June 30, 2024 and December 31, 2023.

Table 9 - Variable-Rate Investment Securities by Interest-Rate Index

(dollars in millions)

	June 30, 2024			December 31, 2023		
	Non-mortgage-backed securities	Mortgage-backed securities	Total	Non-mortgage-backed securities	Mortgage-backed securities	Total
SOFR	$ 4,287	$ 68,796	$ 73,083	$ 4,688	$ 71,882	$ 76,570
LIBOR[(1)]	—	73	73	—	252	252
Other[(2)]	813	202	1,015	166	260	426
Total principal amount of variable-rate investment securities	**$ 5,100**	**$ 69,071**	**$ 74,171**	**$ 4,854**	**$ 72,394**	**$ 77,248**

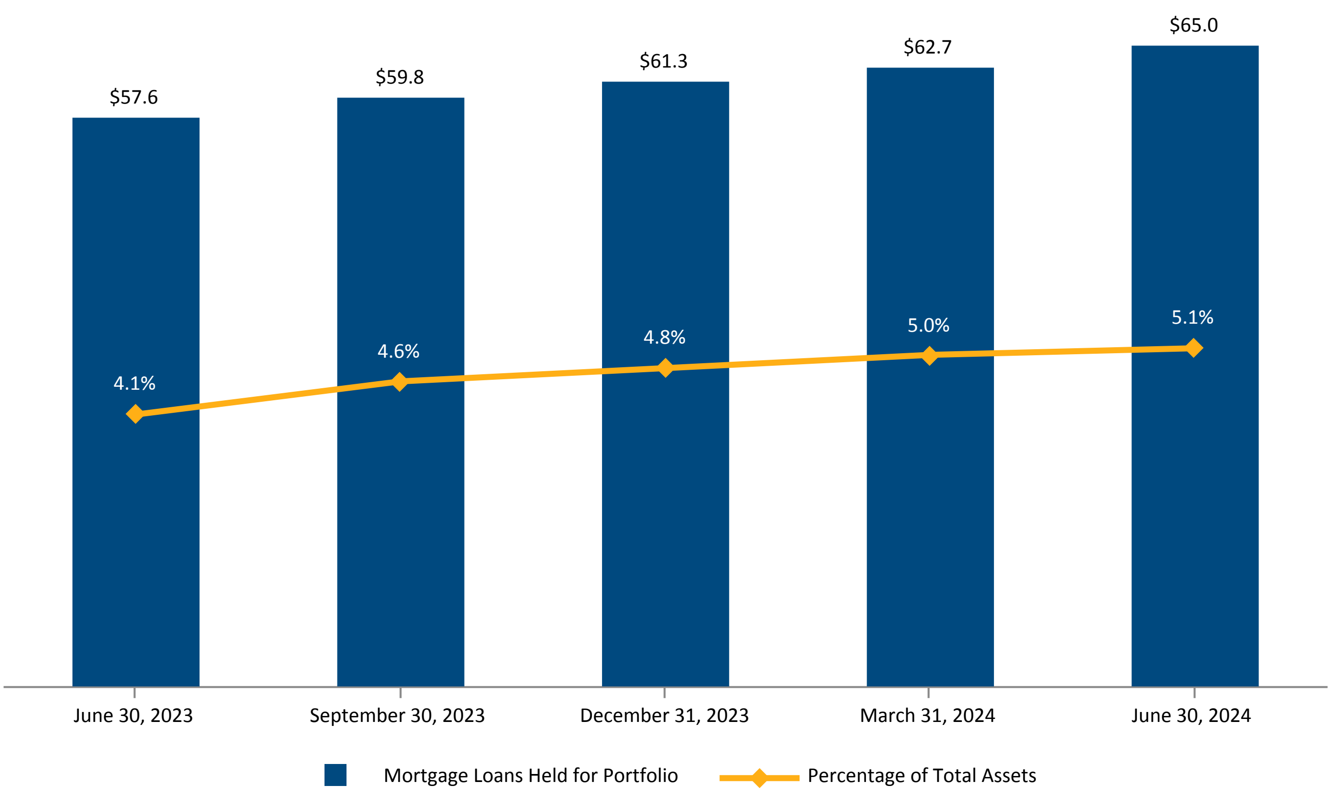
(1) Includes LIBOR-indexed investments as of June 30, 2024 and December 31, 2023. The FHLBanks transitioned all of these investments such that, immediately following June 30, 2023, the U.S. dollar LIBOR rates referenced in these investments became static or will convert to SOFR at the beginning of the instruments' next reset period.
(2) Consists primarily of investments indexed to Treasury rates.

Limits on Certain Investments. FHFA regulations prohibit an FHLBank from purchasing MBS/ABS if its investment in these securities exceeds 300% of that FHLBank's previous month-end regulatory capital on the day it intends to purchase the securities. During the six months ended June 30, 2024, each of the FHLBanks was in compliance with this regulatory requirement at the time of its respective securities purchases. However, at June 30, 2024, the FHLBank of Atlanta exceeded the 300% regulatory limit and was precluded from purchasing additional MBS/ABS investments until its MBS/ABS to total regulatory capital percentage declined below 300%. The FHLBank of Atlanta was not required by the FHFA to sell any previously purchased securities. On a combined basis, the FHLBanks' percentage of MBS/ABS (net of regulatory excluded MBS) was 262% of combined regulatory capital at June 30, 2024.

Mortgage Loans Held for Portfolio

An FHLBank may purchase fixed-rate mortgage loans to support the FHLBank's housing mission, provide an additional source of liquidity to FHLBank members, diversify its investments, and generate additional earnings. These programs include the Mortgage Purchase Program (MPP), the Mortgage Partnership Finance® (MPF®) Program ("Mortgage Partnership Finance,", "MPF," and "MPF Xtra®" are registered trademarks of the FHLBank of Chicago), and the Mortgage Asset Program ("MAP®" is a registered trademark of the FHLBank of New York). Figure 13 presents mortgage loans held for portfolio (designated as held for investment for accounting purposes) for the most recent five quarters.

Figure 13 - Mortgage Loans Held for Portfolio (Carrying Value)
(dollars in billions)



Mortgage loans, excluding the allowance for credit losses, were $65.1 billion at June 30, 2024, an increase of $3.7 billion, or 6%, from $61.4 billion at December 31, 2023, as mortgage loan purchase volume outpaced repayments. The allowance for credit losses on mortgage loans was $29 million at June 30, 2024, a decrease of $6 million, or 17%, from $35 million at December 31, 2023. The FHLBanks utilize credit enhancements on conventional mortgage loans held for portfolio, which help to mitigate expected credit losses.

Table 10 presents mortgage loans held for portfolio at June 30, 2024 and December 31, 2023.

Table 10 - Mortgage Loans Held for Portfolio
(dollars in millions)

	June 30, 2024	December 31, 2023
Mortgage loans held for portfolio	$ 65,075	$ 61,370
Allowance for credit losses on mortgage loans	(29)	(35)
Mortgage loans held for portfolio, net	**$ 65,046**	**$ 61,335**

Table 11 presents metrics and ratios of mortgage loans held for portfolio. Periodically, each FHLBank evaluates the allowance for credit losses for its mortgage loans based on its policies and procedures to determine if an allowance for credit losses is necessary.

Table 11 - Mortgage Loans Held for Portfolio - Metrics and Ratios
(dollars in millions)

	June 30, 2024	June 30, 2023
Average loans outstanding during the period (unpaid principal balance, or UPB)(1)	$ 62,131	$ 55,615
Mortgage loans held for portfolio (UPB)	64,199	56,814
Non-accrual loans (UPB)	172	170
Allowance for credit losses on mortgage loans held for portfolio	29	36
(Charge-offs), net of recoveries(1)	(2)	1
Ratio of charge-offs, net of recoveries to average loans outstanding during the period(1)	—	—
Ratio of allowance for credit losses to mortgage loans held for portfolio	0.05 %	0.06 %
Ratio of non-accrual loans to mortgage loans held for portfolio	0.27 %	0.30 %
Ratio of allowance for credit losses to non-accrual loans	16.86 %	21.18 %

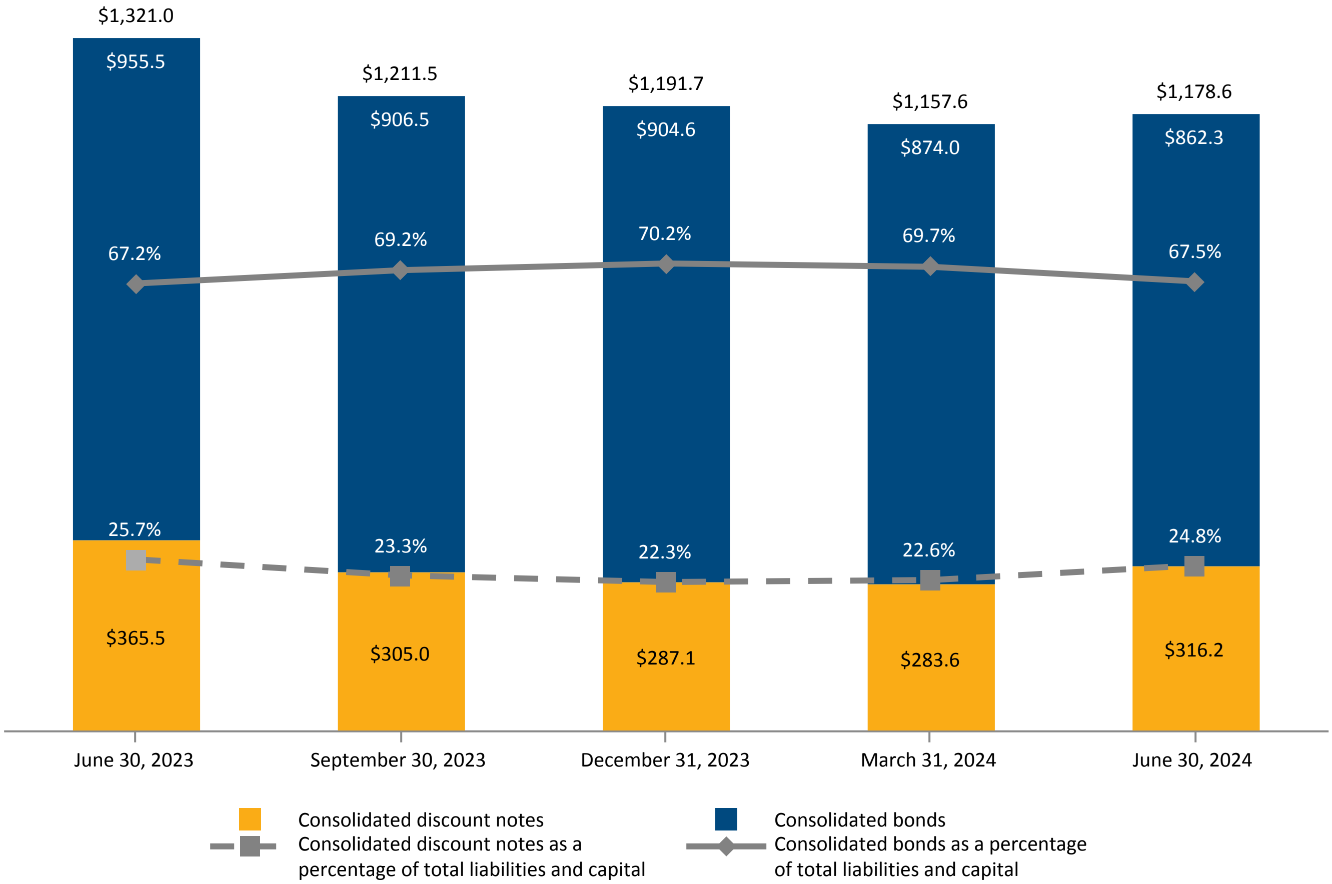
(1) Represents the six months ended June 30, 2024 and 2023.

MPF Xtra Conventional Mortgage Loans. In addition to mortgage loans purchased by the FHLBanks and held for portfolio, the FHLBank of Chicago also purchases eligible conventional loans from participating financial institutions (PFIs) located in its district and in other MPF FHLBank districts under the MPF Xtra product. Upon purchase from the PFIs, the FHLBank of Chicago concurrently sells the mortgage loans to Fannie Mae. During the six months ended June 30, 2024 and 2023, the FHLBank of Chicago purchased and concurrently delivered $311 million and $351 million in UPB of these loans to Fannie Mae. (See *Business - Mortgage Loans* on page 11 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for more information about MPF Xtra mortgage loans.)

Consolidated Obligations

Consolidated obligations consist of consolidated bonds and consolidated discount notes, which are joint and several obligations of all FHLBanks. The FHLBanks issue consolidated obligations through the Office of Finance as their agent. Consolidated obligations are the principal funding source used by the FHLBanks to make advances and to purchase mortgage loans and investments. The outstanding balance and types of consolidated obligations issued will fluctuate based on the funding requirements of the FHLBanks. The future amounts and types of consolidated obligations issued depend primarily on the demand for advances and could also be affected by changes in fiscal and monetary policies, as well as the state of the U.S. economy and financial markets. Figure 14 presents consolidated bonds and consolidated discount notes for the most recent five quarters.

Figure 14 - Consolidated Obligations Outstanding (Carrying Value)
(dollars in billions)



The carrying value of consolidated obligations totaled $1,178.6 billion at June 30, 2024, a decrease of $13.1 billion, or 1%, from $1,191.7 billion at December 31, 2023, in line with the decrease in total assets. The decrease in consolidated obligations was comprised of a 5% decrease in consolidated bonds, partially offset by a 10% increase in consolidated discount notes.

Consolidated bonds may be issued to raise short-, intermediate-, or long-term funds. Consolidated bonds are issued with either fixed-rate coupon payment terms or variable-rate coupon payment terms that are indexed to specified indices, such as SOFR, and typically have maturities ranging from three months to 30 years. The carrying value of consolidated bonds was $862.3 billion at June 30, 2024, a decrease of $42.3 billion, or 5%, from $904.6 billion at December 31, 2023. Consolidated bonds represented 73% and 76% of total consolidated obligations outstanding at June 30, 2024 and December 31, 2023.

Consolidated discount notes are issued to provide short-term funding and have a maturity range of one day to one year. They are generally issued below face value and mature at face value. A significant portion of consolidated discount note activity typically results from the refinancing of maturing discount notes. The carrying value of consolidated discount notes was $316.2 billion at June 30, 2024, an increase of $29.2 billion, or 10%, from $287.1 billion at December 31, 2023. Consolidated discount notes represented 27% and 24% of total consolidated obligations outstanding at June 30, 2024 and December 31, 2023.

Figures 15 and 16 present the principal amount of consolidated obligations by product type and by contractual maturity for the most recent five quarters.

Figure 15 - Consolidated Obligations by Product Type (dollars in billions)

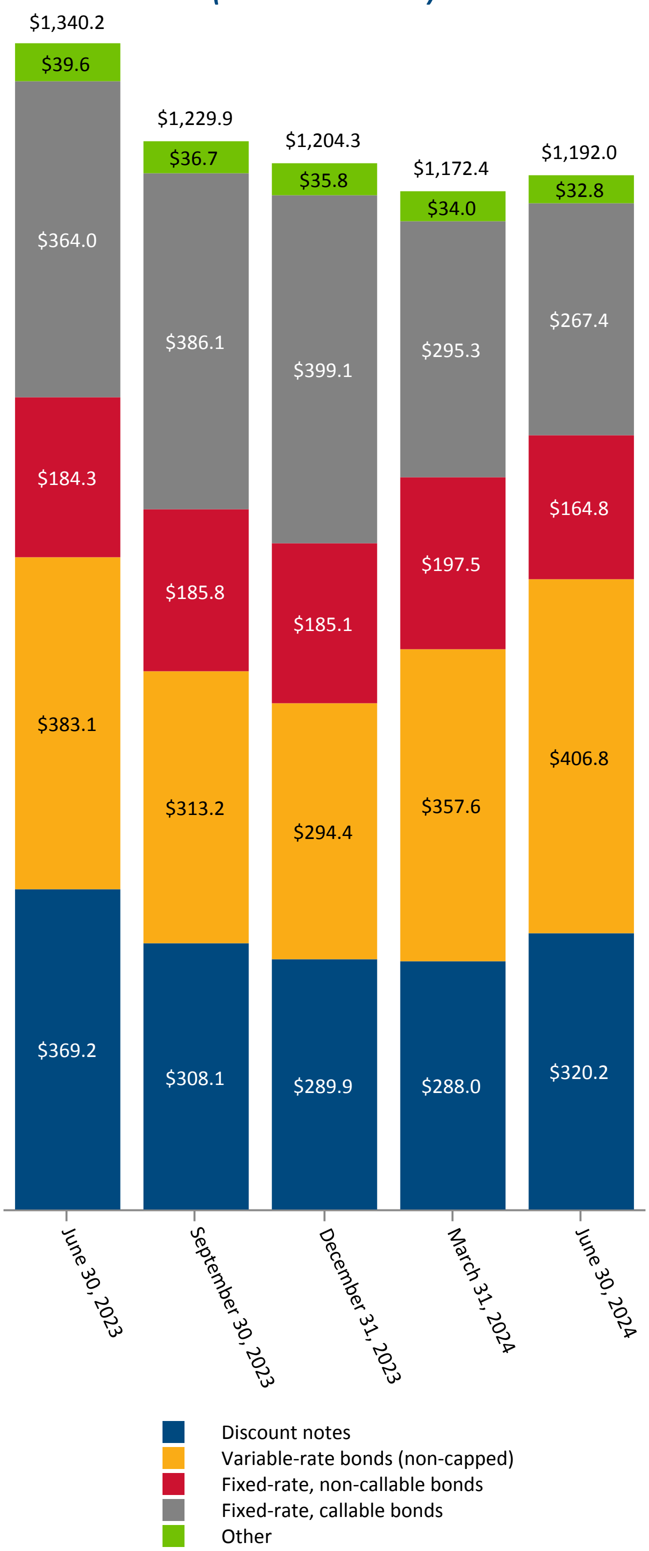


Figure 16 - Consolidated Obligations by Contractual Maturity (dollars in billions)

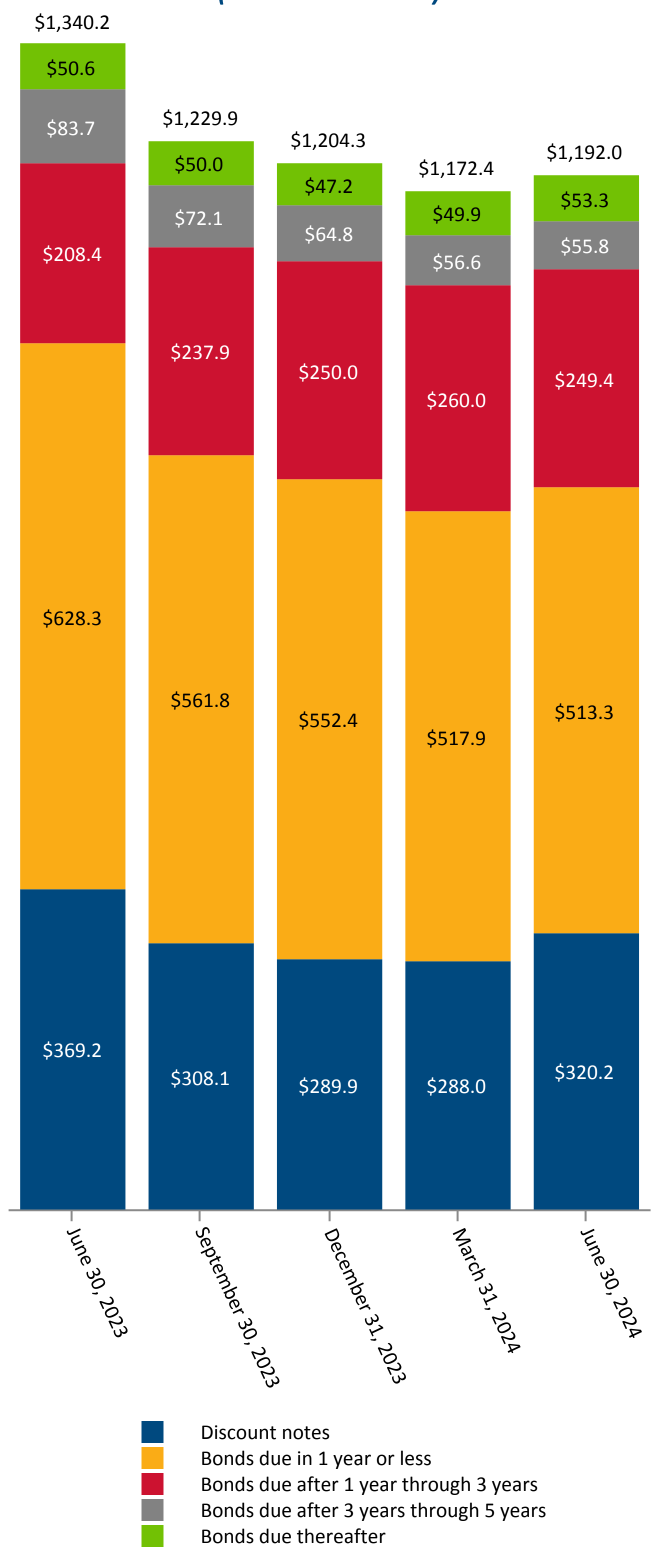


Table 12 presents the composition of consolidated obligations by product type and by contractual maturity at June 30, 2024 and December 31, 2023. At both June 30, 2024 and December 31, 2023, all outstanding variable-rate consolidated bonds were indexed to SOFR.

Table 12 - Types of Consolidated Obligations by Contractual Maturity

(dollars in millions)

	June 30, 2024		December 31, 2023		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Consolidated Discount Notes						
Overnight	$ 10,685	0.9 %	$ 11,575	1.0 %	$ (890)	(7.7)%
Due after 1 day through 30 days	87,155	7.3 %	74,391	6.2 %	12,764	17.2 %
Due after 30 days through 90 days	105,817	8.9 %	133,435	11.1 %	(27,618)	(20.7)%
Due after 90 days through 1 year	116,507	9.8 %	70,484	5.9 %	46,023	65.3 %
Total principal amount	**320,164**	**26.9 %**	**289,885**	**24.2 %**	**30,279**	10.4 %
Consolidated Bonds						
Fixed-rate, non-callable						
Due in 1 year or less	94,348	7.9 %	108,007	9.0 %	(13,659)	(12.6)%
Due after 1 year through 3 years	40,182	3.4 %	46,477	3.9 %	(6,295)	(13.5)%
Due after 3 years through 5 years	18,816	1.6 %	19,631	1.5 %	(815)	(4.2)%
Due after 5 years through 15 years	10,939	0.9 %	10,411	0.9 %	528	5.1 %
Thereafter	501	—	559	—	(58)	(10.4)%
Total principal amount	**164,786**	**13.8 %**	**185,085**	**15.3 %**	**(20,299)**	(11.0)%
Fixed-rate, callable						
Due in 1 year or less	91,943	7.7 %	224,405	18.6 %	(132,462)	(59.0)%
Due after 1 year through 3 years	104,775	8.8 %	105,319	8.7 %	(544)	(0.5)%
Due after 3 years through 5 years	33,435	2.8 %	38,205	3.2 %	(4,770)	(12.5)%
Due after 5 years through 15 years	32,066	2.7 %	27,659	2.3 %	4,407	15.9 %
Thereafter	5,197	0.4 %	3,532	0.3 %	1,665	47.1 %
Total principal amount	**267,416**	**22.4 %**	**399,120**	**33.1 %**	**(131,704)**	(33.0)%
Variable-rate (non-capped)						
Due in 1 year or less	320,933	26.9 %	215,772	17.9 %	105,161	48.7 %
Due after 1 year through 3 years	85,566	7.2 %	78,471	6.5 %	7,095	9.0 %
Due after 3 years through 5 years	303	—	200	—	103	51.5 %
Due after 5 years through 15 years	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total principal amount	**406,802**	**34.1 %**	**294,443**	**24.4 %**	**112,359**	38.2 %
Step-up/step-down, callable						
Due in 1 year or less	2,683	0.2 %	1,849	0.2 %	834	45.1 %
Due after 1 year through 3 years	10,173	0.9 %	11,448	1.0 %	(1,275)	(11.1)%
Due after 3 years through 5 years	2,492	0.2 %	5,388	0.4 %	(2,896)	(53.7)%
Due after 5 years through 15 years	4,496	0.4 %	4,946	0.4 %	(450)	(9.1)%
Thereafter	—	—	—	—	—	—
Total principal amount	**19,844**	**1.7 %**	**23,631**	**2.0 %**	**(3,787)**	(16.0)%
Other						
Due in 1 year or less	3,426	0.3 %	2,335	0.2 %	1,091	46.7 %
Due after 1 year through 3 years	8,714	0.7 %	8,360	0.7 %	354	4.2 %
Due after 3 years through 5 years	762	0.1 %	1,377	0.1 %	(615)	(44.7)%
Due after 5 years through 15 years	80	—	80	—	—	—
Thereafter	—	—	—	—	—	—
Total principal amount	**12,982**	**1.1 %**	**12,152**	**1.0 %**	**830**	6.8 %
Total principal amount consolidated bonds	**871,830**	**73.1 %**	**914,431**	**75.8 %**	**(42,601)**	(4.7)%
Total principal amount	**1,191,994**	**100.0 %**	**1,204,316**	**100.0 %**	**$ (12,322)**	(1.0)%
Other adjustments, net[(1)]	(13,440)		(12,630)			
Total consolidated obligations	**$ 1,178,554**		**$ 1,191,686**			

(1) Consists of hedging and fair value option valuation adjustments, unamortized premiums and discounts, and combining adjustments.

Table 13 presents cash flows related to consolidated obligations. During the three months ended June 30, 2024, proceeds exceeded payments, resulting in higher consolidated obligations outstanding compared to March 31, 2024, driven by higher discount note issuance, which funded increased advance activity. During the six months ended June 30, 2024, payments exceeded proceeds, resulting in lower consolidated obligations outstanding compared to December 31, 2023. During March 2023, the FHLBanks' advances and consolidated obligations increased significantly in response to the stress placed on the banking industry and financial markets resulting from the financial difficulties experienced by some depository institutions, contributing to higher proceeds and payments for consolidated obligations during the six months ended June 30, 2023, compared to the six months ended June 30, 2024.

Table 13 - Net Proceeds and Payments for Consolidated Obligations

(dollars in millions)

	Three Months Ended June 30, 2024			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Net proceeds from issuance of consolidated obligations						
Discount notes	$ 1,574,671	$ 1,384,647	$ 190,024	$ 2,849,867	$ 2,940,150	$ (90,283)
Bonds	197,619	245,909	(48,290)	446,343	676,982	(230,639)
Net proceeds	**1,772,290**	**1,630,556**	**$ 141,734**	**3,296,210**	**3,617,132**	**$ (320,922)**
Payments for maturing and retiring consolidated obligations						
Discount notes	1,542,707	1,534,799	$ 7,908	2,820,544	3,042,255	$ (221,711)
Bonds	210,251	232,171	(21,920)	488,954	417,867	71,087
Total payments	**1,752,958**	**1,766,970**	**$ (14,012)**	**3,309,498**	**3,460,122**	**$ (150,624)**
Net change	**$ 19,332**	**$ (136,414)**		**$ (13,288)**	**$ 157,010**	

Consolidated bonds often have investor-determined features. The decision to issue a consolidated bond using a particular structure is based on the desired amount of funding and the ability of the FHLBank(s) receiving the proceeds of the consolidated bond issued to hedge the risks. This strategy of issuing consolidated obligations while simultaneously entering into derivative transactions enables an FHLBank to offer a wider range of attractively-priced advances to its members and may allow an FHLBank to reduce its funding costs. The continued attractiveness of this strategy depends on yield relationships between the FHLBanks' consolidated obligations and the derivatives markets. If conditions change, an FHLBank may alter the types or terms of the consolidated obligations that it issues. The increase in funding alternatives available to the FHLBanks through negotiated debt/swap transactions is beneficial to the FHLBanks because it may diversify the investor base, reduce funding costs, and/or provide additional asset/liability management tools.

Table 14 presents the bond types the FHLBanks issued for their bond funding needs. The types of consolidated bonds issued can fluctuate based on comparative changes in their cost levels, supply and demand conditions, advance demand, and the FHLBanks' individual balance sheet management strategies. During the three and six months ended June 30, 2024, the total issuance of consolidated bonds decreased compared to the three and six months ended June 30, 2023, in line with the decrease in demand for advances. During the three and six months ended June 30, 2024, issuance of consolidated bonds continued to be concentrated in short-term variable-rate consolidated bonds.

Table 14 - Percentage of Total Consolidated Bonds Issued by Bond Type

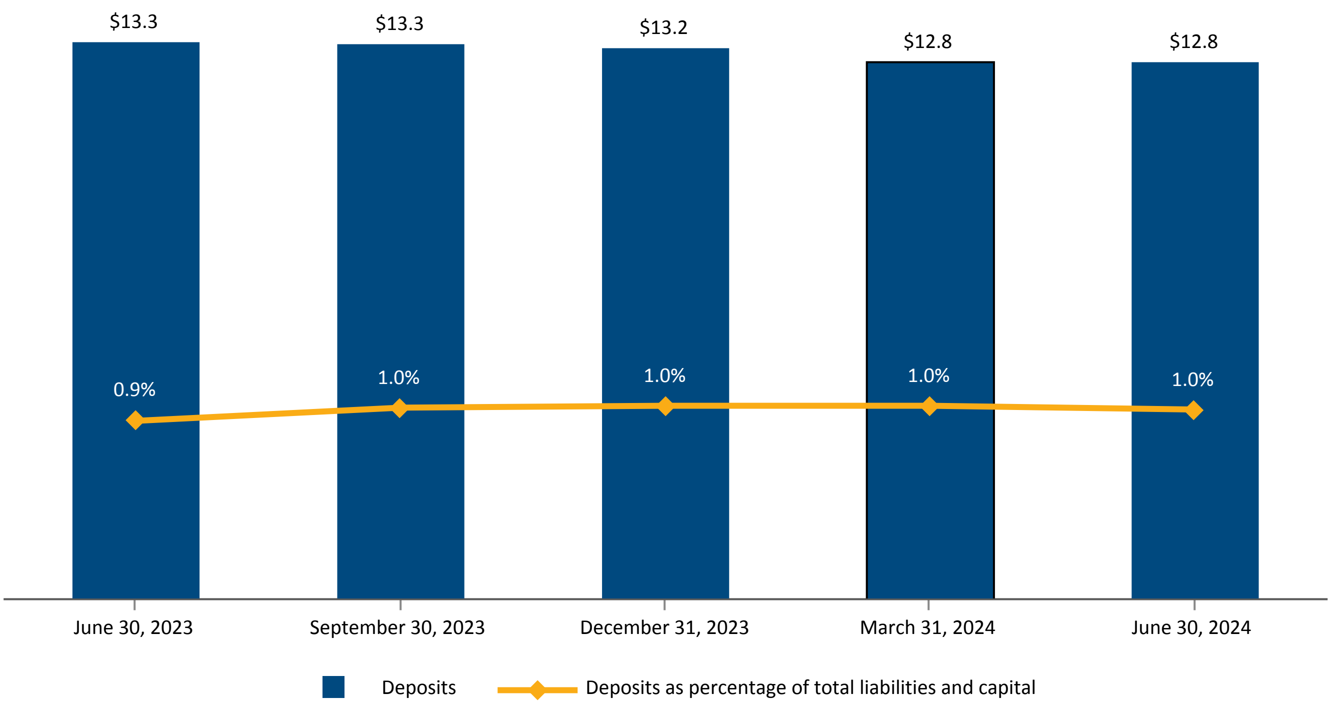
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Single-index, variable-rate	72.9 %	51.9 %	72.7 %	67.4 %
Fixed-rate, callable	21.2 %	42.1 %	18.7 %	24.4 %
Fixed-rate, non-callable	5.9 %	5.9 %	8.6 %	8.1 %
Step-up/step-down[1]	— %	0.1 %	—	0.1 %
Total	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

(1) Primarily consists of callable step-up bonds.

Deposits

The FHLBanks offer demand and overnight deposit programs to members and to qualifying non-members. In addition, certain FHLBanks offer short-term interest-bearing deposit programs to members, and in certain cases, to qualifying non-members. Figure 17 presents deposits for the most recent five quarters.

Figure 17 - Deposits
(dollars in billions)



Deposits represent a relatively small portion of the FHLBanks' funding, totaling $12.8 billion at June 30, 2024, a decrease of $0.3 billion, or 2%, from $13.2 billion at December 31, 2023. All FHLBank deposits are uninsured and deposit balances vary depending on market factors, such as the attractiveness of the FHLBanks' deposit pricing relative to the rates available on alternative money market instruments, FHLBank members' investment preferences with respect to the maturity of their investments, and FHLBank members' liquidity. Interest-bearing demand and overnight deposits represented 96% of deposits at both June 30, 2024 and December 31, 2023, with the remaining deposits primarily being term deposits and non-interest-bearing deposits. Interest-bearing demand and overnight deposits pay interest based on a daily interest rate. Term deposits pay interest based on a fixed rate determined at the issuance of the deposit.

Capital

GAAP capital consists of capital stock, retained earnings, and accumulated other comprehensive income (loss). Figure 18 presents GAAP capital for the most recent five quarters.

Figure 18 - GAAP Capital (dollars in billions)

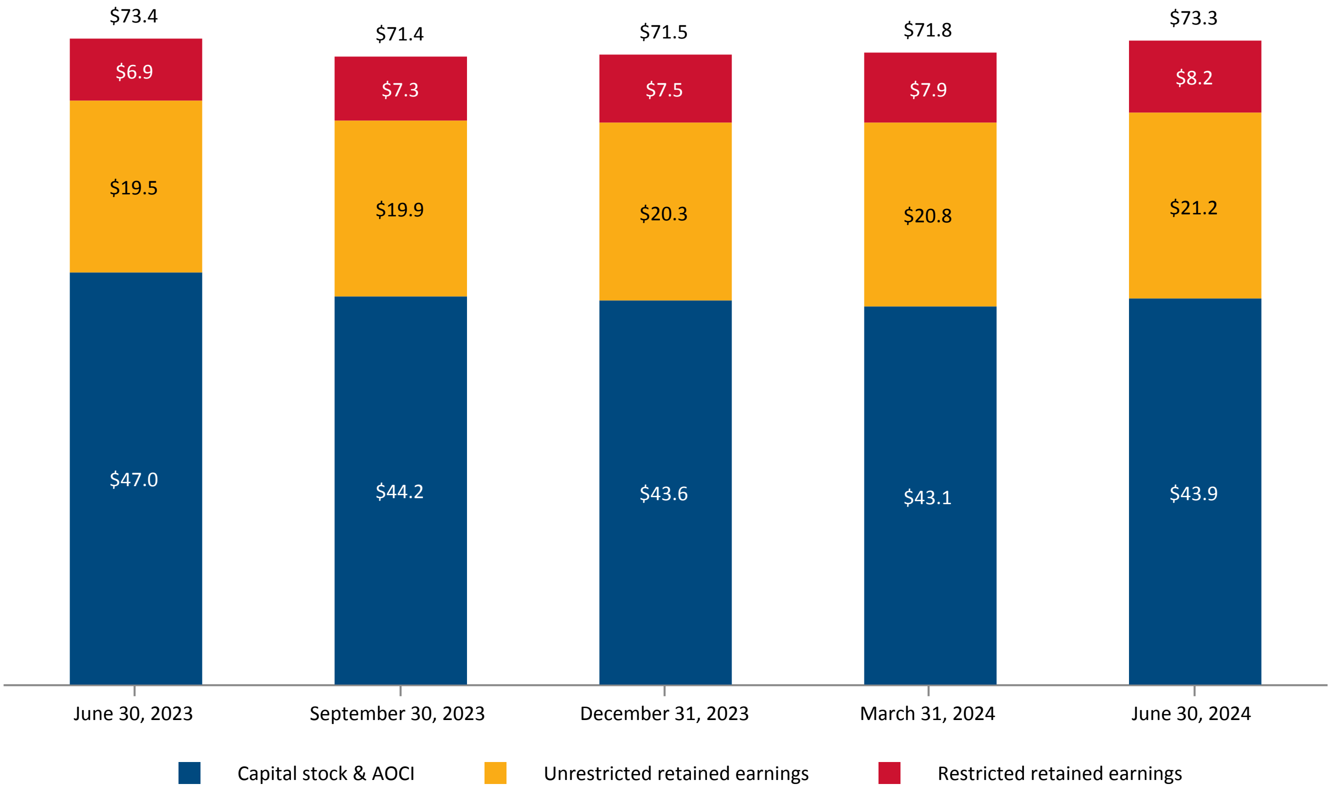


Table 15 - Total Capital and Regulatory Capital-to-Assets Ratio
(dollars in millions)

	June 30, 2024	December 31, 2023	Change
Capital stock	$ 44,009	$ 44,686	$ (677)
Retained earnings:			
Unrestricted	21,208	20,348	860
Restricted[(1)]	8,172	7,546	626
Total retained earnings	**29,380**	**27,894**	**1,486**
AOCI	(93)	(1,044)	951
Total GAAP capital	**73,296**	**71,536**	**1,760**
Exclude: AOCI	93	1,044	(951)
Add: Mandatorily redeemable capital stock	1,079	1,230	(151)
Combined regulatory capital[(2)]	**$ 74,468**	**$ 73,810**	**$ 658**
Total assets	**$ 1,276,922**	**$ 1,289,413**	**$ (12,491)**
Regulatory capital-to-assets ratio[(3)]	5.83 %	5.72 %	0.11 %

(1) Restricted retained earnings was established through the Capital Agreement, as amended, and is intended to enhance the capital position of each FHLBank. (See *Note 9 - Capital* to the accompanying combined financial statements for additional information about the Capital Agreement and restricted retained earnings.)
(2) Regulatory capital requirements apply to individual FHLBanks, and the combined amounts are for analysis only. The sum of the individual FHLBank regulatory capital amounts does not agree to the combined regulatory capital due to combining adjustments.
(3) The regulatory capital-to-assets ratio is calculated based on the FHLBanks' combined regulatory capital as a percentage of combined total assets. (See *Note 9 - Capital* to the accompanying combined financial statements for a definition and discussion of regulatory capital.)

GAAP Capital. Total GAAP capital was $73.3 billion at June 30, 2024, an increase of $1.8 billion, or 2%, from $71.5 billion at December 31, 2023, due primarily to growth in retained earnings and lower losses in AOCI, partially offset by a decrease in capital stock.

Capital Stock. Capital stock was $44.0 billion at June 30, 2024, a decrease of $0.7 billion, or 2%, from $44.7 billion at December 31, 2023, due principally to the net redemption of activity-based capital stock.

Retained Earnings. Retained earnings grew to $29.4 billion at June 30, 2024, an increase of $1.5 billion, or 5%, from $27.9 billion at December 31, 2023, resulting principally from net income of $3.3 billion, partially offset by dividends of $1.9 billion. Unrestricted retained earnings were $21.2 billion at June 30, 2024, an increase of $0.9 billion, or 4%, from $20.3 billion at December 31, 2023. Restricted retained earnings were $8.2 billion at June 30, 2024, an increase of $0.6 billion, or 8%, from $7.5 billion at December 31, 2023.

Accumulated Other Comprehensive Income (Loss). AOCI was a loss of $0.1 billion at June 30, 2024, compared to a loss of $1.0 billion at December 31, 2023, primarily consisting of net unrealized losses on MBS classified as AFS securities.

Figures 19 and 20 present the components of capital as a percentage of total GAAP capital at June 30, 2024 and December 31, 2023.

Figure 19 - Capital Components as a Percentage of Total GAAP Capital at June 30, 2024

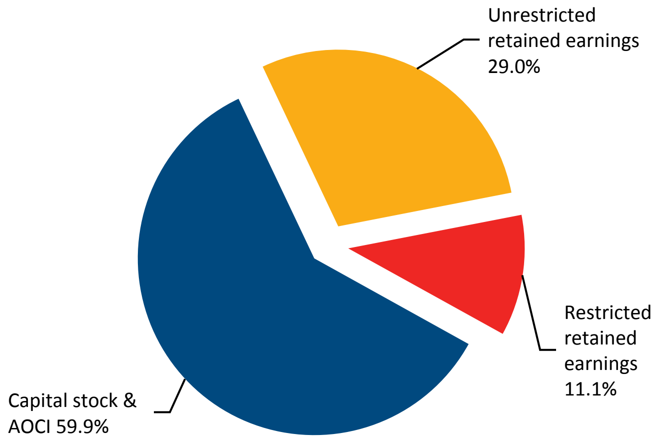
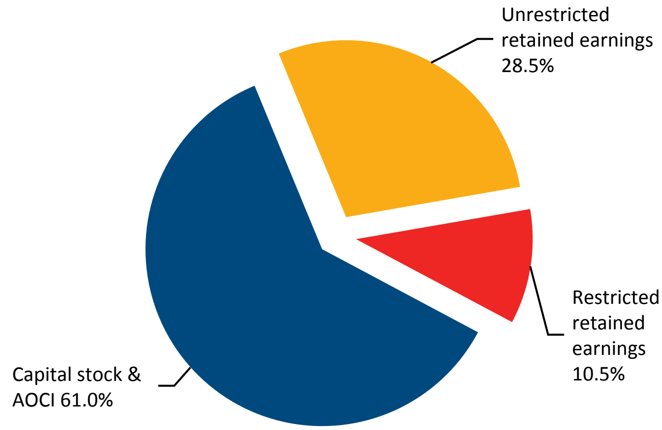


Figure 20 - Capital Components as a Percentage of Total GAAP Capital at December 31, 2023



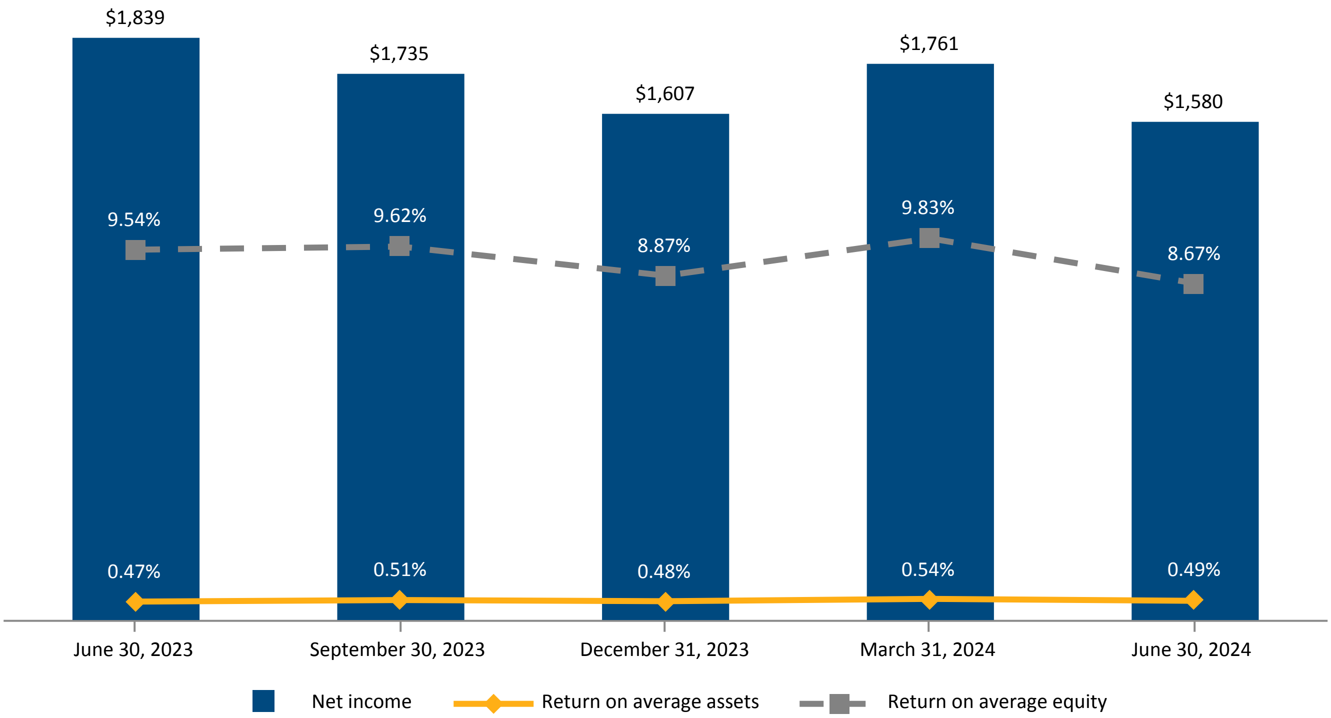
Regulatory Capital. Combined regulatory capital was $74.5 billion at June 30, 2024, an increase of $0.7 billion, or 1%, from $73.8 billion at December 31, 2023, due primarily to growth in retained earnings, partially offset by a decrease in capital stock. The regulatory capital-to-assets ratio was 5.83% at June 30, 2024, an increase of 11 basis points from 5.72% at December 31, 2023.

Combined Results of Operations

Net Income

The primary source of each FHLBank's earnings is net interest income, which is the interest income on advances, mortgage loans, and investments, less the interest expense on consolidated obligations, deposits, and mandatorily redeemable capital stock. The expenses of the FHLBanks, other than interest expense, primarily consist of employee compensation and benefits, other operating expenses, and AHP assessments. The FHLBanks may also recognize non-interest gains and losses, such as gains and losses on derivatives and hedging activities and gains and losses on investment securities. Due to the FHLBanks' cooperative structure, the FHLBanks generally earn a narrow net interest spread. Accordingly, the FHLBanks' net income is relatively low compared to total assets and total liabilities. Figure 21 presents net income, return on average assets, and return on average equity for the most recent five quarters.

Figure 21 - Net Income
(dollars in millions)



Net income was $1,580 million for the three months ended June 30, 2024, a decrease of 14% compared to the three months ended June 30, 2023, resulting primarily from lower net interest income and higher levels of voluntary contributions expensed by the FHLBanks for their AHP and other Community Investment Programs, which are included in non-interest expense. Net income was $3,341 million for the six months ended June 30, 2024, a decrease of less than 1% compared to the six months ended June 30, 2023, driven by higher levels of voluntary contributions expensed by the FHLBanks for their AHP and other Community Investment Programs, partially offset by increases in non-interest income and net interest income.

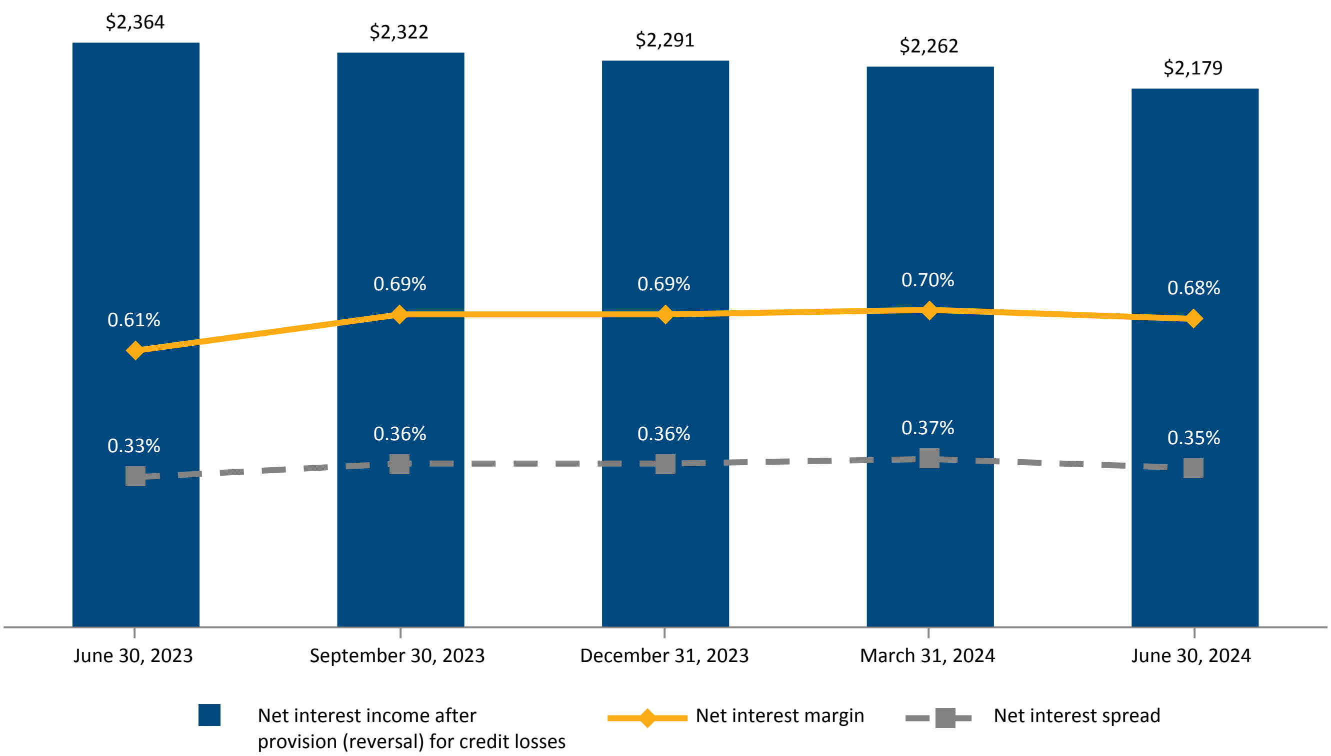
Table 16 - Changes in Net Income
(dollars in millions)

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2024	2023	2024 vs. 2023	2024	2023	2024 vs. 2023
Net interest income after provision (reversal) for credit losses	$ 2,179	$ 2,364	$ (185)	$ 4,441	$ 4,383	$ 58
Non-interest income (loss)	82	106	(24)	237	174	63
Non-interest expense	502	426	76	959	834	125
Affordable Housing Program assessments	179	205	(26)	378	374	4
Net income	**$ 1,580**	**$ 1,839**	**$ (259)**	**$ 3,341**	**$ 3,349**	**$ (8)**

Net Interest Income after Provision (Reversal) for Credit Losses

The primary source of each FHLBank's earnings is net interest income, which is the interest income on advances, mortgage loans, and investments, less the interest expense on consolidated obligations, deposits, and mandatorily redeemable capital stock. The net interest income of the FHLBanks is affected by several external factors, including changes in interest rates, liquidity levels and demand for advances from member institutions, the general state of the economy, and fiscal and monetary policies. The future level of net interest income of the FHLBanks will depend, in part, upon the level and volatility of interest rates, demand for advances, cost of consolidated obligations, changes in fiscal and monetary policies, as well as the state of the U.S. economy and financial markets. Figure 22 presents net interest income after provision (reversal) for credit losses, net interest margin, and net interest spread for the most recent five quarters.

Figure 22 - Net Interest Income after Provision (Reversal) for Credit Losses (dollars in millions)



Net interest income after provision (reversal) for credit losses was $2,179 million for the three months ended June 30, 2024, a decrease of 8% compared to the three months ended June 30, 2023. Net interest income after provision (reversal) for credit losses was $4,441 million for the six months ended June 30, 2024, an increase of 1% compared to the six months ended June 30, 2023.

Table 17 - Net Interest Income after Provision (Reversal) for Credit Losses

(dollars in millions)

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2024	2023	2024 vs. 2023	2024	2023	2024 vs. 2023
Interest income						
Advances	$ 11,305	$ 13,663	$ (2,358)	$ 22,762	$ 24,471	$ (1,709)
Investments	5,965	6,035	(70)	11,986	10,675	1,311
Mortgage loans held for portfolio	599	453	146	1,165	894	271
Total interest income	**17,869**	**20,151**	**(2,282)**	**35,913**	**36,040**	**(127)**
Interest expense						
Consolidated obligations - Discount notes	4,093	5,679	(1,586)	7,961	10,983	(3,022)
Consolidated obligations - Bonds	11,375	11,926	(551)	23,097	20,357	2,740
Total consolidated obligations	**15,468**	**17,605**	**(2,137)**	**31,058**	**31,340**	**(282)**
Deposits and mandatorily redeemable capital stock	219	174	45	416	309	107
Total interest expense	**15,687**	**17,779**	**(2,092)**	**31,474**	**31,649**	**(175)**
Net interest income	**2,182**	**2,372**	**(190)**	**4,439**	**4,391**	**48**
Provision (reversal) for credit losses	3	8	(5)	(2)	8	(10)
Net interest income after provision (reversal) for credit losses	**$ 2,179**	**$ 2,364**	**$ (185)**	**$ 4,441**	**$ 4,383**	**$ 58**

Table 18 presents average balances of and average yields/rates on the major categories of interest-earning assets and interest-bearing liabilities, net interest spread, and net interest margin. Due to the FHLBanks' cooperative structure, the FHLBanks generally earn a narrow net interest spread.

Table 18 - Analysis of Interest Income/Expense and Average Yield/Rate

(dollars in millions)

	Three Months Ended June 30,					
	2024			2023		
	Average Balance	Interest Income/ Expense	Average Yield/Rate	Average Balance	Interest Income/ Expense	Average Yield/Rate
Assets						
Interest-bearing deposits and other	$ 36,577	$ 516	5.67 %	$ 41,754	$ 550	5.28 %
Securities purchased under agreements to resell	50,501	680	5.42 %	78,457	985	5.04 %
Federal funds sold	88,046	1,187	5.42 %	126,247	1,594	5.06 %
Investment securities(1)(2)	248,681	3,582	5.79 %	219,720	2,906	5.30 %
Advances(3)	797,220	11,305	5.70 %	1,034,998	13,663	5.29 %
Mortgage loans(4)	63,957	599	3.77 %	56,791	453	3.20 %
Total interest-earning assets	**1,284,982**	**17,869**	**5.59 %**	**1,557,967**	**20,151**	**5.19 %**
Other non-interest-earning assets	15,552			15,287		
Fair-value adjustment on investment securities(2)	(205)			(1,194)		
Total assets	**$ 1,300,329**			**$ 1,572,060**		
Liabilities and Capital						
Consolidated obligations - Discount notes	$ 312,532	4,093	5.27 %	$ 467,708	5,679	4.87 %
Consolidated obligations - Bonds	875,661	11,375	5.22 %	983,470	11,926	4.86 %
Deposits and mandatorily redeemable capital stock	15,087	219	5.84 %	14,862	174	4.70 %
Total interest-bearing liabilities	**1,203,280**	**15,687**	**5.24 %**	**1,466,040**	**17,779**	**4.86 %**
Non-interest-bearing liabilities	23,764			28,680		
Total liabilities	**1,227,044**			**1,494,720**		
Capital	73,285			77,340		
Total liabilities and capital	**$ 1,300,329**			**$ 1,572,060**		
Net interest income		**$ 2,182**			**$ 2,372**	
Net interest spread			0.35 %			0.33 %
Net interest margin			0.68 %			0.61 %
Total interest-earning assets to total interest-bearing liabilities	106.79 %			106.27 %		

	Six Months Ended June 30,					
	2024			2023		
	Average Balance	Interest Income/ Expense	Average Yield/Rate	Average Balance	Interest Income/ Expense	Average Yield/Rate
Assets						
Interest-bearing deposits and other	$ 36,298	$ 1,022	5.66 %	$ 39,931	$ 1,002	5.06 %
Securities purchased under agreements to resell	52,220	1,405	5.41 %	64,434	1,553	4.86 %
Federal funds sold	91,077	2,454	5.42 %	115,347	2,770	4.84 %
Investment securities(1)(2)	247,234	7,105	5.78 %	213,375	5,350	5.06 %
Advances(3)	802,329	22,762	5.71 %	969,396	24,471	5.09 %
Mortgage loans(4)	62,988	1,165	3.72 %	56,446	894	3.19 %
Total interest-earning assets	**1,292,146**	**35,913**	**5.59 %**	**1,458,929**	**36,040**	**4.98 %**
Other non-interest-earning assets	15,102			15,207		
Fair-value adjustment on investment securities(2)	(492)			(893)		
Total assets	**$ 1,306,756**			**$ 1,473,243**		
Liabilities and Capital						
Consolidated obligations - Discount notes	$ 303,611	7,961	5.27 %	$ 474,794	10,983	4.66 %
Consolidated obligations - Bonds	891,432	23,097	5.21 %	882,739	20,357	4.65 %
Deposits and mandatorily redeemable capital stock	14,751	416	5.67 %	14,466	309	4.31 %
Total interest-bearing liabilities	**1,209,794**	**31,474**	**5.23 %**	**1,371,999**	**31,649**	**4.65 %**
Non-interest-bearing liabilities	24,289			26,998		
Total liabilities	**1,234,083**			**1,398,997**		
Capital	72,673			74,246		
Total liabilities and capital	**$ 1,306,756**			**$ 1,473,243**		
Net interest income		**$ 4,439**			**$ 4,391**	
Net interest spread			0.36 %			0.33 %
Net interest margin			0.69 %			0.61 %
Total interest-earning assets to total interest-bearing liabilities	106.81 %			106.34 %		

____

(1) Investment securities consist of Trading, AFS, and HTM securities.

(2) The average balances of AFS securities and HTM securities are reflected at amortized cost. (See *Note 3 - Investments* to the accompanying combined financial statements for additional information.)

(3) Interest income includes prepayment fees, net on advances of $14 million and $27 million for the three and six months ended June 30, 2024, and $5 million and $103 million for the three and six months ended June 30, 2023.

(4) Non-accrual loans are included in the average balances used to determine average yield/rate.

Changes in both average interest rates and average balances of interest-earning assets and interest-bearing liabilities have a direct influence on changes in net interest income, net interest margin, and net interest spread. Table 19 presents changes in interest income and interest expense due to rate-related and volume-related factors. Changes in interest income and interest expense not identifiable as either rate-related or volume-related, but rather attributable to both rate and volume changes, have been allocated to the rate and volume categories based on the proportion of the absolute value of the rate and volume changes.

Table 19 - Rate and Volume Analysis

(dollars in millions)

	Three Months Ended June 30, 2024 vs. 2023			Six Months Ended June 30, 2024 vs. 2023		
	Volume	Rate	Total	Volume	Rate	Total
Interest Income						
Interest-bearing deposits and other	$ (71)	$ 37	$ (34)	$ (96)	$ 116	$ 20
Securities purchased under agreements to resell	(372)	67	(305)	(316)	168	(148)
Federal funds sold	(510)	103	(407)	(629)	313	(316)
Investment securities[(1)]	403	273	676	916	839	1,755
Advances	(3,317)	959	(2,358)	(4,535)	2,826	(1,709)
Mortgage loans	61	85	146	110	161	271
Total interest income	**(3,806)**	**1,524**	**(2,282)**	**(4,550)**	**4,423**	**(127)**
Interest Expense						
Consolidated obligations - Discount notes	(2,007)	421	(1,586)	(4,347)	1,325	(3,022)
Consolidated obligations - Bonds	(1,362)	811	(551)	202	2,538	2,740
Deposits and mandatorily redeemable capital stock	3	42	45	6	101	107
Total interest expense	**(3,366)**	**1,274**	**(2,092)**	**(4,139)**	**3,964**	**(175)**
Changes in net interest income	**$ (440)**	**$ 250**	**$ (190)**	**$ (411)**	**$ 459**	**$ 48**

(1) Investment securities consist of Trading, AFS, and HTM securities.

Net interest income was $2,182 million for the three months ended June 30, 2024, a decrease of 8% compared to the three months ended June 30, 2023. Net interest income was $4,439 million for the six months ended June 30, 2024, an increase of 1% compared to the six months ended June 30, 2023. Net interest margin was 0.68% and 0.69% for the three and six months ended June 30, 2024, increases of 7 and 8 basis points compared to the three and six months ended June 30, 2023. Net interest spread was 0.35% and 0.36% for the three and six months ended June 30, 2024, increases of 2 and 3 basis points compared to the three and six months ended June 30, 2023.

- Interest income was $17,869 million and $35,913 million for the three and six months ended June 30, 2024, decreases of 11% and less than 1% compared to the three and six months ended June 30, 2023, driven by decreases in the average balances of total interest-earning assets, principally advances, partially offset by increases in the average yields on total interest-earning assets, principally advances and investments. The average balances of total interest-earning assets were $1,285.0 billion and $1,292.1 billion for the three and six months ended June 30, 2024, decreases of 18% and 11% compared to the three and six months ended June 30, 2023. The average yields on total interest-earning assets were 5.59% for both the three and six months ended June 30, 2024, increases of 40 and 61 basis points from 5.19% and 4.98% for the three and six months ended June 30, 2023.

- Interest expense was $15,687 million and $31,474 million for the three and six months ended June 30, 2024, decreases of 12% and 1% compared to the three and six months ended June 30, 2023, driven primarily by decreases in the average balances of consolidated obligations, partially offset by the higher average rates on consolidated obligations. The average balances of consolidated obligations were $1,188.2 billion and $1,195.0 billion for the three and six months ended June 30, 2024, decreases of 18% and 12% compared to the three and six months ended June 30, 2023. The average rates on consolidated obligations were 5.24% and 5.23% for the three and six months ended June 30, 2024, increases of 37 and 57 basis points from 4.87% and 4.66% for the three and six months ended June 30, 2023.

Factors Affecting Net Interest Income.

Advances. Interest income on advances was $11,305 million and $22,762 million for the three and six months ended June 30, 2024, decreases of 17% and 7% compared to the three and six months ended June 30, 2023, resulting primarily from decreases in the average balances of advances, partially offset by increases in the average yields on advances. The average balances of advances were $797.2 billion and $802.3 billion for the three and six months ended June 30, 2024, decreases of 23% and 17% compared to the three and six months ended June 30, 2023, driven principally by lower demand from large depository members. 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. The average yields on advances were 5.70% and 5.71% for the three and six months ended June 30, 2024, increases of 41 and 62 basis points from 5.29% and 5.09% for the three and six months ended June 30, 2023. The increases in the average yields on advances were the result of higher interest rates on advances and the effect of derivatives and hedging activities on interest income from advances, driven by the higher interest-rate environment. (See *Table 20* for additional information regarding the effect of derivatives and hedging activities on net interest income.)

Mortgage Loans. Interest income on mortgage loans was $599 million and $1,165 million for the three and six months ended June 30, 2024, increases of 32% and 30% compared to the three and six months ended June 30, 2023, resulting from increases in both the average yields on, and the average balances of, mortgage loans. The average yields on mortgage loans were 3.77% and 3.72% for the three and six months ended June 30, 2024, increases of 57 and 53 basis points from 3.20% and 3.19% for the three and six months ended June 30, 2023, resulting primarily from higher interest rates on mortgage loans. The average balances of mortgage loans were $64.0 billion and $63.0 billion for the three and six months ended June 30, 2024, increases of 13% and 12% compared to the three and six months ended June 30, 2023, as mortgage loan purchase volume outpaced repayments.

Total Investments. Interest income on total investments was $5,965 million for the three months ended June 30, 2024, a decrease of 1% compared to the three months ended June 30, 2023, resulting from a decrease in the average balance of total investments, partially offset by the increase in the average yield on total investments. Interest income on total investments was $11,986 million for the six months ended June 30, 2024, an increase of 12% compared to the six months ended June 30, 2023, resulting from an increase in the average yield on total investments, partially offset by the decrease in the average balance of total investments. The average yields on total investments were 5.66% and 5.65% for the three and six months ended June 30, 2024, increases of 47 and 68 basis points from 5.19% and 4.97% for the three and six months ended June 30, 2023.The increases in the average yields on total investments were the result of higher interest rates on investments, in part driven by higher yields on investments funded by member capital and the effect of derivatives and hedging activities on interest income from investment securities in the higher interest-rate environment. The average balances of total investment were $423.8 billion and $426.8 billion for the three and six months ended June 30, 2024, decreases of 9% and 1% compared to the three and six months ended June 30, 2023, due primarily to decreases in the average balances of securities purchased under agreements to resell and federal funds sold, partially offset by the increases in the average balances of investment securities. (See *Table 20* for additional information regarding the effect of derivatives and hedging activities on net interest income and *Liquidity and Capital Resources* for more discussion regarding the FHLBanks' liquidity requirements.)

Consolidated Obligations. Interest expense on consolidated obligations was $15,468 million and $31,058 million for the three and six months ended June 30, 2024, decreases of 12% and 1% compared to the three and six months ended June 30, 2023, driven primarily by the decreases in the average balances of consolidated obligations, partially offset by the higher average rates on consolidated obligations. The average balances of consolidated obligations were $1,188.2 billion and $1,195.0 billion for the three and six months ended June 30, 2024, decreases of 18% and 12% compared to the three and six months ended June 30, 2023. During March 2023, the FHLBanks' advances and consolidated obligations increased significantly in response to the stress placed on the banking industry and financial markets resulting from the financial difficulties experienced by some depository institutions. The average rates on consolidated obligations were 5.24% and 5.23% for the three and six months ended June 30, 2024, increases of 37 and 57 basis points from 4.87% and 4.66% for the three and six months ended June 30, 2023.

Effect of Derivatives and Hedging Activities on Net Interest Income.

Net interest income includes components related to the effect of derivatives and hedging activities resulting from the FHLBanks' hedging strategies. If a hedging relationship is designated and qualifies for hedge accounting treatment, the net interest settlements of interest receivables or payables related to derivatives designated in fair value or cash flow hedge relationships are recognized as adjustments to interest income or expense of the designated hedged item. When fair value hedge accounting is discontinued, the cumulative basis adjustment on the hedged item is amortized or accreted into net interest income over the remaining life of the hedged item using a level-yield methodology. In addition, changes in fair value of the derivative and the hedged item for designated fair value hedges are recorded in net interest income in the same line as the hedged item. (See *Note 6 - Derivatives and Hedging Activities* to the accompanying combined financial statements for additional information on the effect of derivatives and hedging activities.) Table 20 presents the effect of derivatives and hedging activities on net interest income.

Table 20 - Effect of Derivatives and Hedging Activities on Net Interest Income
(dollars in millions)

	Three Months Ended June 30, 2024				
	Advances	Investment Securities	Consolidated Bonds	Consolidated Discount Notes	Total
Net interest income					
Amortization and accretion of hedging activities in net interest income	$ 14	$ (42)	$ (139)	$ (1)	$ (168)
Net gains (losses) on derivatives and hedged items	6	10	133	(4)	145
Net interest settlements on derivatives	1,511	937	(2,030)	(9)	409
Total effect on net interest income	**$ 1,531**	**$ 905**	**$ (2,036)**	**$ (14)**	**$ 386**

	Three Months Ended June 30, 2023				
	Advances	Investment Securities	Consolidated Bonds	Consolidated Discount Notes	Total
Net interest income					
Amortization and accretion of hedging activities in net interest income	$ 21	$ (36)	$ (116)	$ (1)	$ (132)
Net gains (losses) on derivatives and hedged items	(5)	47	91	5	138
Net interest settlements on derivatives	1,480	823	(2,084)	4	223
Total effect on net interest income	**$ 1,496**	**$ 834**	**$ (2,109)**	**$ 8**	**$ 229**

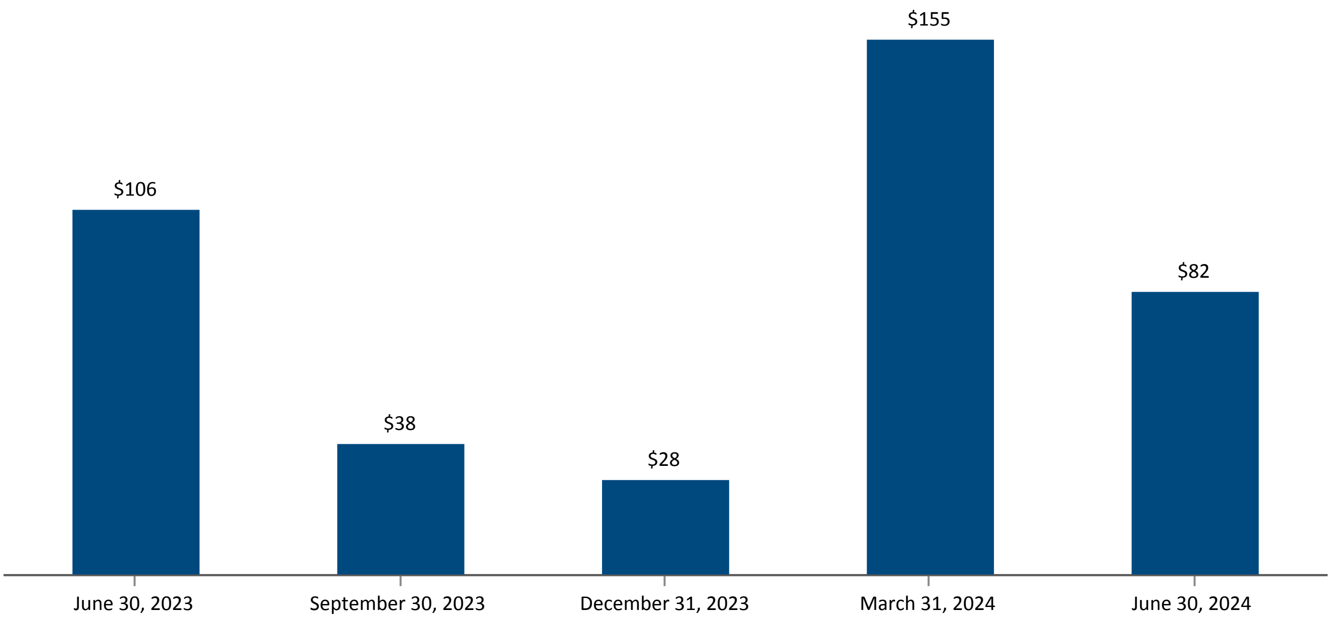
	Six Months Ended June 30, 2024				
	Advances	Investment Securities	Consolidated Bonds	Consolidated Discount Notes	Total
Net interest income					
Amortization and accretion of hedging activities in net interest income	$ 31	$ (84)	$ (289)	$ (1)	$ (343)
Net gains (losses) on derivatives and hedged items	22	41	294	1	358
Net interest settlements on derivatives	3,105	1,883	(4,163)	(2)	823
Total effect on net interest income	**$ 3,158**	**$ 1,840**	**$ (4,158)**	**$ (2)**	**$ 838**

	Six Months Ended June 30, 2023				
	Advances	Investment Securities	Consolidated Bonds	Consolidated Discount Notes	Total
Net interest income					
Amortization and accretion of hedging activities in net interest income	$ 33	$ (80)	$ (195)	$ (2)	$ (244)
Net gains (losses) on derivatives and hedged items	(277)	17	149	5	(106)
Net interest settlements on derivatives	2,574	1,522	(3,923)	5	178
Total effect on net interest income	**$ 2,330**	**$ 1,459**	**$ (3,969)**	**$ 8**	**$ (172)**

Non-Interest Income

Non-interest income consists of realized and unrealized gains (losses) on investment securities, derivatives activities, financial instruments held under fair value option, and other non-interest-earning activities. Figure 23 presents non-interest income for the most recent five quarters.

Figure 23 - Non-Interest Income (dollars in millions)



Non-interest income was a net gain of $82 million for the three months ended June 30, 2024, a decrease of 23% compared to the three months ended June 30, 2023. Non-interest income was a net gain of $237 million for the six months ended June 30, 2024, an increase of 36% compared to the six months ended June 30, 2023. The changes for the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023, resulted primarily from changes in the fair value of investment securities, derivatives, and financial instruments held under the fair value option, driven by changes in interest rates.

Table 21 - Changes in Non-Interest Income

(dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Net gains (losses) on investment securities	2	$ (140)	$ 142	$ (88)	$ 44	$ (132)
Net gains (losses) on financial instruments held under fair value option	(3)	79	(82)	(5)	(69)	64
Net gains (losses) on derivatives	17	107	(90)	164	39	125
Other, net	66	60	6	166	160	6
Total non-interest income (loss)	**$ 82**	**$ 106**	**$ (24)**	**$ 237**	**$ 174**	**$ 63**

Gains (Losses) on Investment Securities. The FHLBanks classify investment securities as AFS, HTM, or trading securities. The realized gains (losses) from the sale of AFS and HTM securities are recognized in current period earnings. Trading securities are recorded at fair value, with changes in fair value reflected in non-interest income. A number of factors affect the fair value of investment securities, such as the current and projected levels of interest rates, credit spreads, and volatility, as well as the passage of time. The net gain on investment securities was $2 million for the three months ended June 30, 2024, compared to a net loss of $140 million for the three months ended June 30, 2023. The net loss on investment securities was $88 million for the six months ended June 30, 2024, compared to a net gain of $44 million for the six months ended June 30, 2023. The changes for the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023, were due primarily to changes in the fair value of investment securities classified as trading securities, driven by changes in interest rates.

Gains (Losses) on Financial Instruments Held under Fair Value Option. Certain FHLBanks elect the fair value option for certain financial assets and certain financial liabilities, and these FHLBanks recognize the changes in fair value on these assets and liabilities as unrealized gains and losses in current period earnings. The use of the fair value option allows these FHLBanks to mitigate potential income statement volatility that can arise when an economic derivative is adjusted for changes in fair value, but the related hedged item is not. The net loss on financial instruments held under fair value options was $3 million for the three months ended June 30, 2024, compared to a net gain of $79 million for the three months ended June 30, 2023. The net loss for the three months ended June 30, 2024, resulted from fair value losses on consolidated bonds held under the fair value option, partially offset by fair value gains on advances and consolidated discount notes held under the fair value option. The net loss on financial instruments held under fair value options was $5 million for the six months ended June 30, 2024, compared to a net loss of $69 million for the six months ended June 30, 2023. The net loss for the six months ended June 30, 2024, resulted from fair value losses on consolidated bonds and advances held under the fair value option, partially offset by fair value gains on consolidated discount notes held under the fair value option. (See *Table 22* and *Note 11 - Fair Value* to the accompanying combined financial statements for additional information regarding the gains (losses) on financial instruments held under fair value option.)

Gains (Losses) on Derivatives. Gains (losses) on derivatives are primarily comprised of the change in fair value of economic hedges, which are derivatives hedging specific or non-specific underlying assets, liabilities, or firm commitments that do not qualify, or were not designated, for fair value or cash flow hedge accounting. Gains (losses) on derivatives fluctuate with changes in market conditions and are based on a wide range of factors, including current and projected levels of interest rates, credit spreads, and volatility, as well as the passage of time.

The net gain on derivatives was $17 million for the three months ended June 30, 2024, compared to a net gain of $107 million for the three months ended June 30, 2023. The net gain on derivatives was $164 million for the six months ended June 30, 2024, compared to a net gain of $39 million for the six months ended June 30, 2023. The net gains for the three and six months ended June 30, 2024, were due primarily to fair value gains on economic hedges, which hedge investment securities and advances, partially offset by fair value losses on economic hedges, which hedge consolidated obligations. Table 22 presents the effect of derivatives on non-interest income.

Table 22 - Effect of Derivatives on Non-Interest Income

(dollars in millions)

	Three Months Ended June 30, 2024							
	Advances	Investment Securities	Mortgage Loans	Consolidated Bonds	Consolidated Discount Notes	Balance Sheet	Intermediary Positions and Other	Total
Net gains (losses) on derivatives								
Gains (losses) related to derivatives not designated as hedging instruments	$ 17	$ 76	$ 4	$ (24)	$ (57)	$ —	$ (2)	$ 14
Price alignment amount	—	—	—	—	—	—	3	3
Total net gains (losses) on derivatives	**17**	**76**	**4**	**(24)**	**(57)**	**—**	**1**	**17**
Net gains (losses) on trading securities(1)	—	1	—	—	—	—	—	1
Net gains (losses) on financial instruments under fair value option	6	—	—	(23)	14	—	—	(3)
Total effect on non-interest income	**$ 23**	**$ 77**	**$ 4**	**$ (47)**	**$ (43)**	**$ —**	**$ 1**	**$ 15**

	Three Months Ended June 30, 2023							
	Advances	Investment Securities	Mortgage Loans	Consolidated Bonds	Consolidated Discount Notes	Balance Sheet	Intermediary Positions and Other	Total
Net gains (losses) on derivatives								
Gains (losses) related to derivatives not designated as hedging instruments	$ 100	$ 255	$ 20	$ (132)	$ (105)	$ (1)	$ (9)	$ 128
Price alignment amount	—	—	—	—	—	—	(21)	(21)
Total net gains (losses) on derivatives	**100**	**255**	**20**	**(132)**	**(105)**	**(1)**	**(30)**	**107**
Net gains (losses) on trading securities(1)	—	(138)	—	—	—	—	—	(138)
Net gains (losses) on financial instruments under fair value option	(20)	—	—	62	37	—	—	79
Total effect on non-interest income	**$ 80**	**$ 117**	**$ 20**	**$ (70)**	**$ (68)**	**$ (1)**	**$ (30)**	**$ 48**

	Six Months Ended June 30, 2024							
	Advances	Investment Securities	Mortgage Loans	Consolidated Bonds	Consolidated Discount Notes	Balance Sheet	Intermediary Positions and Other	Total
Net gains (losses) on derivatives								
Gains (losses) related to derivatives not designated as hedging instruments	$ 73	$ 295	$ 18	$ (87)	$ (131)	$ —	$ (9)	$ 159
Price alignment amount	—	—	—	—	—	—	5	5
Total net gains (losses) on derivatives	**73**	**295**	**18**	**(87)**	**(131)**	**—**	**(4)**	**164**
Net gains (losses) on trading securities(1)	—	(89)	—	—	—	—	—	(89)
Net gains (losses) on financial instruments under fair value option	(13)	—	—	(42)	50	—	—	(5)
Total effect on non-interest income	**$ 60**	**$ 206**	**$ 18**	**$ (129)**	**$ (81)**	**$ —**	**$ (4)**	**$ 70**

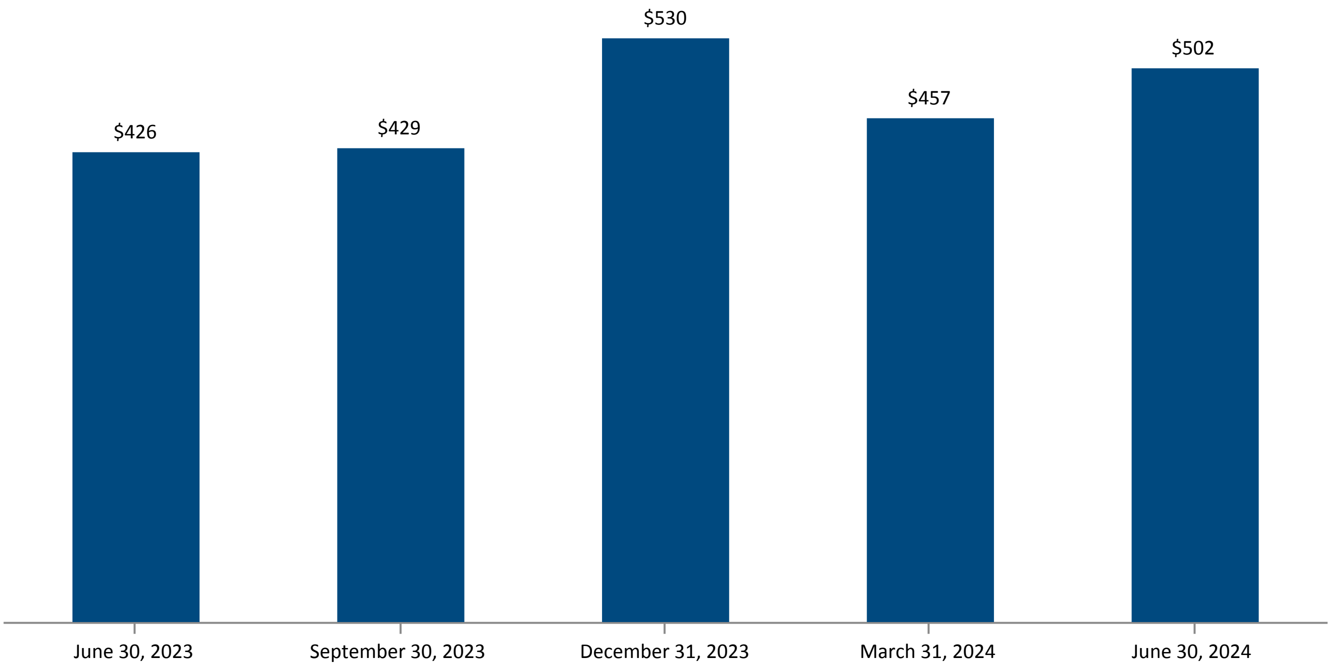
	Six Months Ended June 30, 2023							
	Advances	Investment Securities	Mortgage Loans	Consolidated Bonds	Consolidated Discount Notes	Balance Sheet	Intermediary Positions and Other	Total
Net gains (losses) on derivatives								
Gains (losses) related to derivatives not designated as hedging instruments	$ 47	$ 175	$ 5	$ (96)	$ (43)	$ (1)	$ (4)	$ 83
Price alignment amount	—	—	—	—	—	—	(44)	(44)
Total net gains (losses) on derivatives	**47**	**175**	**5**	**(96)**	**(43)**	**(1)**	**(48)**	**39**
Net gains (losses) on trading securities(1)	—	43	—	—	—	—	—	43
Net gains (losses) on financial instruments under fair value option	5	—	—	(20)	(54)	—	—	(69)
Total effect on non-interest income	**$ 52**	**$ 218**	**$ 5**	**$ (116)**	**$ (97)**	**$ (1)**	**$ (48)**	**$ 13**

(1) Includes only those gains (losses) on trading securities that have been economically hedged.

Non-Interest Expense

Non-interest expense consists of compensation and benefits, other operating expenses, FHFA expenses, Office of Finance expenses, voluntary housing and Community Investment Program contributions, and other expenses. Figure 24 presents non-interest expense for the most recent five quarters.

Figure 24 - Non-Interest Expense
(dollars in millions)



Non-interest expense was $502 million and $959 million for the three and six months ended June 30, 2024, increases of 18% and 15% compared to the three and six months ended June 30, 2023, driven by higher levels of voluntary contributions to housing and Community Investment Programs, as well as higher other operating expenses. The FHLBanks expensed voluntary contributions to housing and Community Investment Programs, which totaled $86 million and $131 million, including $34 million and $48 million related to voluntary AHP contributions, during the three and six months ended June 30, 2024, increases of $51 million and $80 million compared to the three and six months ended June 30, 2023. The increases in other operating expenses resulted primarily from an increase in information technology and professional services costs at certain FHLBanks.

Table 23 - Changes in Non-Interest Expense
(dollars in millions)

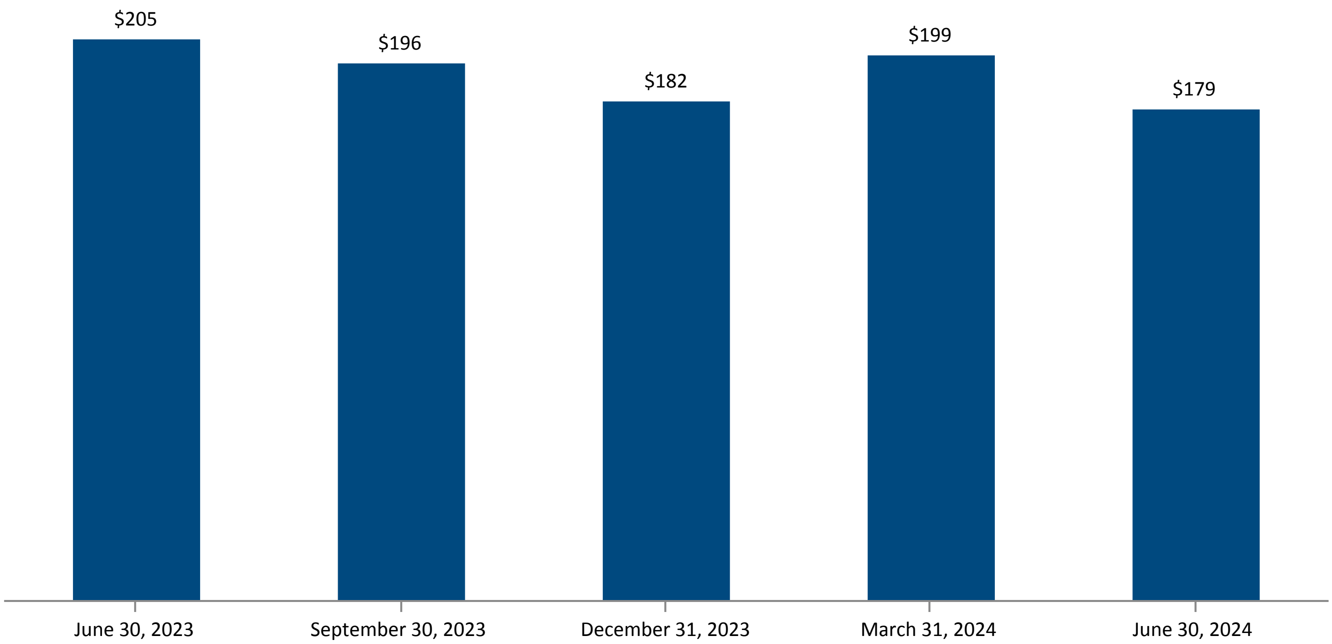
	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Compensation and benefits	$ 209	$ 200	$ 9	$ 426	$ 415	$ 11
Other operating expenses	154	142	12	293	266	27
Federal Housing Finance Agency	26	25	1	53	50	3
Office of Finance	19	17	2	39	37	2
Voluntary housing and community investment program contributions	86	35	51	131	51	80
Other expenses	8	7	1	17	15	2
Total non-interest expense	**$ 502**	**$ 426**	**$ 76**	**$ 959**	**$ 834**	**$ 125**

Affordable Housing Program Assessments

Each FHLBank recognizes AHP assessment expense equal to the greater of 10% of its annual income subject to assessment, or the prorated sum required to ensure the aggregate contribution by the FHLBanks is no less than $100 million for each year. For purposes of the statutory AHP calculation, each FHLBank's income subject to assessment is defined as the individual FHLBank's net income before assessments, plus interest expense related to mandatorily redeemable capital stock. (See *Legislative and Regulatory Developments - FHFA's Review and Analysis of the FHLBank System* on pages 99 to 100 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for information about potential changes that may affect the FHLBanks' Affordable Housing and Community Investment Cash Advance programs.)

Figure 25 presents AHP assessments for the most recent five quarters.

Figure 25 - AHP Assessments
(dollars in millions)



In addition to the statutory AHP assessment, an FHLBank may elect to make voluntary contributions to the AHP or Community Investment Programs. In connection with that, and in recognition that additional funding would be beneficial in meeting community needs in affordable housing as well as business and community development, the FHLBanks are either already making additional voluntary contributions or are in the process of increasing their voluntary contribution levels. (See *Non-Interest Expense* for more information.)

Comprehensive Income

Comprehensive income is comprised of net income and other comprehensive income. Other comprehensive income is reported on the Combined Statements of Comprehensive Income and presents the net change in the accumulated other comprehensive income (loss) balances.

Other comprehensive income was a net loss of $17 million for the three months ended June 30, 2024 and a net gain of $951 million for the six months ended June 30, 2024, compared to a net gain of $618 million and a net gain of $196 million for the three and six months ended June 30, 2023. The net loss in other comprehensive income for the three months ended June 30, 2024, primarily consisted of net unrealized losses on U.S. Treasury obligations classified as AFS securities. The net gain in other comprehensive income for the six months ended June 30, 2024, primarily consisted of net unrealized gains on MBS classified as AFS securities.

Table 24 - Comprehensive Income

(dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Net income	$ 1,580	$ 1,839	$ (259)	$ 3,341	$ 3,349	$ (8)
Other comprehensive income						
Net unrealized gains (losses) on AFS securities	(8)	538	(546)	906	165	741
Net non-credit portion of other-than-temporary gains (losses) on HTM securities	—	3	(3)	—	3	(3)
Net unrealized gains (losses) relating to hedging activities	(4)	77	(81)	50	5	45
Pension and postretirement benefits	(5)	—	(5)	(5)	23	(28)
Total other comprehensive income (loss)	**(17)**	**618**	**(635)**	**951**	**196**	**755**
Comprehensive income (loss)	**$ 1,563**	**$ 2,457**	**$ (894)**	**$ 4,292**	**$ 3,545**	**$ 747**

Changes in Fair Value of AFS Securities. For AFS securities in hedging relationships that qualify as fair value hedges, the FHLBanks record the portion of the change in the fair value of the investment related to the risk being hedged in interest income on AFS securities together with the related change in the fair value of the derivative, and record the remainder of the change in the fair value of the investment in other comprehensive income as net unrealized gains (losses) on AFS securities. For AFS securities not designated in a fair value hedge relationship, the changes in the fair value of AFS securities are recorded in other comprehensive income. The net change in unrealized gains (losses) on AFS securities is due primarily to changes in interest rates, credit spreads, the passage of time, and volatility.

Net Unrealized Gains (Losses) Relating to Hedging Activities. Net unrealized gains (losses) relating to hedging activities is comprised of changes in the fair value of a derivative that is designated and qualifies as a cash flow hedge until earnings are affected by the variability of the cash flows of the hedged transaction and the amounts are reclassified to interest income or interest expense. The FHLBanks' gains (losses) on hedging activities fluctuate with volatility in the overall interest-rate environment and with the positions taken by the FHLBanks to hedge their risk exposure using cash flow hedges.

Liquidity and Capital Resources

Liquidity

Each FHLBank is required to maintain liquidity in accordance with the FHLBank Act, FHFA regulations and guidance, and policies established by its management and board of directors. Each FHLBank seeks to be in a position to meet the credit and liquidity needs of its members and to meet all current and future financial commitments of the FHLBank. Each FHLBank seeks to achieve this objective by managing liquidity positions to maintain stable, reliable, and cost-effective sources of funds while taking into account market conditions, member demand, and the maturity profile of the assets and liabilities of the FHLBank.

The FHLBanks may not be able to predict future trends in member credit needs because member credit needs are driven by complex interactions among a number of factors, including members' mortgage loan originations, other loan portfolio activity, deposit levels, and the attractiveness of advances compared to other wholesale borrowing alternatives. Each FHLBank monitors current trends and anticipates future debt issuance needs to fund its members' credit needs and investment opportunities of the FHLBank. An FHLBank's ability to expand its balance sheet and corresponding liquidity requirements in response to its members' increased credit needs is correlated to its members' requirements for advances and mortgage loans. Alternatively, in response to reduced member credit needs, an FHLBank may allow its consolidated obligations to mature without replacement, or repurchase and retire outstanding consolidated obligations, allowing its balance sheet to shrink. Over time, the FHLBanks historically have had comparatively stable access to funding through a diverse investor base.

Sources of Liquidity. The FHLBanks' primary sources of liquidity are proceeds from the issuance of consolidated obligations, as well as cash and investment holdings that are primarily high-quality, short-, and intermediate-term financial instruments. The FHLBanks' consolidated obligations are not obligations of the United States and are not guaranteed by the United States, but have historically received the same credit rating as the government bond credit rating of the United States. S&P, Moody's, or other rating organizations could downgrade or upgrade the credit ratings of the U.S. government and GSEs, including the FHLBanks and their consolidated obligations. Investors should note that a rating issued by a nationally recognized statistical rating organization is not a recommendation to buy, sell, or hold securities, and that the ratings may be revised or withdrawn at any time. Investors should evaluate the rating of each nationally recognized statistical rating organization independently. Investors should not take the historical or current ratings of the FHLBanks or their consolidated obligations as an indication of future ratings for the FHLBanks and their consolidated obligations. (See *External Credit Ratings* for additional information about the credit ratings associated with the FHLBanks' consolidated obligations as well as the credit rating of each individual FHLBank.)

Other sources of liquidity include advance repayments, payments collected on mortgage loans, proceeds from the issuance of capital stock, and deposits from members. In addition, by law, the Secretary of the Treasury is authorized to purchase up to $4 billion aggregate principal amount of consolidated obligations of the FHLBanks. This authority may be exercised only if alternative means cannot be effectively employed to permit the FHLBanks to continue to supply reasonable amounts of funds to the mortgage market, and the ability to supply such funds is substantially impaired because of monetary stringency and a high level of interest rates. Any funds borrowed from the U.S. Treasury shall be repaid by the FHLBanks at the earliest practicable date.

Uses of Liquidity. The FHLBanks' primary uses of liquidity are advance originations and consolidated obligation payments. Other uses of liquidity are mortgage loan and investment purchases, dividend payments, and other contractual payments. An FHLBank also maintains liquidity to redeem or repurchase excess capital stock, at its discretion, upon the request of a member or under an FHLBank's capital plan.

FHLBank Funding and Debt Issuance. Changes or disruptions in the capital markets could limit the FHLBanks' ability to issue consolidated obligations. During the six months ended June 30, 2024, the FHLBanks maintained continual access to funding. The FHLBanks' funding was generally driven by member demand for advances and was achieved primarily through the issuance of short-term variable-rate consolidated bonds and consolidated discount notes during the six months ended June 30, 2024. Average funding spreads of newly-issued consolidated obligations relative to benchmark Treasury and SOFR indices generally declined during the six months ended June 30, 2024, compared to the six months ended June 30, 2023. (See *Combined Financial Condition - Consolidated Obligations* for additional information about net proceeds and payments of consolidated obligations.)

Refinancing Risk and Investor Concentration Risk. There are inherent risks in utilizing short-term funding to support longer-dated assets and the FHLBanks may be exposed to refinancing risk and investor concentration risk. Refinancing risk includes the risk that the FHLBanks could have difficulty rolling over short-term obligations when market conditions change or investor confidence in short-term consolidated obligations declines. In managing and monitoring the amounts of financial assets that require refinancing, the FHLBanks consider their contractual maturities, as well as certain assumptions regarding expected cash flows (i.e., estimated prepayments, embedded call optionality, and scheduled amortizations). Investor concentration risk includes the risk that a market-driven or regulatory disruption to certain investor classes could lead to significant investor outflows causing unfavorable market conditions for consolidated obligations. As the FHLBanks' balance sheets expand due to member demands and market conditions, the inherent refinancing and investor concentration risks may also increase. For example, as of June 30, 2024, the holding of the FHLBanks' consolidated obligations by taxable money market funds, as a percentage of the total outstanding consolidated obligations, was 48%, compared to 46% at December 31, 2023, based on data from SEC filings by registered money market funds. The holdings of the FHLBanks' consolidated obligations by taxable money market funds represented 9% of these funds' assets under management at both

June 30, 2024 and December 31, 2023, based on data from SEC filings by registered money market funds. While demand from this investor class has benefited the FHLBanks' ability to access short-term funding at attractive costs, this demand could change over time. (See the notes to the accompanying combined financial statements for additional information regarding contractual maturities of certain financial assets and financial liabilities and *Risk Factors - Liquidity Risk* on pages 35 to 36 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for more information on refinancing risk and investor concentration risk.)

Interest-Rate Risk. The FHLBanks may use a portion of the short-term consolidated obligations issued to fund both short- and long-term variable-rate assets. However, funding longer-term variable-rate assets with shorter-term liabilities generally does not expose the FHLBanks to interest-rate risk because the rates on the variable-rate assets reset similarly to the liabilities (either through rate resets or re-issuance of the obligations). The FHLBanks measure and monitor interest-rate risk with commonly used methods and metrics, which include the calculations of market value of equity, duration of equity, and duration gap. (See *Quantitative and Qualitative Disclosures about Market Risk* for additional discussion and analysis regarding the FHLBanks' sensitivity to interest rate changes and the use of derivatives to manage their exposure to interest-rate risk.)

Asset/Liability Maturity Profile. Each FHLBank is focused on maintaining an adequate amount of liquidity, and the FHLBanks work collectively to manage FHLBank System-wide liquidity and funding needs. The FHLBanks are committed to prudent risk management practices and jointly monitor certain FHLBank System risks, including by tracking the funding gap, which is a measure of the difference in the projected cash flows from their financial assets and financial liabilities. External factors, including FHLBank member borrowing needs, supply and demand in the debt markets, and other factors may affect the amount of liquidity and the balance between the cash flows for financial assets and financial liabilities. However, due to the FHLBanks' status as GSEs, they have traditionally had ready access to funding at relatively favorable rates.

Regulatory Liquidity Requirements. To protect the FHLBanks against temporary disruptions in access to the debt markets in response to a rise in capital markets volatility, the FHFA requires each FHLBank to:

- have available at all times an amount greater than or equal to its members' current deposits invested in advances with maturities not to exceed five years, deposits in banks or trust companies, and obligations of the U.S. Treasury;
- maintain, in the aggregate, unpledged qualifying assets in an amount at least equal to the amount of its participation in total consolidated obligations outstanding; and
- maintain a base case amount of liquidity.

Each FHLBank also maintains a contingency funding plan designed to address liquidity shortfalls in times of need, such as operational disruptions at an FHLBank and/or the Office of Finance, or short-term capital market disruptions. In addition, under its funding contingency plan policy, the Office of Finance has an allocation methodology for the proceeds from the issuance of consolidated obligations when consolidated obligations cannot be issued in sufficient amounts to satisfy all FHLBank demand for funding during periods of financial distress and when its existing allocation processes are deemed insufficient.

During the six months ended June 30, 2024, each of the FHLBanks was in compliance with the FHFA's liquidity requirements, including the FHFA's Advisory Bulletins on liquidity and the FHFA's funding gap guidance for three-month and one-year maturity horizons.

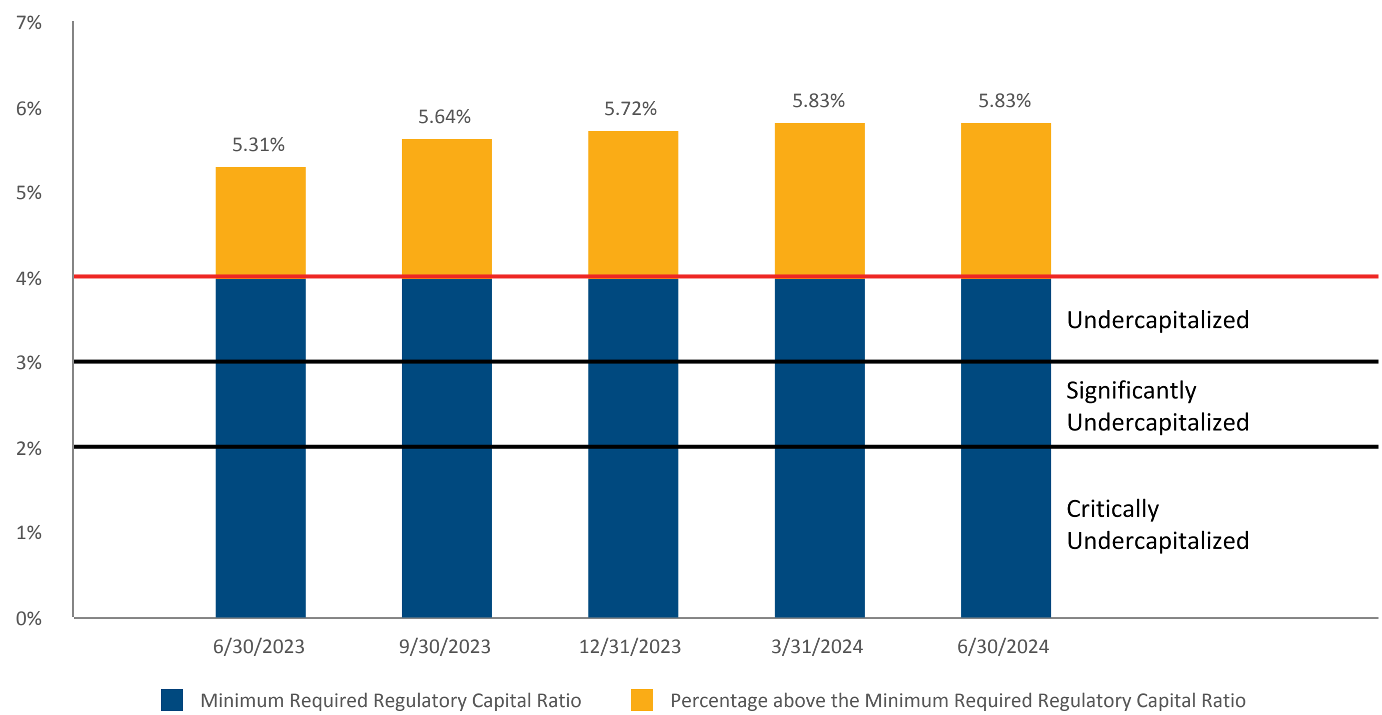
Capital Resources

The FHLBanks' ability to expand their balance sheets as member credit needs increase is based, in part, on the capital stock requirements for advances. In addition, FHFA regulations stipulate that each FHLBank must comply with three limits on capital. Although each FHLBank's minimum regulatory capital-to-assets ratio requirement is 4.0%, each FHLBank strives to maintain a level of retained earnings to support its regulatory capital compliance, stable dividend payments to members, and business growth. At June 30, 2024, each FHLBank was in compliance with its statutory minimum capital requirements. In addition, an FHFA Advisory Bulletin expects each FHLBank to maintain a ratio of at least two percent of capital stock to total assets. At June 30, 2024, each FHLBank was in compliance with this guidance. (See *Note 9 - Capital* to the accompanying combined financial statements for additional information regarding minimum regulatory capital requirements.)

Management and the board of directors of each FHLBank review the capital structure of that FHLBank on a periodic basis to ensure the capital structure supports the risk associated with its assets and addresses applicable regulatory and supervisory matters. In addition, an individual FHLBank may, at its discretion, institute a higher capital requirement to meet internally-established thresholds or to address supervisory matters, limit dividend payments, or restrict excess capital stock repurchases as part of its retained earnings policies.

Figure 26 presents the combined regulatory capital ratio and related regulatory classifications applicable to the FHLBanks for each of the last five quarters.

Figure 26 - Combined Regulatory Capital Ratio[(1)]



(1) Based on FHFA rules and regulations, regulatory capital requirements apply to individual FHLBanks, and there are no minimum regulatory capital requirements or classifications at a combined level. The combined regulatory capital ratio and related regulatory classifications are for analysis only. The combined regulatory capital ratio is calculated based on the sum of the individual FHLBanks' risk-based capital amounts as a percentage of combined total assets.

Joint Capital Enhancement Agreement. The Joint Capital Enhancement Agreement, as amended (Capital Agreement), is intended to enhance the capital position of each FHLBank. The Capital Agreement provides that each FHLBank will, on a quarterly basis, allocate 20% of its net income to a separate restricted retained earnings account until the balance of that account, calculated as of the last day of each calendar quarter, equals at least one percent of that FHLBank's average balance of outstanding consolidated obligations for the calendar quarter.

These restricted retained earnings are not available to pay dividends. Additionally, the Capital Agreement provides that amounts in restricted retained earnings in excess of 150% of an FHLBank's restricted retained earnings minimum (i.e., one percent of that FHLBank's average balance of outstanding consolidated obligations calculated as of the last day of each calendar quarter) may be released from restricted retained earnings. As of June 30, 2024, none of the FHLBanks had restricted retained earnings that exceeded one percent of its average balance of outstanding consolidated obligations.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires each FHLBank's management to make a number of judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities (if applicable), and the reported amounts of income and expense during the reported periods. Although each FHLBank's management believes that its judgments, estimates, and assumptions are reasonable, actual results may differ from these estimates.

In the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, certain accounting estimates and assumptions were identified as critical because they are generally considered by each FHLBank's management to be the most critical to an understanding of its financial statements and the financial data it provides to the Office of Finance for preparing the Combined Financial Reports. These estimates and assumptions consist of those used in conjunction with fair value estimates and derivatives and hedging activities. For a description of accounting policies related to these estimates and assumptions, see *Note 1 - Summary of Significant Accounting Policies* on pages F-15 to F-26 of the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023.

There have been no significant changes to the critical accounting estimates disclosed in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023. For a detailed discussion of Critical Accounting Estimates, see *Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations - Critical Accounting Estimates* on pages 95 to 98 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023. Each FHLBank describes its critical accounting estimates in its periodic reports filed with the SEC.

Recent Accounting Developments

See *Note 2 - Recently Issued and Adopted Accounting Guidance* on page F-26 of the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for a discussion regarding the effect of recently issued and adopted accounting guidance on the FHLBanks' combined financial condition, combined results of operations, or combined cash flows.

Legislative and Regulatory Developments

Certain legislative and regulatory actions and developments are summarized in this section. (See *Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations - Legislative and Regulatory Developments* in the Federal Home Loan Banks Combined Financial Reports for the year ended December 31, 2023 (pages 99 to 101) and the quarterly period ended March 31, 2024 (pages 44 to 45), for a description of certain legislative and regulatory developments that occurred prior to the publication of those reports.)

FHFA's Review and Analysis of the FHLBank System. On November 7, 2023, the FHFA issued a written report titled "FHLBank System at 100: Focusing on the Future" (System at 100 Report), presenting its review and analysis of the FHLBank System and the actions and recommendations that it plans to pursue in service of its vision for the future of the FHLBank System. The System at 100 Report focused on four broad themes: (1) the mission of the FHLBank System; (2) the FHLBank System as a stable and reliable source of liquidity; (3) housing and community development; and (4) FHLBank System operational efficiency, structure, and governance. The FHFA has stated that it expects its initiative to continue as a multi-year, collaborative effort with the FHLBanks, their member institutions, and other stakeholders to address the recommended actions in the System at 100 Report and has stated that it can implement some of the recommendations from the report through ongoing supervision, guidance, or rulemaking, as well as through statutory changes by proposing specific requests for Congressional action. The FHFA made legislative recommendations for the FHLBank System in its 2023 Report to Congress issued on June 14, 2024, consistent with proposed plans and actions included in the System at 100 Report.

In April 2024, the FHFA provided an update on its plan to implement the System at 100 Report's recommendations and announced key priorities for 2024, including, among other things: (1) clarifying the FHLBank System mission; (2) aligning eligibility requirements for different types of FHLBank members; and (3) streamlining requirements related to the AHP. The FHFA stated that it would maintain transparency and continue robust stakeholder engagement during the implementation process.

On May 16, 2024, the FHFA issued a request for input on updates to the mission statement for the FHLBank System, establishment of methods for measuring and evaluating mission achievement, which could include updating the list of the FHLBanks' core mission activities, and institution of a member incentive program that would provide added benefits in accordance with the members' respective engagement with the FHLBanks' housing finance and community development mission.

On June 20, 2024, the FHFA issued a request for input regarding the efficiency and effectiveness of the FHLBanks' AHP competitive application process, including scope, complexity, documentation requirements, and interaction with other funders' requirements, as well as suggestions for potential improvements, such as simplification of the AHP application process.

Feedback received from commentators in response to the FHFA's requests for input may affect future FHFA supervisory, advisory, regulatory, or statutory proposals. The FHLBanks are continuing to monitor the FHFA's efforts to implement the recommendations from the System at 100 Report, and they are not able to predict what actions will ultimately result, the timing or extent of any actions or changes, or the ultimate effect on the individual FHLBanks, their members, or the FHLBank System in the future. The FHLBanks plan to continue to engage with the FHFA and other stakeholders in an effort to ensure that the FHLBank System remains well-positioned to serve their members and their communities. (For a further discussion of the System at 100 Report, including proposed plans and actions, and related risks, see *Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations - Legislative and Regulatory Developments,* on pages 99 to 100, and *Risk Factors - Business Risk - Legislative and Regulatory,* on page 29, in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023.)

External Credit Ratings

Since June 30, 2024, no changes to external credit ratings have occurred with regard to the FHLBanks or their consolidated obligations. At July 31, 2024, consolidated obligations were rated AA+/A-1+ by S&P with outlook stable and Aaa/P-1 by Moody's, with outlook negative. S&P, Moody's, or other rating organizations could downgrade or upgrade the credit ratings of the U.S. government and GSEs, including the FHLBanks and their consolidated obligations. Investors should note that a rating issued by a nationally recognized statistical rating organization is not a recommendation to buy, sell, or hold securities, and that the ratings may be revised or withdrawn at any time. Investors should evaluate the rating of each nationally recognized statistical rating organization independently. Investors should not take the historical or current ratings of the FHLBanks and their consolidated obligations as an indication of future ratings for the FHLBanks or their consolidated obligations. Table 25 presents each FHLBank's long-term credit rating, short-term credit rating, and outlook at July 31, 2024.

Table 25 - FHLBanks' Long-Term Credit Ratings, Short-Term Credit Ratings, and Outlook at July 31, 2024

	S&P		Moody's	
FHLBank	**Long-Term/ Short-Term Rating**	**Outlook**	**Long-Term/ Short-Term Rating**	**Outlook**
Boston	AA+/A-1+	Stable	Aaa/P-1	Negative
New York	AA+/A-1+	Stable	Aaa/P-1	Negative
Pittsburgh	AA+/A-1+	Stable	Aaa/P-1	Negative
Atlanta	AA+/A-1+	Stable	Aaa/P-1	Negative
Cincinnati	AA+/A-1+	Stable	Aaa/P-1	Negative
Indianapolis	AA+/A-1+	Stable	Aaa/P-1	Negative
Chicago	AA+/A-1+	Stable	Aaa/P-1	Negative
Des Moines	AA+/A-1+	Stable	Aaa/P-1	Negative
Dallas	AA+/A-1+	Stable	Aaa/P-1	Negative
Topeka	AA+/A-1+	Stable	Aaa/P-1	Negative
San Francisco	AA+/A-1+	Stable	Aaa/P-1	Negative

Risk Management

The fundamental business of each FHLBank is to provide a readily available, competitively-priced source of funds, in a wide range of maturities, to meet the borrowing demands of its members and housing associates. The principal sources of funds for these activities are the proceeds from the issuance of consolidated obligations and, to a lesser extent, capital and deposits from members. Lending and investing funds, and engaging in derivative transactions, can potentially expose the FHLBanks to a number of risks, including market risk and credit risk. (See *Quantitative and Qualitative Disclosures about Market Risk* for a discussion of market risk.) The FHLBanks are also subject to liquidity, operational, and business risks. (See *Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations - Risk Management* on pages 118 to 122, and *Risk Factors* on pages 28 to 39, of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for more information on these risks.)

Credit Risk

Advances. Each FHLBank manages its credit exposure to advances through an integrated approach that provides for the ongoing review of the financial condition of its borrowers coupled with collateral and lending policies and procedures designed to limit its risk of loss while balancing its borrowers' needs for a reliable source of funding. Each FHLBank uses a methodology to evaluate its borrowers, based on financial, regulatory, and other qualitative information, including examination reports. Each FHLBank reviews its borrowers' financial condition on an ongoing basis using current information and makes changes to its collateral guidelines to mitigate the credit risk on advances. During the three and six months ended June 30, 2024, no FHLBank incurred any credit loss on any of its advances and the management of each FHLBank believed it had adequate policies and procedures in place to manage its credit risk on advances effectively.

The FHLBanks protect against credit risk on advances by collateralizing all advances. Advances and other credit product obligations to an FHLBank are fully secured with eligible collateral, the value of which is discounted to account for liquidation and other risks, if applicable, and to protect the FHLBanks from credit loss. Collateral that is determined to contain a low level of risk, such as U.S government obligations, is discounted at a lower rate than collateral that carries a higher level of risk, such as commercial real estate mortgage loans. Eligible collateral values are determined by the market value for securities collateral, and the market value or unpaid principal balance for all loan collateral. For collateral which market prices are not readily available, the FHLBanks may use internal or external valuation models or methodologies to determine the fair value of the collateral. These valuation models incorporate assumptions related to factors that may affect collateral values, such as market liquidity, discount rates, potential prepayments, and liquidation and servicing costs in the event of default, among others, which may be adjusted in response to changes in economic and market conditions in order to produce reliable results. The FHLBanks also have policies and procedures for validating the reasonableness of their collateral valuations. In addition, collateral verifications and on-site reviews are performed by the FHLBanks based on the risk profile of the borrower. At June 30, 2024, each FHLBank had rights to collateral with an estimated value greater than the related outstanding advances. (See *Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations - Risk Management - Credit Risk - Advances* on pages 102 to 107 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for information on eligible collateral and effective lending values, and *Note 4 - Advances* to the accompanying combined financial statements for more information about advances.)

Residential mortgage loans are the principal form of collateral for advances. Collateral eligible to secure new or renewed advances includes:

- one-to-four family and multifamily mortgage loans (delinquent for no more than 90 days) and securities representing such mortgages;
- loans and securities issued, insured, or guaranteed by the U.S. government or any U.S. government agency (for example, mortgage-backed securities issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae);
- cash or deposits in the FHLBank;
- certain other collateral that is real estate-related, such as commercial real estate loans, provided it meets certain eligibility requirements; and
- certain qualifying securities representing undivided equity interests in eligible advance collateral.

As of June 30, 2024, there were 131 individual FHLBank borrowers (127 FHLBank members and 4 non-members) that each held advances of at least $1.0 billion. When a non-member financial institution acquires some or all of the assets and liabilities of an FHLBank member, including outstanding advances and FHLBank capital stock, an FHLBank may allow those advances to remain outstanding to that non-member financial institution. In addition, members that voluntarily withdraw from membership or members whose membership has been terminated involuntarily, such as captive insurers, can be non-members with advances outstanding. Non-members would be required to meet all of that FHLBank's credit and collateral requirements, including requirements regarding creditworthiness and collateral borrowing capacity.

A borrower's total credit obligation to an FHLBank could include outstanding advances, notional amount of letters of credit, collateralized derivative contracts, and credit enhanced obligations on mortgage loans sold to the FHLBank. Eligible collateral values include market values for securities and the unpaid principal balance for all other collateral pledged by the blanket lien, listing, or delivery method. The collateralization ratio for borrowers with at least $1.0 billion in advances outstanding was 3.0 at June 30, 2024, which represented the total of these 131 individual FHLBank borrowers' eligible collateral divided by these borrowers' advances and other credit products outstanding. The collateralization ratio for all borrowers was 3.7 at June 30, 2024. However, individual borrower credit obligations to the FHLBanks are not cross-collateralized between borrowers.

Table 26 presents advances, other credit products (which primarily includes notional amount of letters of credit), and collateral outstanding for borrowers with at least $1.0 billion of advances outstanding as compared to all borrowers.

Table 26 - Advances, Other Credit Products, and Collateral Outstanding at June 30, 2024

(dollars in millions)

	Borrowers with at Least $1.0 Billion of Advances Outstanding	All Borrowers	Percentage
Advances outstanding, principal amount	$ 549,639	$ 787,191	69.8 %
Other credit products	$ 120,022	$ 200,919	59.7 %
Collateral outstanding	$ 2,037,542	$ 3,692,891	55.2 %

Based on the financial condition of the borrower, each FHLBank classifies each borrower by the method of pledging collateral into one of three collateral categories: (1) blanket lien status; (2) listing (specific identification) status; or (3) delivery (possession) status.

The blanket lien status is the least restrictive collateral status, and is generally assigned to lower risk institutions pledging collateral. Under the blanket lien status, an individual FHLBank allows a borrower to retain possession of eligible collateral pledged to that FHLBank, provided the borrower executes a written security agreement and agrees to hold the collateral for the benefit of that FHLBank. Origination of new advances or renewal of advances must only be supported by certain eligible collateral categories. A blanket lien is typically accepted by the FHLBanks only for loan collateral; most securities collateral must be delivered to an FHLBank, or an FHLBank-approved third-party custodian, and pledged for the benefit of that FHLBank.

An FHLBank may require borrowers to provide a detailed listing of eligible advance collateral being pledged to the FHLBank due to their high usage of FHLBank credit products, the type of assets being pledged, or the credit condition of the borrower. Under the listing status, the borrower retains physical possession of specific collateral pledged to an FHLBank, but the borrower provides listings of loans pledged to its FHLBank with detailed loan information, such as loan amount, payment status, maturity date, interest rate, loan-to-value, collateral type, and FICO® scores. From a borrower's perspective, the benefit of listing collateral relative to a blanket lien security agreement is that, in some cases, the discount or haircut applicable to that collateral may be lower than that for blanket lien collateral. From an FHLBank's perspective, the benefit of listing collateral is that it provides more detailed loan information to arrive at a more precise valuation.

Under the delivery status, an FHLBank requires the borrower to place physical possession of eligible collateral with the FHLBank or a third-party custodian to sufficiently secure all outstanding obligations. Typically, an FHLBank would take physical possession or control of collateral if the financial condition of the borrower was deteriorating or if the borrower exceeded certain credit product usage triggers. However, an FHLBank may require insurance company borrowers, and certain other borrowers, to place physical possession of all pledged eligible collateral with the FHLBank or deposit it with a custodian or control agent in order to establish control over the pledged collateral. Delivery of collateral may also be required if there is a regulatory action against the borrower by its regulator that would indicate inadequate controls or other conditions that would be of concern to that FHLBank.

Table 27 presents information on a combined basis regarding the type of collateral securing advances and other credit products outstanding.

Table 27 - Type of Collateral Securing Advances and Other Credit Products Outstanding at June 30, 2024

(dollars in millions)

	Blanket Lien		Listing		Delivery		Total	
Collateral Type	**Amount**	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**
Single-family mortgage loans[1]	$ 771,227	20.9%	$ 1,000,498	27.1%	$ 19,884	0.5%	$ 1,791,609	48.5%
Commercial real estate loans	465,492	12.6%	225,726	6.1%	60,831	1.6%	752,049	20.3%
Multifamily mortgage loans	110,720	3.0%	232,973	6.3%	38,150	1.0%	381,843	10.3%
U.S. agency MBS and CMOs	n/a	n/a	n/a	n/a	311,437	8.4%	311,437	8.4%
Home equity loans and lines of credit	73,018	2.0%	80,228	2.2%	23	—	153,269	4.2%
Other real estate loans	83,206	2.3%	25,320	0.7%	8,074	0.2%	116,600	3.2%
Commercial MBS	n/a	n/a	n/a	n/a	45,053	1.2%	45,053	1.2%
CFI loans	41,718	1.1%	2,044	0.1	17	—	43,779	1.2%
U.S. obligations	n/a	n/a	n/a	n/a	32,490	0.9%	32,490	0.9%
U.S. agency securities (excluding MBS)	n/a	n/a	n/a	n/a	20,445	0.6%	20,445	0.6%
Private-label MBS and CMOs	n/a	n/a	n/a	n/a	18,065	0.5%	18,065	0.5%
Other	342	—	21	—	25,889	0.7%	26,252	0.7%
Total collateral	**$ 1,545,723**	**41.9%**	**$ 1,566,810**	**42.5%**	**$ 580,358**	**15.6%**	**$ 3,692,891**	**100.0%**

(1) Includes Federal Housing Administration and Department of Veterans Affairs loans.
n/a Collateral is not pledged using this pledging method.

Figures 27 and 28 present the percentage of collateral securing advances and other credit products by type and the percentage of collateral securing advances and other credit products by pledging method at June 30, 2024.

Figure 27 - Percentage of Collateral Securing Advances and Other Credit Products by Type

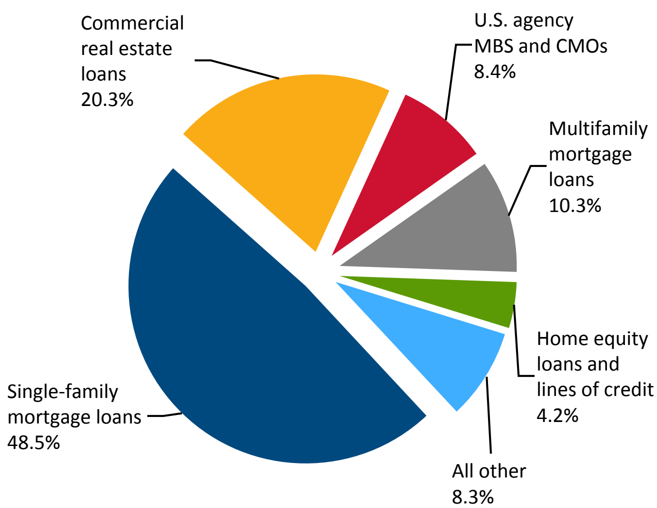
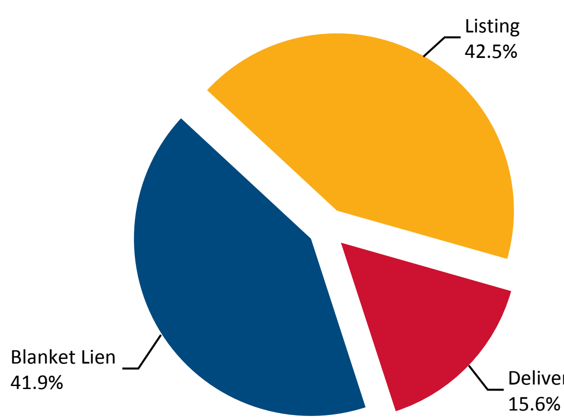


Figure 28 - Percentage of Collateral Securing Advances and Other Credit Products by Pledging Method



Investments. The FHLBanks are subject to credit risk on investments consisting of investment securities, interest-bearing deposits, securities purchased under agreements to resell, and federal funds sold. These investments are generally transacted with government agencies and large financial institutions that are considered by an individual FHLBank to be of investment quality. FHFA regulation defines investment quality as a determination by an FHLBank, with respect to a security, that there is adequate financial backing so that full and timely payment of principal and interest on such a security is expected, and the FHLBank determines that there is minimal risk that the timely payment of principal and interest would not occur because of adverse changes in economic and financial conditions during the projected life of the security.

The FHLBanks maintain short-term investment portfolios, the proceeds of which may provide funds to meet the credit needs of their members and to maintain liquidity. Within this portfolio of short-term investments, the FHLBanks may have unsecured credit exposure on certain investments.

The FHLBanks maintain long-term investment portfolios as an additional source of liquidity and to earn interest income. These investments generally provide the FHLBanks with higher returns than those available on short-term investments. Within this portfolio of long-term investments, the FHLBanks are subject to credit risk related to private-label mortgage-backed securities that are either directly or indirectly supported by underlying mortgage loans. Each private-label mortgage-backed security may contain one or more forms of credit protection/ enhancements, including, but not limited to, (1) guarantee of principal and interest, (2) subordination, (3) over-collateralization and excess interest, and (4) third-party insurance. Credit enhancement achieved through subordination features results in the subordination of payments to junior classes to support cash flows received by senior classes held by investors such as the FHLBanks.

Regulatory Restrictions on Investments. To minimize credit risk on investments, the FHLBanks are prohibited by FHFA regulations from investing in certain types of investments. (See *Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations - Risk Management - Credit Risk - Investments* on pages 107 to 108 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for additional information about regulatory restrictions on the FHLBanks' investments.)

Investment Quality and Ratings. The FHLBanks seek to reduce the credit risk by investing in investment-quality securities. The FHLBanks consider a variety of credit quality factors when analyzing potential investments, including collateral performance, marketability, asset class or sector considerations, local and regional economic conditions, credit ratings based on the nationally recognized statistical rating organization(s), or the financial health of the underlying issuer. Although the FHLBanks invested in private-label mortgage-backed securities that at the date of purchase were substantially all rated triple-A, many of these securities have incurred credit losses based on economic conditions and housing market trends since the FHLBanks originally purchased them. Figure 29 presents the composition of total investments by credit rating at June 30, 2024.

Figure 29 - Total Investments by Credit Rating at June 30, 2024

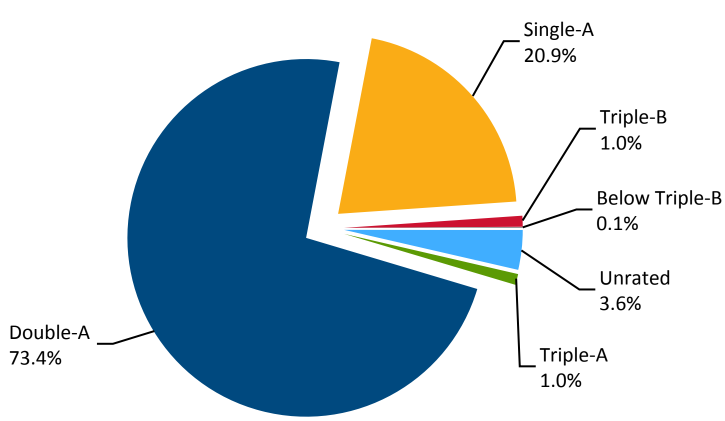


Table 28 presents the credit ratings of investments held by the FHLBanks as of June 30, 2024, using the lowest long-term credit rating for each security owned by an individual FHLBank based on the nationally recognized statistical rating organization(s) used by that FHLBank. The internal ratings of an individual FHLBank may differ from those obtained from the nationally recognized statistical rating organization(s) and other FHLBank internal ratings. Investors should not take the historical or current ratings displayed in this table as an indication of future ratings.

Table 28 - Investment Ratings

(dollars in millions)

	June 30, 2024[1][2]						
Carrying Value, Net	**Triple-A**	**Double-A**	**Single-A**	**Triple-B**	**Below Triple-B**	**Unrated**	**Total**
Interest-bearing deposits	$ —	$ —	$ 26,205	$ —	$ —	$ —	$ 26,205
Securities purchased under agreements to resell[3]	2,250	29,362	23,980	3,675	—	14,520	73,787
Federal funds sold	—	30,048	36,164	235	—	—	66,447
Investment securities by major security type							
Non-mortgage backed securities							
U.S. Treasury obligations	—	50,383	—	—	—	—	50,383
Other U.S. obligations	—	2,548	—	—	—	—	2,548
GSE and Tennessee Valley Authority obligations	—	9,809	—	—	—	—	9,809
State or local housing agency obligations	645	1,528	—	—	—	—	2,173
Federal Family Education Loan Program ABS	—	246	1,239	281	—	—	1,766
Other	585	19	—	—	—	2	606
Total non-mortgage-backed securities	**1,230**	**64,533**	**1,239**	**281**	**—**	**2**	**67,285**
Mortgage-backed securities							
U.S. obligations single-family	—	14,745	—	—	—	—	14,745
U.S. obligations multifamily	—	469	—	—	—	—	469
GSE single-family	4	26,837	2	—	1	—	26,844
GSE multifamily	624	142,660	—	—	—	—	143,284
Private-label	5	19	63	46	578	597	1,308
Total mortgage-backed securities	**633**	**184,730**	**65**	**46**	**579**	**597**	**186,650**
Total investment securities	**1,863**	**249,263**	**1,304**	**327**	**579**	**599**	**253,935**
Total investments	**$ 4,113**	**$ 308,673**	**$ 87,653**	**$ 4,237**	**$ 579**	**$ 15,119**	**$ 420,374**

(1) Does not reflect any changes in ratings, outlook, or watch status occurring after June 30, 2024.
(2) Net carrying values do not include related accrued interest and are presented after any allowance for credit losses.
(3) Based on the rating of the counterparty to the agreements, which in some cases were not rated; however, all the collateral of unrated counterparties was rated single-A or above at June 30, 2024.

Short-term Investments. The FHLBanks maintain short-term investment portfolios, the proceeds of which may provide funds to meet the credit needs of their members and to maintain liquidity. The FHLBank Act and FHFA regulations set liquidity requirements for the FHLBanks, and an individual FHLBank's board of directors may also adopt additional liquidity policies. In addition, each FHLBank maintains a contingency funding plan in the event of operational disruptions at either the FHLBanks or the Office of Finance. (See *Liquidity and Capital Resources* for a discussion of the FHLBanks' liquidity management.)

Within their portfolios of short-term investments, the FHLBanks are subject to credit risk from unsecured credit exposures with private counterparties that may be members, former members, or their affiliates. Short-term investment transactions are executed at then-current market prices without preference to the status of the counterparty as a member, former member, or affiliate. Each FHLBank manages its own credit risk independently. The FHLBanks' unsecured credit investments may have maturities ranging between overnight and nine months, and generally include the following types:

- Interest-bearing deposits. Primarily consists of unsecured deposits that earn interest.
- Federal funds sold. Unsecured loans of reserve balances at the Federal Reserve Banks between financial institutions that are made on an overnight and term basis.
- Certificates of deposit. Unsecured negotiable promissory notes issued by banks and payable to the bearer on demand.

Table 29 presents the FHLBanks' unsecured credit exposure with private counterparties by investment type. At June 30, 2024, the FHLBanks had aggregate unsecured credit exposure from investments of $1 billion or more to each of 19 private counterparties. The aggregate unsecured credit exposure to these counterparties represented 95% of the FHLBanks' total unsecured investment credit exposure to private counterparties. The unsecured investment credit exposure presented in Table 29 does not reflect the average or maximum exposure during the period, as the balances presented reflect the balances at period end.

Table 29 - Unsecured Credit Exposure by Investment Type

(dollars in millions)

Carrying Value[(1)(2)]	June 30, 2024	December 31, 2023
Interest-bearing deposits	$ 26,205	$ 24,163
Federal funds sold	66,447	57,860
Total	**$ 92,652**	**$ 82,023**

(1) Excludes unsecured investment credit exposure to U.S. government, U.S. government agencies, government instrumentalities, government-sponsored enterprises, and supranational entities, and does not include related accrued interest.
(2) May include unsecured investment credit exposure to members.

Each FHLBank actively monitors its credit exposures and the credit quality of its counterparties, including an assessment of each counterparty's financial performance, capital adequacy, sovereign support, and the current market perceptions of the counterparties. General macroeconomic, political, and market conditions may also be considered when deciding on unsecured exposure. As a result, the FHLBanks may limit or suspend existing exposures.

FHFA regulations include limits on the amount of unsecured credit an individual FHLBank may extend to a counterparty or to a group of affiliated counterparties. The limit on the amount of unsecured credit extended to a counterparty is calculated by multiplying the eligible capital by the maximum capital exposure limit applicable to the counterparty. Under these regulations, the level of eligible capital is determined as the lesser of an individual FHLBank's regulatory capital or the eligible amount of Tier 1 capital or regulatory capital of the counterparty. The maximum capital exposure limit is based on the counterparty's overall FHFA credit rating and ranges from 1% to 15%. Extensions of unsecured credit by an individual FHLBank to a counterparty arise from on-balance sheet transactions, off-balance sheet commitments, and derivative transactions. (See *Credit Risk - Derivative Counterparties* for additional information related to derivatives exposure.)

FHFA regulations also permit the FHLBanks to extend additional unsecured credit for sales of federal funds with a maturity of one day or less and sales of federal funds subject to a continuing contract that renews automatically. An FHLBank's total unsecured exposure to a counterparty may not exceed twice the regulatory limit for term exposures, or a total of 2% to 30% of the eligible amount of capital, based on the counterparty's credit rating. As of June 30, 2024, each of the FHLBanks was in compliance with the regulatory limits established for unsecured credit.

The FHLBanks are prohibited by FHFA regulations from investing in financial instruments issued by non-U.S. entities, other than those issued by U.S. branches and agency offices of foreign commercial banks. The FHLBanks' unsecured credit exposures to U.S. branches and agency offices of foreign commercial banks include the risk that, as a result of political or economic conditions in a country, the counterparty may be unable to meet its contractual repayment obligations. The FHLBanks' unsecured credit exposures to domestic counterparties, U.S. subsidiaries of foreign commercial banks, and U.S. branches and agency offices of foreign commercial banks include the risk that these counterparties have extended credit to foreign counterparties. As of June 30, 2024, an FHLBank held full faith and credit U.S. guaranteed securities with foreign issuers totaling $84 million. Other than these investments, the FHLBanks were in compliance with the FHFA regulation as of June 30, 2024.

As of June 30, 2024, the FHLBanks' unsecured investment credit exposure to U.S. branches and agency offices of foreign commercial banks was comprised of federal funds sold. As of June 30, 2024, 96% of the FHLBanks' unsecured investments in federal funds sold were to U.S. branches and agency offices of foreign commercial banks.

Figure 30 presents total unsecured investment credit exposure by credit rating at June 30, 2024.

Figure 30 - Total Unsecured Investment Credit Exposure by Credit Rating

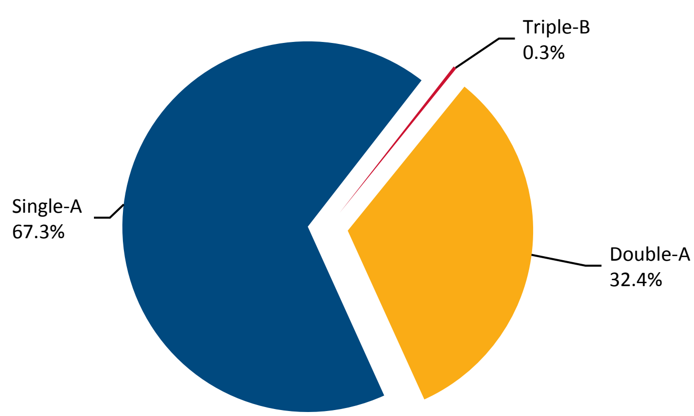


Table 30 presents the lowest long-term credit ratings of the unsecured investment credit exposures presented by the domicile of the counterparty or the domicile of the counterparty's immediate parent for U.S. branches and agency offices of foreign commercial banks based on the nationally recognized statistical rating organization(s) used by the individual FHLBank holding the investment. This table does not reflect the foreign sovereign government's credit rating. The internal ratings of an individual FHLBank may differ from those obtained from the nationally recognized statistical rating organization(s) and other FHLBank internal ratings. Investors should not take the historical or current ratings displayed in this table as an indication of future ratings.

Table 30 - Ratings of Unsecured Investment Credit Exposure by Domicile of Counterparty at June 30, 2024[1]
(dollars in millions)

	Investment Grade			
Carrying Value[2]	**Double-A**	**Single-A**	**Triple-B**	**Total**
Domestic	$ 200	$ 28,289	$ 235	$ 28,724
U.S. subsidiaries of foreign commercial banks	—	350	—	350
Total domestic and U.S. subsidiaries of foreign commercial banks	**200**	**28,639**	**235**	**29,074**
U.S. branches and agency offices of foreign commercial banks				
Canada	7,195	14,380	—	21,575
Australia	11,525	—	—	11,525
Finland	8,623	—	—	8,623
Germany	1,900	3,500	—	5,400
Netherlands	—	5,400	—	5,400
France	—	5,150	—	5,150
Sweden	605	2,155	—	2,760
Belgium	—	2,085	—	2,085
United Kingdom	—	1,000	—	1,000
Austria	—	60	—	60
Total U.S. branches and agency offices of foreign commercial banks	**29,848**	**33,730**	**—**	**63,578**
Total unsecured investment credit exposure	**$ 30,048**	**$ 62,369**	**$ 235**	**$ 92,652**

(1) Does not reflect any changes in ratings, outlook, or watch status occurring after June 30, 2024.
(2) Excludes unsecured investment credit exposure to U.S. government, U.S. government agencies, government instrumentalities, government-sponsored enterprises, and supranational entities, and does not include related accrued interest.

The FHLBanks also reduce the credit risk on investments by generally investing in investments that have short-term maturities. At June 30, 2024, all unsecured investments held by the FHLBanks had overnight maturities.

Mortgage Loans Held for Portfolio. The FHFA's Acquired Member Asset (AMA) regulation permits the FHLBanks to purchase and hold specified mortgage loans from their members. The FHLBanks may elect to participate in the Acquired Member Asset programs such as the MPF Program, the MPP, and the MAP as services to their members. Members and eligible housing associates may apply to become a participating financial institution (PFI) of their respective FHLBank. The mortgage loans purchased under these programs may carry more credit risk than advances, even though the respective member or housing associate provides fully secured credit enhancement and bears a portion of the credit risk.

The FHFA's AMA regulation on credit risk sharing allows an FHLBank to utilize its choice of model and methodology to determine the credit enhancement for AMA loan assets and pool loans. The assets delivered must be credit enhanced by the members up to an FHLBank determined "AMA investment-grade" instead of a specific nationally recognized statistical rating organization's ratings.

Management at each FHLBank believes that it has adequate policies and procedures in place to manage credit risk on mortgage loans appropriately. (See *Note 5 - Mortgage Loans* to the accompanying combined financial statements for additional information about mortgage loan payment status, allowance for credit losses, and other delinquency statistics.)

See *Financial Discussion and Analysis of Combined Financial Condition and Combined Results of Operations - Risk Management - Credit Risk - Mortgage Loans Held for Portfolio* on pages 112 to 116 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for additional information on credit risk of conventional mortgage loans held for portfolio, including loss allocation structures, mortgage insurance, and state concentrations of the MPF Program, the MPP, and the MAP.

Derivative Counterparties. Each FHLBank transacts most of its derivatives with counterparties that are large banks and major broker-dealers. Derivative transactions may be either executed with a counterparty, referred to as uncleared derivatives, or cleared through a Futures Commission Merchant (i.e., clearing agent) with a Derivative Clearing Organization, referred to as cleared derivatives.

Each FHLBank is subject to credit risk due to the risk of non-performance by counterparties to its derivative transactions. The amount of credit risk on derivatives depends on the extent to which netting procedures, collateral requirements, and other credit enhancements are used and are effective in mitigating the risk. Each FHLBank manages credit risk through credit analysis, collateral management, and other credit enhancements. The FHLBanks are also required to follow the requirements set forth by applicable regulation.

The contractual or notional amount of derivative transactions reflects the involvement of an FHLBank in the various classes of financial instruments. The maximum credit risk of an FHLBank with respect to derivative transactions is the estimated cost of replacing the derivative transactions if there is a default, minus the value of any related collateral. In determining maximum credit risk, each FHLBank considers accrued interest receivables and payables, as well as the netting requirements to net assets and liabilities.

Uncleared Derivatives. Each FHLBank is subject to the risk of non-performance by the counterparties to its uncleared derivative transactions. An FHLBank generally requires collateral on uncleared derivative transactions. Unless the collateral delivery threshold is set to zero, the amount of net unsecured credit exposure that is permissible with respect to each counterparty may depend on the credit rating of that counterparty. A counterparty generally must deliver collateral if the total market value of the FHLBank's exposure to that counterparty rises above a specific threshold.

Uncleared derivative transactions executed on or after the dates specified in applicable regulations are subject to two-way initial margin requirements as mandated by the Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, if an FHLBank's aggregate uncleared derivative transactions exposure to a counterparty exceeds a specified threshold. The initial margin is required to be held at a third-party custodian and does not change ownership. Rather, the party in respect of which the initial margin has been posted to the third-party custodian will have a security interest in the amount of initial margin required under the uncleared margin rules and can only take ownership upon the occurrence of certain events, including an event of default due to bankruptcy, insolvency, or similar proceeding.

For all uncleared transactions entered into on or after March 1, 2017, the derivative agreements are fully collateralized with a zero unsecured threshold in accordance with variation margin requirements issued by the U.S. federal bank regulatory agencies and the Commodity Futures Trading Commission.

As a result of these risk mitigation initiatives, the management of each FHLBank did not anticipate any credit losses on its uncleared derivative transactions as of June 30, 2024.

Cleared Derivatives. Each FHLBank is subject to the risk of non-performance by the Derivative Clearing Organization(s) (Clearinghouse) and the clearing agents. The requirement that an FHLBank posts initial and variation margin through the clearing agent, to the Clearinghouse, exposes an FHLBank to credit risk in the event that the clearing agent or the Clearinghouse fails to meet its obligations. However, the use of cleared derivatives is intended to mitigate an FHLBank's overall credit risk exposure because a central counterparty is substituted for individual counterparties and collateral/payment is posted daily for changes in the value of cleared derivatives through a clearing agent. The management of each FHLBank did not anticipate any credit losses on its cleared derivatives as of June 30, 2024.

Table 31 presents the derivative positions with non-member counterparties and member institutions to which the FHLBanks had credit exposure at June 30, 2024. The ratings presented in this table represent the lowest long-term counterparty credit rating available for each counterparty of an individual FHLBank, based on the nationally recognized statistical rating organization(s) used by that FHLBank. Investors should not take the historical or current ratings displayed in this table as an indication of future ratings.

Table 31 - Derivative Counterparty Credit Exposure at June 30, 2024

(dollars in millions)

Credit Rating[1]	Notional Amount	Net Derivatives Fair Value Before Collateral	Cash Collateral Pledged To (From) Counterparties	Non-cash Collateral Pledged To (From) Counterparties	Net Credit Exposure to Counterparties
Non-member counterparties					
Asset positions with credit exposure					
Uncleared derivatives					
Double-A	$ 304	$ 47	$ (47)	$ —	$ —
Single-A	68,451	1,104	(1,070)	26	60
Triple-B	1,331	1	(1)	—	—
Cleared derivatives[2]	698,511	300	3,092	3,478	6,870
Liability positions with credit exposure					
Uncleared derivatives					
Single-A	111,824	(2,111)	2,239	(71)	57
Triple-B	38,378	(1,273)	1,272	23	22
Cleared derivatives[2]	814	—	—	36	36
Total derivative positions with credit exposure to non-member counterparties	**919,613**	**(1,932)**	**5,485**	**3,492**	**7,045**
Member institutions[3]	241	1	—	—	1
Consolidated obligation bond firm commitment	160	—	—	—	—
Total	**$ 920,014**	**$ (1,931)**	**$ 5,485**	**$ 3,492**	**$ 7,046**

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(1) This table does not reflect any changes in rating, outlook, or watch status occurring after June 30, 2024.
(2) Represents derivative transactions cleared with LCH Ltd. and CME Clearing, the FHLBanks' clearinghouses. LCH Ltd. is rated AA- by S&P and CME Clearing is not rated, but its parent company, CME Group Inc., is rated AA- by S&P and Fitch Ratings.
(3) Member institutions include mortgage delivery commitments and derivatives with members where an FHLBank is acting as an intermediary. Collateral held with respect to derivatives with member institutions where an FHLBank is acting as an intermediary represents the amount of eligible collateral physically held by or on behalf of the FHLBank or collateral assigned to the FHLBank, as evidenced by a written security agreement, and held by the member institution for the benefit of that FHLBank.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Each FHLBank is responsible for establishing its own risk management philosophies, practices, and policies. Each FHLBank describes its risk management policies for its business, including quantitative and qualitative disclosures about its market risk, in its periodic reports filed with the SEC. (See *Explanatory Statement about Federal Home Loan Banks Combined Financial Report*.)

Each FHLBank has established policies and procedures to evaluate, manage, and mitigate market risks. The FHFA has established regulations governing the risk management practices of the FHLBanks. The FHLBanks must file periodic compliance reports with the FHFA. The FHFA conducts annual on-site examinations, interim on-site visits, and off-site analyses of each of the FHLBanks and the Office of Finance.

Interest-Rate Risk

Interest-rate risk is the risk that relative and absolute changes in interest rates may adversely affect an institution's financial condition and results of operations. The primary sources of interest rate risk are yield curve risk, basis risk, repricing risk, and options risk. The goal of an interest-rate risk management strategy is not necessarily to eliminate interest-rate risk, but to manage it by setting, and operating within, an appropriate framework and limits. The FHLBanks generally manage interest-rate risk by acquiring and maintaining a portfolio of assets and liabilities and entering into related derivative transactions to limit the expected mismatches in duration and market value of equity sensitivity. The FHLBanks measure and monitor interest-rate risk with commonly used methods, which generally include, but are not limited to, the calculations of market value of equity's sensitivity in various interest rate scenarios, duration of equity, and duration gap, convexity of equity, and key rate durations. (See *Quantitative and Qualitative Disclosures about Market Risk* on pages 123 to 129 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for additional information.)

Market Value of Equity and Duration of Equity

Each FHLBank has an internal modeling system for measuring its duration of equity; therefore, individual FHLBank measurements may not be directly comparable. Generally, duration of equity equals the market value-weighted duration of assets minus the market value-weighted duration of liabilities (factoring in the effect of derivatives), divided by the market value of equity. Each FHLBank reports the results of its duration of equity calculations to the FHFA monthly. Most of the FHLBanks have risk limits on duration of equity and thus they manage to the duration of equity risk measure. The capital adequacy rules of the FHFA require each FHLBank to hold permanent capital in an amount sufficient to cover the sum of its credit, market, and operational risk-based capital requirements, which are defined by applicable regulations. (See *Note 9 - Capital* to the accompanying combined financial statements for additional information.) Each FHLBank has implemented a market-risk model that calculates the market-risk component of this requirement.

Table 32 presents each FHLBank that includes quantitative market value of equity and duration of equity information in its individual 2024 Second Quarter SEC Form 10-Q.

Table 32 - Individual FHLBank's Market Value of Equity and Duration of Equity Disclosures

FHLBank	Market Value of Equity	Duration of Equity
Boston	(1)	(1)
New York	✓	✓
Pittsburgh	(2)	✓
Atlanta	✓	✓
Cincinnati	✓	✓
Indianapolis	✓	✓
Chicago	(3)	✓
Des Moines	✓	(4)
Dallas	✓	(5)
Topeka	(6)	✓
San Francisco	✓	(7)

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(1) The FHLBank of Boston monitors and measures market value of equity, duration of equity, and duration gap, as described in its 2024 Second Quarter SEC Form 10-Q. In addition, the FHLBank of Boston also monitors adjusted market value of equity, adjusted duration of equity, and adjusted duration gap. See the FHLBank of Boston's 2024 Second Quarter SEC Form 10-Q for additional information.
(2) The FHLBank of Pittsburgh monitors and measures market value of equity to par value of capital stock, as described in its 2024 Second Quarter SEC Form 10-Q. In addition, the FHLBank of Pittsburgh also monitors return on equity spread volatility relative to a return on equity spread volatility limit, established and approved by its board of directors.
(3) The FHLBank of Chicago disclosed the dollar loss limits on changes in market value of equity under parallel interest rate shocks in its 2024 Second Quarter SEC Form 10-Q.
(4) Although the FHLBank of Des Moines measures and monitors duration of equity, it disclosed in its 2024 Second Quarter SEC Form 10-Q projected 24 month income as a key interest-rate risk measure.
(5) The FHLBank of Dallas monitors and measures duration of equity and duration gap, as described in its 2024 Second Quarter SEC Form 10-Q.
(6) The FHLBank of Topeka measures and monitors market value of equity (MVE); however, the FHLBank of Topeka measures market value risk in terms of its MVE in relation to its regulatory capital stock outstanding instead of to its book value of equity. As described in its 2024 Second Quarter SEC Form 10-Q, the FHLBank of Topeka believes this is a reasonable metric because, as a cooperative, the metric reflects the market value of the FHLBank of Topeka relative to the book value of its capital stock.
(7) The FHLBank of San Francisco does not disclose duration of equity, rather it discloses a comparable metric, "Market Value of Capital Sensitivity" as a key market risk measure.

Table 33 presents the duration of equity reported by each FHLBank to the FHFA in accordance with the FHFA's guidance, which prescribes that down and up interest-rate shocks equal 200 basis points. However, the applicable guidance restricts the down rate from assuming a negative interest rate. Therefore, each FHLBank adjusts the down rate accordingly in periods of very low levels of interest rates.

Table 33 - Duration of Equity
(in years)

	June 30, 2024			December 31, 2023		
FHLBank	Down	Base	Up	Down	Base	Up
Boston	0.7	1.5	2.8	0.1	0.8	1.7
New York	0.2	0.4	0.9	(0.1)	0.2	0.9
Pittsburgh	1.0	1.5	2.4	0.9	0.7	1.1
Atlanta	0.8	1.7	3.5	0.9	1.2	3.0
Cincinnati	(0.4)	1.0	1.4	1.5	2.0	2.1
Indianapolis	0.9	1.5	1.9	(0.9)	0.5	1.4
Chicago	(0.2)	0.6	0.8	(1.1)	0.0	0.7
Des Moines	1.1	1.6	1.7	1.9	2.1	2.2
Dallas	0.4	0.0	0.2	(0.3)	0.0	0.6
Topeka	1.5	2.4	2.7	1.2	2.1	3.3
San Francisco	0.9	1.2	1.3	0.6	1.1	1.2

Duration Gap

A related measure of interest-rate risk is duration gap, which is the difference between the estimated durations (market value sensitivity) of assets and liabilities, and reflects the extent to which estimated maturity and repricing cash flows for assets and liabilities are matched. Duration gap determines the sensitivity of assets and liabilities to interest-rate changes. Each FHLBank has an internal modeling system for measuring its duration gap; therefore, individual FHLBank measurements may not be directly comparable. Duration generally indicates the expected change in an instrument's market value resulting from an increase or a decrease in interest rates. Higher duration numbers, whether positive or negative, indicate greater volatility in the market value of equity in response to changing interest rates. Duration gap numbers in Table 34 include the effect of derivative transactions.

Table 34 - Duration Gap
(in months)

FHLBank	June 30, 2024	December 31, 2023
Boston	0.9	0.5
New York	0.1	(0.1)
Pittsburgh	0.7	0.2
Atlanta	1.0	0.6
Cincinnati	0.0	0.1
Indianapolis	0.7	0.0
Chicago	0.5	0.0
Des Moines	1.1	1.4
Dallas	(0.2)	(0.1)
Topeka	1.5	1.3
San Francisco	1.1	1.0

Use of Derivatives to Manage Interest-Rate Risk

An FHLBank enters into derivatives to manage interest-rate risk, prepayment risk, and other exposure inherent in otherwise unhedged assets and funding positions. An FHLBank attempts to use derivatives to reduce interest-rate exposure in the most cost-efficient manner. Derivatives are also used to manage the effective maturity, repricing frequency, or option characteristics of financial instruments to achieve risk-management objectives. (See *Note 6 - Derivatives and Hedging Activities* to the accompanying combined financial statements for a discussion of managing interest-rate risk exposure and *Financial Discussion and Analysis - Combined Results of Operations* for the effect of derivatives and hedging activities on net interest income and non-interest income resulting from the FHLBanks' hedging strategies.)

Table 35 presents the notional amount of the pay and receive leg of interest-rate swaps by interest-rate index at June 30, 2024 and December 31, 2023. The pay and receive legs are equal as both sides of the derivative transaction are being presented.

Table 35 - Notional Amount of Interest-Rate Swaps by Interest-Rate Index
(dollars in millions)

	June 30, 2024		December 31, 2023	
	Pay Leg	Receive Leg	Pay Leg	Receive Leg
Interest-Rate Index				
Fixed	$ 536,513	$ 542,202	$ 529,347	$ 694,998
SOFR OIS	488,502	462,104	638,652	450,116
Federal Funds OIS	53,701	74,410	56,426	79,311
Total notional amount of interest-rate swaps	**$ 1,078,716**	**$ 1,078,716**	**$ 1,224,425**	**$ 1,224,425**

In addition to the interest-rate swaps included in Table 35, the FHLBanks have other derivatives at June 30, 2024 and December 31, 2023. Table 36 presents the notional amount of other derivatives at June 30, 2024 and December 31, 2023.

Table 36 - Notional Amount of Other Derivatives

(dollars in millions)

	June 30, 2024	December 31, 2023
Interest-rate caps or floors	$ 8,790	$ 6,790
Interest-rate swaptions	1,925	2,125
Mortgage delivery commitments	954	588
Interest-rate futures or forwards	344	172
Other	153	116
Total notional amount of other derivatives	**$ 12,166**	**$ 9,791**

CONTROLS AND PROCEDURES

FHLBanks

The management of each FHLBank is required under applicable laws and regulations to establish and maintain effective disclosure controls and procedures as well as effective internal control over financial reporting, as such disclosure controls and procedures and internal control over financial reporting relate to that FHLBank only. Each FHLBank's management assessed the effectiveness of its individual internal control over financial reporting as of December 31, 2023, based on the criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management of each FHLBank concluded, as of December 31, 2023, that its individual internal control over financial reporting was effective based on the criteria established in *Internal Control-Integrated Framework.* Additionally, the independent registered public accounting firm of each FHLBank opined that the individual FHLBank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023. (See *Part II. Item 8 - Financial Statements and Supplementary Data* or *Item 9A - Controls and Procedures* of each FHLBank's 2023 SEC Form 10-K for its *Management's Report on Internal Control over Financial Reporting*.)

The management of each FHLBank concluded that its disclosure controls and procedures were effective at a reasonable assurance level as of the end of the period covered by its 2024 Second Quarter SEC Form 10-Q. Additionally, each FHLBank, except for the FHLBank of Des Moines, indicated that there were no changes to its internal control over financial reporting during the quarter ended June 30, 2024, that materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. During the quarter ended June 30, 2024, the FHLBank of Des Moines implemented enhancements to an asset management solution for its advances and standby letters of credit that materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. (See *Part I. Item 4 - Controls and Procedures* of each FHLBank's 2024 Second Quarter SEC Form 10-Q.)

Office of Finance Controls and Procedures over the Combined Financial Reporting Combining Process

The Office of Finance is not responsible for the preparation, accuracy, or adequacy of the information or financial data provided by the FHLBanks to the Office of Finance for use in preparing the combined financial reports, or for the quality or effectiveness of the disclosure controls and procedures or internal control over financial reporting of the FHLBanks as they relate to that information and financial data. Each FHLBank is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting with respect to the information and financial data provided to the Office of Finance. Although the Office of Finance is not an SEC registrant, FHFA regulations require that the combined financial report form and content generally be consistent with SEC Regulations S-K and S-X, as interpreted by the FHFA. The Office of Finance is not required to establish and maintain, and in light of the nature of its role has not established and maintained, disclosure controls and procedures and internal control over financial reporting in the same manner as those maintained by each FHLBank. The Office of Finance has established controls and procedures concerning the FHLBanks' submission of information and financial data to the Office of Finance, the process of combining the financial statements and other financial information of the individual FHLBanks, and the review of that information.

The Office of Finance does not independently verify the financial information submitted by each FHLBank that comprise the combined financial statements, the condensed combining schedules, and other disclosures included in this Combined Financial Report. Instead, the Office of Finance relies on each FHLBank management's certification and representation regarding the accuracy and completeness, in all material respects, of its data submitted to the Office of Finance for use in preparing this Combined Financial Report.

Audit Committee Charter

The charter of the audit committee of the Office of Finance's board of directors is available on the Office of Finance's website at fhlb-of.com. This website address is provided as a matter of convenience only, and its contents are not made part of or incorporated by reference into this report.

LEGAL PROCEEDINGS

The FHLBanks are subject to various pending legal proceedings arising in the normal course of business. The FHLBanks and the Office of Finance do not believe they are a party to, or subject to, any pending legal proceedings where the ultimate liability of the FHLBanks, if any, arising out of these proceedings is likely to have a material effect on the results of operations, financial condition, or liquidity of the FHLBanks on a combined basis or that are otherwise material to the FHLBanks on a combined basis.

See each FHLBank's 2024 Second Quarter SEC Form 10-Q under *Part II. Item 1 - Legal Proceedings* for additional information.

RISK FACTORS

There were no material changes to the risk factors disclosed on pages 28 to 39 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023. (See each FHLBank's 2024 SEC Form 10-Qs for any updates to the risk factors included in the FHLBank's 2023 SEC Form 10-K under *Part I. Item 1A - Risk Factors*.)

MARKET FOR CAPITAL STOCK AND RELATED STOCKHOLDER MATTERS

As a cooperative, each FHLBank conducts its advances business and mortgage loan programs almost exclusively with its members. Members and certain former members own all of the FHLBanks' capital stock. There is no established marketplace for the FHLBanks' stock and it is not publicly traded. FHLBank stock is purchased by members at the stated par value of $100 per share and may be redeemed/repurchased at its stated par value of $100 per share, subject to applicable redemption periods and certain conditions and limitations. (See *Business - Capital, Capital Rules, and Dividends* on pages 15 to 19 of the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for more information on the restrictions on capital stock redemptions and repurchases.)

At June 30, 2024, the FHLBanks had 451 million shares of capital stock outstanding, including mandatorily redeemable capital stock. The FHLBanks are not required to register their securities under the Securities Act of 1933, as amended; however, each FHLBank is required to register a class of its stock under the Securities Exchange Act of 1934, as amended. (See *Note 9 - Capital* to the accompanying combined financial statements for additional information on regulatory capital stock and mandatorily redeemable capital stock.)

Table 37 presents combined regulatory capital stock, which includes mandatorily redeemable capital stock, held by type of member and FHLBank membership by type of member.

Table 37 - Regulatory Capital Stock Held and Membership by Type of Member
(dollars in millions)

	June 30, 2024		December 31, 2023	
	Regulatory Capital Stock Amount	Number of Members	Regulatory Capital Stock Amount	Number of Members
Commercial banks	$ 23,644	3,646	$ 25,089	3,675
Insurance companies	8,298	586	7,754	579
Credit unions	6,333	1,640	6,315	1,623
Savings institutions	5,700	550	5,504	556
Community development financial institutions	34	76	24	71
Total	**44,009**	**6,498**	**44,686**	**6,504**
Mandatorily redeemable capital stock	1,079		1,230	
Combined regulatory capital stock	**$ 45,088**		**$ 45,916**	

Figures 31 and 32 present the percentage of regulatory capital stock held, and membership, by type of member at June 30, 2024.

Figure 31 - Percentage of Regulatory Capital Stock Held by Type of Member

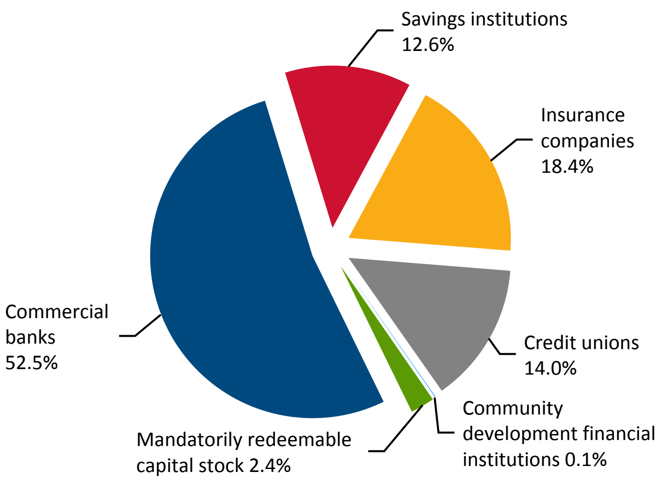
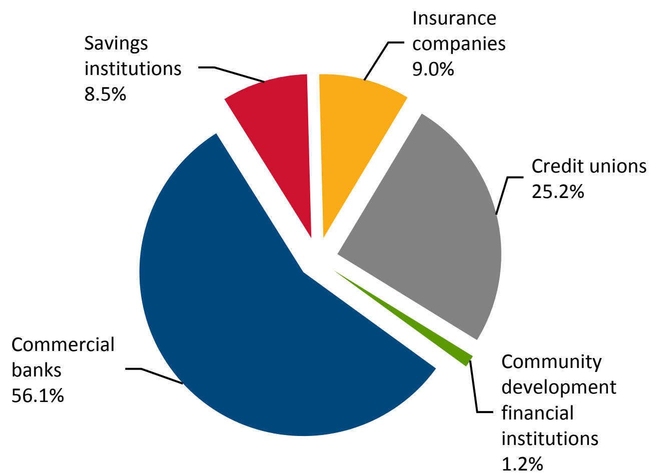


Figure 32 - Percentage of Membership by Type of Member



The information on regulatory capital stock presented in Table 38 is accumulated at the holding-company level. The percentage of combined regulatory capital stock identified in Table 38 for each holding company was computed by dividing all regulatory capital stock owned by subsidiaries of that holding company by combined regulatory capital stock. These percentage concentrations do not represent ownership concentrations in an individual FHLBank.

Table 38 - Top 10 Regulatory Capital Stockholders by Holding Company at June 30, 2024

(dollars in millions)

Holding Company Name[(1)]	FHLBank Districts[(2)]	Regulatory Capital Stock[(3)]	Percentage of Combined Regulatory Capital Stock	Mandatorily Redeemable Capital Stock
The PNC Financial Services Group, Inc.	Pittsburgh, Cincinnati	$ 1,430	3.2 %	$ 5
New York Community Bancorp, Inc.	New York, Indianapolis	1,347	3.0 %	329
JPMorgan Chase & Co.	Cincinnati, San Francisco, Chicago, Des Moines	1,235	2.7 %	561
The Charles Schwab Corporation	Dallas	1,018	2.3 %	—
Truist Financial Corporation	Atlanta, Pittsburgh	946	2.1 %	1
Bank of America Corporation	Atlanta, San Francisco, Boston, Des Moines	904	2.0 %	3
Citigroup Inc.	New York	793	1.8 %	—
MetLife, Inc.	New York	715	1.6 %	—
U.S. Bancorp	Cincinnati, San Francisco, Des Moines	608	1.3 %	56
The Toronto-Dominion Bank	Pittsburgh, Atlanta	586	1.3 %	—
		$ 9,582	**21.3 %**	**$ 955**

(1) Holding company information was obtained from the Federal Reserve System's website, the National Information Center (NIC), and SEC filings. The NIC is a central repository of data about banks and other institutions for which the Federal Reserve System has a supervisory, regulatory, or research interest, including both domestic and foreign banking organizations operating in the United States.
(2) At June 30, 2024, each holding company had subsidiaries with regulatory capital stock holdings in these FHLBank districts.
(3) Includes FHLBank capital stock that is considered to be mandatorily redeemable, which is classified as a liability under GAAP.

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SUPPLEMENTAL INFORMATION

Individual Federal Home Loan Bank Selected Financial Data and Financial Ratios

The following individual Federal Home Loan Bank (FHLBank) selected financial data and financial ratios are unaudited, and provided as a convenience to the reader. Please refer to *Explanatory Statement about Federal Home Loan Banks Combined Financial Report*, which discusses the independent management and operation of the FHLBanks; identifies the availability of other information about the FHLBanks; and describes where to find the periodic reports and other information filed by each FHLBank with the SEC.

Individual FHLBank Selected Financial Data and Financial Ratios (Unaudited)

(dollars in millions)	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Selected Statement of Condition Data[1]					
At June 30, 2024					
Assets					
Investments[2][3]	$ 22,436	$ 50,335	$ 30,746	$ 51,469	$ 37,866
Advances	42,294	114,363	72,874	94,163	78,834
Mortgage loans held for portfolio	3,346	2,227	4,746	96	7,193
Total assets	**68,769**	**168,092**	**109,333**	**147,002**	**124,533**
Deposits	891	2,215	745	2,008	1,170
Consolidated obligations[3]					
Discount notes	21,041	60,758	8,605	15,632	21,576
Bonds	42,651	95,174	93,294	120,010	94,023
Total consolidated obligations	**63,692**	**155,932**	**101,899**	**135,642**	**115,599**
Mandatorily redeemable capital stock	5	6	28	—	15
Total capital					
Capital stock[4]	2,094	6,402	3,670	5,547	4,791
Retained earnings	1,856	2,451	1,977	2,670	1,733
Accumulated other comprehensive income (loss)	(268)	(103)	(36)	—	(25)
Total capital	**3,682**	**8,750**	**5,611**	**8,217**	**6,499**
Asset composition (as a percentage of the individual FHLBank's total assets)					
Investments[2][3]	32.6 %	29.9 %	28.1 %	35.0 %	30.4 %
Advances	61.5 %	68.0 %	66.7 %	64.1 %	63.3 %
Mortgage loans held for portfolio, net	4.9 %	1.3 %	4.3 %	0.1 %	5.8 %
Retained earnings as a percentage of FHLBank's total assets	2.7 %	1.5 %	1.8 %	1.8 %	1.4 %
FHLBank's total assets as a percentage of FHLBank System	5.4 %	13.2 %	8.6 %	11.5 %	9.8 %
At June 30, 2023					
Assets					
Investments[2][3]	$ 19,120	$ 59,718	$ 23,233	$ 58,429	$ 55,859
Advances	40,246	108,573	80,580	112,380	86,890
Mortgage loans held for portfolio	2,807	2,139	4,583	111	6,996
Total assets	**63,282**	**171,408**	**109,339**	**174,256**	**151,129**
Deposits	1,022	2,927	693	2,120	1,152
Consolidated obligations[3]					
Discount notes	17,461	57,912	19,367	20,999	48,337
Bonds	40,879	101,049	82,526	141,994	93,212
Total consolidated obligations	**58,340**	**158,961**	**101,893**	**162,993**	**141,549**
Mandatorily redeemable capital stock	5	7	28	—	16
Total capital					
Capital stock[4]	2,006	6,362	3,985	5,544	5,849
Retained earnings	1,756	2,282	1,706	2,403	1,582
Accumulated other comprehensive income (loss)	(292)	(126)	(51)	(2)	(34)
Total capital	**3,470**	**8,518**	**5,640**	**7,945**	**7,397**
Asset composition (as a percentage of the individual FHLBank's total assets)					
Investments[2][3]	30.2 %	34.8 %	21.2 %	33.5 %	37.0 %
Advances	63.6 %	63.3 %	73.7 %	64.5 %	57.5 %
Mortgage loans held for portfolio, net	4.4 %	1.2 %	4.2 %	0.1 %	4.6 %
Retained earnings as a percentage of individual FHLBank's total assets	2.8 %	1.3 %	1.6 %	1.4 %	1.0 %
FHLBank's total assets as a percentage of FHLBank System	4.5 %	12.1 %	7.7 %	12.3 %	10.6 %

(1) The sum or recalculation of individual FHLBank amounts may not agree or may not be recalculated from the Combined Statements of Condition amounts due to combining adjustments.

(2) Investments consist of interest-bearing deposits, deposits with other FHLBanks, securities purchased under agreements to resell, federal funds sold, trading securities, available-for-sale securities, and held-to-maturity securities.

(3) See *Note 1 - Summary of Significant Accounting Policies - Basis of Presentation* on page F-15 in the audited combined financial statements included in the Federal Home Loan Banks Combined Financial Report for the year ended December 31, 2023, for information about the elimination of interbank transactions in the combined financial statements of the FHLBanks.

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Selected Statement of Condition Data[1]						
At June 30, 2024						
Assets						
Investments[2][3]	$ 32,401	$ 48,176	$ 47,415	$ 45,043	$ 24,115	$ 30,383
Advances	36,556	60,708	104,784	75,225	46,220	54,735
Mortgage loans held for portfolio	9,393	12,381	10,810	5,409	8,720	724
Total assets	**79,245**	**122,820**	**164,821**	**126,232**	**79,755**	**86,331**
Deposits	782	802	1,234	1,420	816	754
Consolidated obligations[3]						
Discount notes	22,443	42,852	63,786	19,010	18,210	22,316
Bonds	50,747	69,493	89,045	96,907	56,060	54,925
Total consolidated obligations	**73,190**	**112,345**	**152,831**	**115,917**	**74,270**	**77,241**
Mandatorily redeemable capital stock	363	83	10	—	3	565
Total capital						
Capital stock[4]	2,346	3,206	6,185	4,582	2,736	2,449
Retained earnings	1,624	5,173	3,359	2,629	1,513	4,396
Accumulated other comprehensive income (loss)	17	125	19	236	(114)	56
Total capital	**3,987**	**8,504**	**9,563**	**7,447**	**4,135**	**6,901**
Asset composition (as a percentage of the individual FHLBank's total assets)						
Investments[2][3]	40.9 %	39.2 %	28.8 %	35.7 %	30.2 %	35.2 %
Advances	46.1 %	49.4 %	63.6 %	59.6 %	58.0 %	63.4 %
Mortgage loans held for portfolio, net	11.9 %	10.1 %	6.6 %	4.3 %	10.9 %	0.8 %
Retained earnings as a percentage of FHLBank's total assets	2.0 %	4.2 %	2.0 %	2.1 %	1.9 %	5.1 %
FHLBank's total assets as a percentage of FHLBank System	6.2 %	9.6 %	12.9 %	9.9 %	6.2 %	6.8 %
At June 30, 2023						
Assets						
Investments[2][3]	$ 29,018	$ 45,807	$ 55,498	$ 59,509	$ 20,185	$ 43,139
Advances	36,234	79,569	114,057	109,032	43,958	70,537
Mortgage loans held for portfolio	7,899	10,533	8,909	4,781	8,064	785
Total assets	**74,270**	**136,692**	**180,181**	**173,984**	**72,860**	**114,877**
Deposits	663	842	1,063	1,526	539	779
Consolidated obligations[3]						
Discount notes	20,200	43,757	50,443	41,309	20,893	24,795
Bonds	48,508	82,310	116,810	121,323	47,053	79,855
Total consolidated obligations	**68,708**	**126,067**	**167,253**	**162,632**	**67,946**	**104,650**
Mandatorily redeemable capital stock	371	246	13	8	—	843
Total capital						
Capital stock[4]	2,381	3,536	6,449	6,216	2,644	2,600
Retained earnings	1,413	4,771	2,854	2,140	1,336	4,182
Accumulated other comprehensive income (loss)	(10)	(53)	(107)	219	(84)	(19)
Total capital	**3,784**	**8,254**	**9,196**	**8,575**	**3,896**	**6,763**
Asset composition (as a percentage of the individual FHLBank's total assets)						
Investments[2][3]	39.1 %	33.5 %	30.8 %	34.2 %	27.7 %	37.6 %
Advances	48.8 %	58.2 %	63.3 %	62.7 %	60.3 %	61.4 %
Mortgage loans held for portfolio, net	10.6 %	7.7 %	4.9 %	2.7 %	11.1 %	0.7 %
Retained earnings as a percentage of individual FHLBank's total assets	1.9 %	3.5 %	1.6 %	1.2 %	1.8 %	3.6 %
FHLBank's total assets as a percentage of FHLBank System	5.2 %	9.6 %	12.7 %	12.2 %	5.1 %	8.1 %

(4) FHLBank capital stock is redeemable at the request of a member subject to the statutory redemption periods and other conditions and limitations. (See *Note 9 - Capital* to the accompanying combined financial statements for additional information on the statutory redemption periods and other conditions and limitations.)

Individual FHLBank Selected Financial Data and Financial Ratios (Unaudited, continued)

(dollars in millions)	Boston	New York	Pittsburgh	Atlanta	Cincinnati
Selected Other Data					
June 30, 2024					
Advance concentrations - top five borrowers	33 %	56 %	80 %	58 %	56 %
Regulatory capital stock concentrations - top five stockholders	28 %	49 %	73 %	48 %	48 %
Regulatory capital-to-assets ratio(5)	5.75 %	5.27 %	5.19 %	5.59 %	5.25 %
Cash and stock dividends					
Quarter-to-date June 30, 2024	$ 41	$ 146	$ 78	$ 108	$ 105
Quarter-to-date June 30, 2023	$ 39	$ 122	$ 70	$ 99	$ 90
Year-to-date June 30, 2024	$ 82	$ 289	$ 157	$ 225	$ 215
Year-to-date June 30, 2023	$ 70	$ 228	$ 129	$ 177	$ 164
Weighted average dividend rate (annualized)					
Quarter-to-date June 30, 2024	8.40 %	9.50 %	8.48 %	7.35 %	9.00 %
Quarter-to-date June 30, 2023	7.55 %	8.50 %	7.70 %	6.50 %	7.25 %
Year-to-date June 30, 2024	8.40 %	9.50 %	8.37 %	7.35 %	9.00 %
Year-to-date June 30, 2023	7.14 %	8.13 %	7.64 %	6.44 %	6.62 %
Return on average equity (annualized)(6)					
Quarter-to-date June 30, 2024	7.75 %	8.54 %	10.91 %	8.12 %	9.05 %
Quarter-to-date June 30, 2023	8.44 %	9.84 %	12.20 %	7.23 %	10.71 %
Year-to-date June 30, 2024	8.35 %	9.55 %	11.03 %	8.67 %	9.17 %
Year-to-date June 30, 2023	7.50 %	9.73 %	10.99 %	6.62 %	9.53 %
Net interest margin (annualized)(7)					
Quarter-to-date June 30, 2024	0.63 %	0.60 %	0.74 %	0.61 %	0.66 %
Quarter-to-date June 30, 2023	0.59 %	0.60 %	0.67 %	0.45 %	0.60 %
Year-to-date June 30, 2024	0.65 %	0.61 %	0.73 %	0.63 %	0.66 %
Year-to-date June 30, 2023	0.53 %	0.59 %	0.64 %	0.42 %	0.60 %
Net interest spread (annualized)					
Quarter-to-date June 30, 2024	0.28 %	0.30 %	0.43 %	0.27 %	0.37 %
Quarter-to-date June 30, 2023	0.27 %	0.33 %	0.41 %	0.18 %	0.35 %
Year-to-date June 30, 2024	0.29 %	0.32 %	0.41 %	0.29 %	0.37 %
Year-to-date June 30, 2023	0.22 %	0.34 %	0.38 %	0.15 %	0.35 %

(5) The regulatory capital-to-assets ratio is calculated based on the FHLBank's regulatory capital as a percentage of total assets held at period-end. (See *Note 9 - Capital* to the accompanying combined financial statements for a definition and discussion of regulatory capital.)

(6) Return on average equity is net income expressed as a percentage of average total capital. Mandatorily redeemable capital stock is not included in the calculation of return on average equity.

(7) Net interest margin is equal to net interest income represented as a percentage of average interest-earning assets.

(dollars in millions)	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco
Selected Other Data						
June 30, 2024						
Advance concentrations - top five borrowers	38 %	38 %	33 %	55 %	54 %	56 %
Regulatory capital stock concentrations - top five stockholders	34 %	32 %	26 %	39 %	47 %	28 %
Regulatory capital-to-assets ratio(5)	5.47 %	6.89 %	5.80 %	5.71 %	5.33 %	8.58 %
Cash and stock dividends						
Quarter-to-date June 30, 2024	$ 48	$ 70	$ 147	$ 71	$ 58	$ 51
Quarter-to-date June 30, 2023	$ 30	$ 55	$ 109	$ 66	$ 56	$ 65
Year-to-date June 30, 2024	$ 92	$ 146	$ 283	$ 152	$ 112	$ 104
Year-to-date June 30, 2023	$ 57	$ 103	$ 205	$ 109	$ 109	$ 128
Weighted average dividend rate (annualized)						
Quarter-to-date June 30, 2024	8.23 %	8.54 %	8.79 %	6.11 %	8.79 %	8.75 %
Quarter-to-date June 30, 2023	5.59 %	6.80 %	6.86 %	5.37 %	8.31 %	7.00 %
Year-to-date June 30, 2024	8.01 %	8.47 %	8.34 %	6.13 %	8.78 %	8.75 %
Year-to-date June 30, 2023	4.98 %	6.75 %	6.72 %	5.03 %	8.22 %	7.00 %
Return on average equity (annualized)(6)						
Quarter-to-date June 30, 2024	9.21 %	7.37 %	9.57 %	10.08 %	10.76 %	5.10 %
Quarter-to-date June 30, 2023	10.16 %	8.12 %	10.98 %	10.80 %	10.81 %	6.52 %
Year-to-date June 30, 2024	9.51 %	8.00 %	10.47 %	9.98 %	11.34 %	6.28 %
Year-to-date June 30, 2023	10.50 %	7.72 %	9.75 %	10.43 %	9.90 %	8.37 %
Net interest margin (annualized)(7)						
Quarter-to-date June 30, 2024	0.67 %	0.75 %	0.75 %	0.72 %	0.72 %	0.65 %
Quarter-to-date June 30, 2023	0.67 %	0.70 %	0.72 %	0.61 %	0.63 %	0.55 %
Year-to-date June 30, 2024	0.69 %	0.76 %	0.74 %	0.72 %	0.73 %	0.67 %
Year-to-date June 30, 2023	0.63 %	0.68 %	0.69 %	0.60 %	0.60 %	0.71 %
Net interest spread (annualized)						
Quarter-to-date June 30, 2024	0.31 %	0.33 %	0.45 %	0.34 %	0.41 %	0.21 %
Quarter-to-date June 30, 2023	0.33 %	0.36 %	0.43 %	0.31 %	0.34 %	0.24 %
Year-to-date June 30, 2024	0.33 %	0.36 %	0.45 %	0.33 %	0.42 %	0.22 %
Year-to-date June 30, 2023	0.30 %	0.35 %	0.42 %	0.29 %	0.33 %	0.42 %

INDEX OF TABLES AND FIGURES CONTAINED IN THE COMBINED FINANCIAL REPORT