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FOR IMMEDIATE RELEASE:

Office of Finance Announces Preliminary Unaudited Second Quarter 2010 Combined Operating Highlights for the Federal Home Loan Banks

Each of the Federal Home Loan Banks Announces Preliminary Unaudited Second Quarter 2010 Financial Condition and Results of Operations

The Office of Finance is announcing preliminary second quarter 2010 combined operating highlights for the Federal Home Loan Banks (FHLBanks). These highlights have been prepared from the unaudited financial information of each FHLBank and are subject to change. This announcement also contains unaudited balance sheet and income statement highlights as of and for the three- and six-month periods ended June 30, 2010 and applicable comparative periods.

Each of the FHLBanks has announced preliminary unaudited financial highlights for the second quarter of 2010, filing a Form 8-K with the SEC that can be viewed, along with current financial reports and other SEC filings for individual FHLBanks, by searching the EDGAR database.

Balance Sheet and Capital Highlights

Combined total assets were \$937 billion at June 30, 2010, a decrease of 8% from \$1.016 trillion at December 31, 2009. Advances (secured loans to FHLBank members) decreased 14% from year-end 2009 to \$540 billion and represented 58% of total assets at June 30, 2010. Advances declined during the first six months of 2010 due to high deposit levels at member financial institutions, low loan demand by FHLBank members and continued availability of more attractively priced sources of funding and/or sources of liquidity with lower collateral requirements. Additionally, the financial condition of certain FHLBank members remained weak during the first six months of 2010, which reduced those members' borrowing capacity from FHLBanks due to tightened credit and collateral terms for advances.

Investments increased 9% to \$309 billion at June 30, 2010, and mortgage loans, at \$67 billion, were down 6% from December 31, 2009. The increase in investments is primarily attributable to growth in short-term investments and investments in other U.S. obligations and government-sponsored enterprise mortgage-backed securities (MBS). Mortgage loans decreased due to the reduction of outstanding mortgage loan balances related to lower purchase volumes, maturities and prepayments, and the continued effects of the credit crisis on the U.S. housing market.

Consolidated obligations are the principal source of funds used by the FHLBanks to make advances and purchase investments and mortgages. Consolidated obligations outstanding were \$853 billion at June 30, 2010, a decrease of 9% from \$935 billion at December 31, 2009. Total consolidated



obligations outstanding at June 30, 2010 consisted of discount notes (\$181 billion) and bonds (\$672 billion).

Total combined GAAP capital was \$43.2 billion at June 30, 2010, compared to \$42.8 billion at December 31, 2009. At June 30, 2010, combined regulatory capital was \$59.1 billion, compared to \$60.2 billion at December 31, 2009. The difference between GAAP capital and regulatory capital relates primarily to accumulated other comprehensive income (loss), which is excluded from regulatory capital, and mandatorily redeemable capital stock (MRCS), which is included in regulatory capital. MRCS is subject to redemption restrictions, such as a five-year waiting period in most cases. At June 30, 2010, combined retained earnings totaled \$6.4 billion and combined accumulated other comprehensive income (loss) totaled (\$6.9) billion; this latter amount is mostly comprised of noncredit-related other-than-temporary impairment (OTTI) charges as discussed further below. MRCS at June 30, 2010 was \$8.1 billion, level with the balance at December 31, 2009.

Operating Results

For the Three-Month Periods Ended June 30, 2010 and 2009

Combined net income for the three-month period ended June 30, 2010 was \$326 million, compared to combined net income of \$1.123 billion recorded during the same period in the previous year. The \$797 million decrease in combined net income was primarily attributable to a decline in net interest income after provision for credit losses, net losses on derivatives and hedging activities and an increase in credit-related OTTI charges, which were partially offset by lower fair value net losses on those advances and consolidated obligations held at fair value, net gains on trading securities and lower assessments.

The FHLBanks of Atlanta (\$75 million), Boston (\$19 million), Chicago (\$116 million), Cincinnati (\$41 million), Dallas (\$39 million), Des Moines (\$14 million), New York (\$56 million), San Francisco (\$29 million), Seattle (\$8 million) and Topeka (\$10 million) each reported preliminary net income for the three-month period ended June 30, 2010. The FHLBanks of Indianapolis (-\$13 million) and Pittsburgh (-\$68 million) each reported a preliminary net loss for the same period, primarily due to credit-related OTTI charges. The sum of the individual FHLBank net income (loss) amounts does not agree to the combined net income due to interbank combining adjustments, the effect of which was less than \$1 million for the three-month period ended June 30, 2010.

For the Six-Month Periods Ended June 30, 2010 and 2009

Combined net income for the six-month period ended June 30, 2010 was \$651 million, compared to combined net income of \$1.468 billion recorded during the same period in the previous year. The \$817 million decrease in combined net income was primarily attributable to a decline in net interest income after provision for credit losses and net losses on derivatives and hedging activities, which were partially offset by lower credit-related OTTI charges, lower fair value net losses on those advances and consolidated obligations held at fair value, net gains on trading securities and lower assessments.



The FHLBanks of Atlanta (\$123 million), Boston (\$42 million), Chicago (\$117 million), Cincinnati (\$84 million), Dallas (\$55 million), Des Moines (\$44 million), Indianapolis (\$19 million), New York (\$110 million), San Francisco (\$122 million) and Seattle (\$14 million) each reported preliminary net income for the six-month period ended June 30, 2010. The FHLBanks of Pittsburgh (-\$58 million) and Topeka (-\$20 million) each reported a preliminary net loss for the same period, primarily due to credit-related OTTI charges (Pittsburgh) and net losses on derivatives and hedging activities (Topeka). The sum of the individual FHLBank net income (loss) amounts does not agree to the combined net income due to interbank combining adjustments that decreased net income by \$1 million for the first six months of 2010.

Net Interest Income

As discussed above, during the three- and six-month periods ended June 30, 2010, the FHLBanks continued to experience declines in interest-bearing assets, primarily advances, and declines in interest-bearing liabilities, primarily consolidated obligations. This declining volume resulted in lower net interest income after provision for credit losses, despite an improvement in the FHLBanks' net interest margin. This improvement in net interest margin was generally related to lower funding costs.

Other Non-Interest Loss

Other non-interest (loss) income is subject to the influences of the current market and the performance of an individual FHLBank will vary based on the design and execution of its own asset and liability management strategy. On a combined basis, the FHLBanks recognized (\$184) million and (\$500) million of other non-interest losses during the three- and six-month periods ended June 30, 2010 compared to other non-interest income of \$682 million and \$729 million for the corresponding periods one year ago. For the three-month period ended June 30, 2010, other non-interest (loss) income primarily included net (losses) gains on derivatives and hedging activities, fair value net losses on those advances and consolidated obligations held at fair value, and net gains (losses) on trading securities of (\$324) million, (\$38) million and \$157 million, compared to \$979 million, (\$189) million and (\$68) million for the same period one year ago. For the six-month period ended June 30, 2010, other non-interest (loss) income primarily included net (losses) gains on derivatives and hedging activities, fair value net losses on those advances and consolidated obligations held at fair value, and net gains (losses) on trading securities of (\$578) million, (\$142) million and \$186 million, compared to \$1.179 billion, (\$367) million and (\$79) million for the same period one year ago.

Net Other-Than-Temporary Impairment Losses

The FHLBanks recognized \$495 million and \$728 million of credit-related OTTI charges on certain private-label MBS during the three- and six-month periods ended June 30, 2010, and \$437 million and \$953 million of credit-related OTTI charges during the three- and six-month periods ended June 30, 2009. Each quarter, working with the FHLBank System OTTI Governance Committee, the FHLBanks update their OTTI analyses to reflect loan performance and current housing market assumptions in its collateral loss models, which generate these projected losses. The net loss



reflected for the three-month period ended June 30, 2010 was primarily driven by cash flow loss projections for Prime and Alt-A loans underlying certain private-label MBS.

Each FHLBank actively monitors the credit quality of its MBS. It is not possible to predict whether the FHLBanks will have additional credit-related OTTI charges in the future because that will depend on many factors, including economic, financial market and housing market conditions and the actual and projected performance of the loan collateral underlying the FHLBanks' MBS. If delinquency and/or loss rates on mortgages and/or home equity loans continue to increase, and/or there is a further decline in residential real estate values, the FHLBanks could experience reduced yields or additional credit-related losses on these investment securities. For additional information on individual FHLBanks, you may access all SEC filings on the EDGAR database.

Affordable Housing Program Assessments

For the three- and six-month periods ended June 30, 2010, the FHLBanks recognized expense of \$137 million and \$267 million related to the Affordable Housing Program (AHP), compared to expense of \$392 million and \$573 million for the corresponding periods one year ago. The decrease in AHP expense reflects the fact that only FHLBanks with net income are required to make contributions to the AHP and the level of aggregate gross net income among the FHLBanks was lower during the three- and six-month periods ended June 30, 2010 compared to the corresponding periods in the prior year.

The Second Quarter 2010 Combined Financial Report for the FHLBanks is expected to be filed with the Federal Housing Finance Agency and available on the Office of Finance web site as soon as practicable after each FHLBank has filed its individual SEC Form 10-Q for the second quarter of 2010.

About the FHLBanks

The primary purpose of the FHLBanks is to ensure the flow of credit and other services for housing and community development to member financial institutions. This liquidity serves the public by enhancing the availability of residential mortgage and community investment funds. As cooperatives, the FHLBanks seek to maintain a balance between their public policy mission and their obligation to provide adequate returns on the capital supplied by members. The FHLBanks achieve this balance by delivering low-cost financing, providing members a viable alternative to the secondary mortgage market through their mortgage programs, and through the payment of dividends. Each FHLBank also helps members with other local housing and community development needs through self-funded affordable housing programs.

Each individual FHLBank manages its operations independently 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. The accounting and financial reporting policies and practices of individual FHLBanks are not always identical because different policies and/or presentations are permitted under GAAP in certain circumstances.



The FHLBanks have delivered innovation and service to the U.S. housing market since 1932, and currently have nearly 8,000 members in all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands. Please contact Mike Ciota at 703-467-3608 (ciota@fhlb-of.com) for additional information.

Statements contained in this release may be "forward-looking statements." These statements may use forward-looking terminology, such as "anticipates," "believes," "could," "estimates," "may," "should," "will," or their negatives or other variations on these terms. By their nature, these forward-looking statements, including those related to financial performance, publication of financial reports and private-label mortgage-backed securities investments, are subject to risks and uncertainties related to the operations of the FHLBanks and the business environment, all of which are difficult to predict and many of which are beyond the control of the FHLBanks. These risks and uncertainties could cause actual results to differ materially from those expressed or implied in forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. Such risks and uncertainties include the following: changes in interest rates; housing prices; employment rates and the general economy; the size and volatility of the residential mortgage market; demand for FHLBank advances; volatility of market prices, rates, and indices or other factors, including natural disasters, that could affect the value of investments or collateral held by the FHLBanks as security; political events, including legislative, regulatory, judicial or other developments that affect the FHLBanks, their members, counterparties and/or investors in the consolidated obligations of the FHLBanks; competitive forces, including other sources of funding available to FHLBank members, and the ability to attract and retain skilled individuals; the pace of technological change and the ability to develop and support technology and information systems; changes in investor demand for consolidated obligations and/or the terms of interest-rate exchange agreements and similar agreements; the application of accounting rules, such as accounting for derivatives and other-than-temporary impairment; and the ability to introduce new FHLBank products and services and successfully manage the risks associated with those products and services. Investors are encouraged to consider these and other risks and uncertainties that are discussed in periodic combined financial reports posted on the Office of Finance web site, www.fhlb-of.com, and in reports filed by each FHLBank with the Securities and Exchange Commission. Any duty to update these forward-looking statements is hereby disclaimed.

FHLBanks Office of Finance
Table I to July 30, 2010 Press Release
Balance Sheet Highlights
Unaudited
(Dollar amounts in millions)

	Combined*		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
Investments (1)	\$ 308,701	\$ 284,351	\$ 25,095	\$ 20,947	\$ 14,971	\$ 16,222	\$ 19,246	\$ 17,173	\$ 37,399	\$ 32,940	\$ 22,062	\$ 24,193	\$ 18,734	\$ 14,994
Advances	540,318	631,159	36,016	37,591	85,286	94,349	36,058	41,177	100,087	114,580	32,603	35,818	19,989	22,443
Mortgage loans held for portfolio, net	66,795	71,437	3,317	3,506	1,282	1,317	4,896	5,163	2,313	2,522	8,790	9,366	6,749	7,272
Total assets	937,111	1,015,583	64,707	62,487	105,183	114,461	60,630	65,291	140,591	151,311	66,820	71,387	45,639	46,599
Consolidated obligations, net	852,941	934,876	59,765	57,687	93,728	104,836	54,444	59,313	127,468	138,577	60,608	64,409	41,050	42,158
Capital stock	43,668	44,982	3,659	3,643	4,680	5,059	4,012	4,018	7,856	8,124	3,121	3,063	1,731	1,726
Retained earnings	6,399	6,033	184	142	677	689	331	389	985	873	423	412	351	349
Total accumulated other comprehensive income (loss)	(6,881)	(8,206)	(806)	(1,021)	(110)	(145)	(375)	(694)	(612)	(744)	(7)	(8)	(264)	(329)
Total capital (2)	43,186	42,809	3,037	2,764	5,247	5,603	3,968	3,713	8,229	8,253	3,537	3,467	1,818	1,746

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
Investments (1)	\$ 44,179	\$ 36,793	\$ 19,179	\$ 20,790	\$ 12,814	\$ 13,492	\$ 18,393	\$ 16,348	\$ 51,139	\$ 47,006	\$ 25,719	\$ 23,817
Advances	21,103	24,148	32,491	35,720	41,454	47,263	21,017	22,254	95,747	133,559	18,467	22,257
Mortgage loans held for portfolio, net	21,567	23,838	7,531	7,717	235	259	3,567	3,334	2,788	3,037	3,760	4,106
Total assets	87,743	88,074	59,442	64,657	57,063	65,092	43,220	42,632	158,198	192,862	48,104	51,094
Consolidated obligations, net	79,044	80,364	54,560	59,912	53,026	60,278	38,824	39,112	145,312	180,299	45,292	48,264
Capital stock	2,331	2,328	2,307	2,461	2,261	2,532	1,585	1,603	8,280	8,575	1,845	1,850
Retained earnings	825	708	501	484	407	356	315	355	1,350	1,239	66	52
Total accumulated other comprehensive income (loss)	(567)	(658)	103	(34)	(63)	(66)	(24)	(12)	(3,332)	(3,584)	(822)	(909)
Total capital (2)	2,589	2,378	2,911	2,911	2,605	2,822	1,876	1,946	6,298	6,230	1,089	993

*Note: The sum of the individual FHLBank balance sheet amounts may not agree to the combined balance sheet amounts due to interbank combining adjustments.

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

(2) **Total Regulatory Capital at 6/30/10 ****

Boston	\$ 3,930	Chicago	\$ 4,644
New York	5,431	Des Moines	2,815
Pittsburgh	4,379	Dallas	2,675
Atlanta	9,349	Topeka	1,928
Cincinnati	3,940	San Francisco	14,320
Indianapolis	2,863	Seattle	2,865

** Total regulatory capital is defined as the sum of the amounts paid for Class A and Class B capital stock, retained earnings, any general allowance for losses and any other amount from sources available to absorb losses that the Federal Housing Finance Agency has determined by regulation to be appropriate to include in determining total capital. Total regulatory capital also includes mandatorily redeemable capital stock. The total regulatory capital for the FHLBank of Chicago includes an amount of \$1.0 billion for subordinated notes, which the FHLBank of Chicago is allowed to include in determining compliance with its regulatory capital requirements.

FHLBanks Office of Finance
Table II to July 30, 2010 Press Release
Income Statement Highlights
Unaudited
(Dollar amounts in millions)

	Combined*		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income (loss) after provision for credit losses	\$ 1,315	\$ 1,487	\$ 75	\$ 84	\$ 117	\$ 199	\$ 61	\$ 74	\$ 136	\$ 105	\$ 64	\$ 109	\$ 56	\$ 80
Net other-than-temporary impairment losses	(495)	(437)	(30)	(70)	(2)	(5)	(111)	(39)	(72)	(46)			(62)	(3)
Other non-interest (loss) income	(184)	682	(5)	(1)	(15)	80	(7)	14	19	232	4	6		6
Total other expense	173	217	14	18	24	20	15	15	(19)	30	12	13	11	10
Total assessments	137	392	7		20	67	(4)	3	27	69	15	27	(4)	20
Net income (loss)	326	1,123	19	(5)	56	187	(68)	31	75	192	41	75	(13)	53

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle			
	For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,			
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009		
Net interest income (loss) after provision for credit losses			\$ 188	\$ 157	\$ 69	\$ 63	\$ 69	\$ 15	\$ 71	\$ 75	\$ 361	\$ 483	\$ 48	\$ 48
Net other-than-temporary impairment losses			(27)	(124)			(1)	(1)	(2)		(142)	(88)	(46)	(61)
Other non-interest (loss) income			23	122	(37)	51	3	37	(46)	78	(143)	49	21	(8)
Total other expense			26	29	13	13	18	15	13	10	35	31	12	14
Total assessments			42	23	5	25	14	10		38	12	110	3	
Net income (loss)			116	103	14	76	39	26	10	105	29	303	8	(35)

*Note: The sum of the individual FHLBank income statement amounts may not agree to the combined income statement amounts due to interbank combining adjustments.

FHLBanks Office of Finance
Table III to July 30, 2010 Press Release
Income Statement Highlights
Unaudited
(Dollar amounts in millions)

	Combined*		Boston		New York		Pittsburgh		Atlanta		Cincinnati		Indianapolis	
	For the Six Months Ended		For the Six Months Ended		For the Six Months Ended		For the Six Months Ended		For the Six Months Ended		For the Six Months Ended		For the Six Months Ended	
	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income (loss) after provision for credit losses	\$ 2,542	\$ 2,729	\$ 143	\$ 141	\$ 222	\$ 430	\$ 120	\$ 130	\$ 289	\$ 140	\$ 132	\$ 222	\$ 118	\$ 141
Net other-than-temporary impairment losses	(728)	(953)	(53)	(197)	(5)	(10)	(139)	(70)	(118)	(135)			(68)	(21)
Other non-interest (loss) income	(500)	729	(4)	1	(22)	76	(8)	16	6	311	8	18		5
Total other expense	396	464	29	33	45	40	31	65	10	57	25	25	23	22
Total assessments	267	573	15		40	121		3	44	69	31	57	8	28
Net income (loss)	651	1,468	42	(88)	110	335	(58)	8	123	190	84	158	19	75

	Chicago		Des Moines		Dallas		Topeka		San Francisco		Seattle			
	For the Six Months Ended		For the Six Months Ended		For the Six Months Ended		For the Six Months Ended		For the Six Months Ended		For the Six Months Ended			
	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,		
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009		
Net interest income (loss) after provision for credit losses			\$ 324	\$ 298	\$ 121	\$ 72	\$ 133	\$ (8)	\$ 133	\$ 137	\$ 718	\$ 917	\$ 90	\$ 122
Net other-than-temporary impairment losses			(71)	(210)			(2)	(1)	(4)		(202)	(176)	(66)	(133)
Other non-interest (loss) income			(39)	57	(35)	48	(21)	167	(126)	110	(278)	(99)	22	(15)
Total other expense			54	58	26	25	35	34	23	21	71	62	27	25
Total assessments			43	23	16	25	20	33		60	45	154	5	
Net income (loss)			117	64	44	70	55	91	(20)	166	122	426	14	(51)

*Note: The sum of the individual FHLBank income statement amounts may not agree to the combined income statement amounts due to interbank combining adjustments.