



Federal Housing Finance Agency

Quarterly Performance Report of the Housing GSEs

Third Quarter 2014

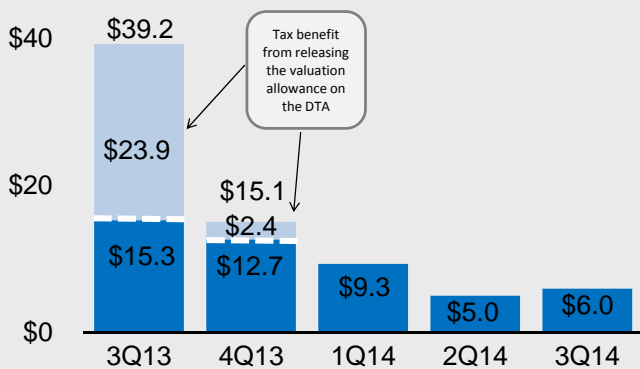
Summary

The Enterprises

(Freddie Mac and Fannie Mae)

- Third quarter net income of \$6.0 billion compared to \$5.0 billion in the second quarter of 2014
- Proceeds from private-label mortgage-related securities (PLS) settlements totaled \$1.7 billion in the third quarter
- Loan loss reserves decreased \$2.5 billion during the quarter, mostly due to continued improvement in national home prices
- Enterprise MBS issuance share increased in the third quarter of 2014

Combined Enterprise Net Income
(\$ in Billions)

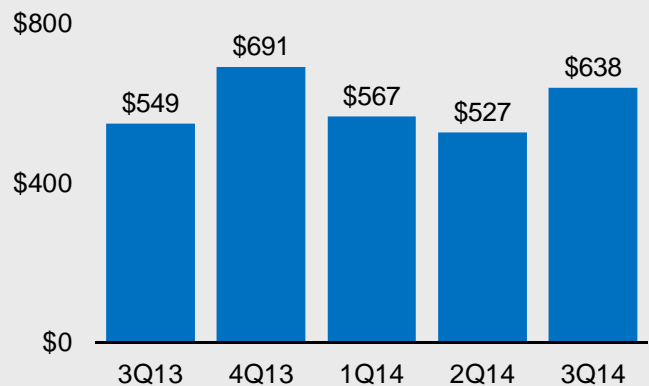


Source : FHFA (Fannie Mae and Freddie Mac)

The Federal Home Loan Bank System

- Aggregate third quarter 2014 income of \$638 million compared to \$527 million in the second quarter of 2014 and \$549 million in the third quarter of 2013
- Aggregate advances increased by 1.5 percent over the quarter to \$544.6 billion
- Advances remained at 62 percent of assets
- Aggregate retained earnings increased to \$13.0 billion

FHLBank System Net Income
(\$ in Millions)



Source : FHFA (Federal Home Loan Banks)

Key Market Drivers

Figure 1

FHFA House Price Index (through September 2014)

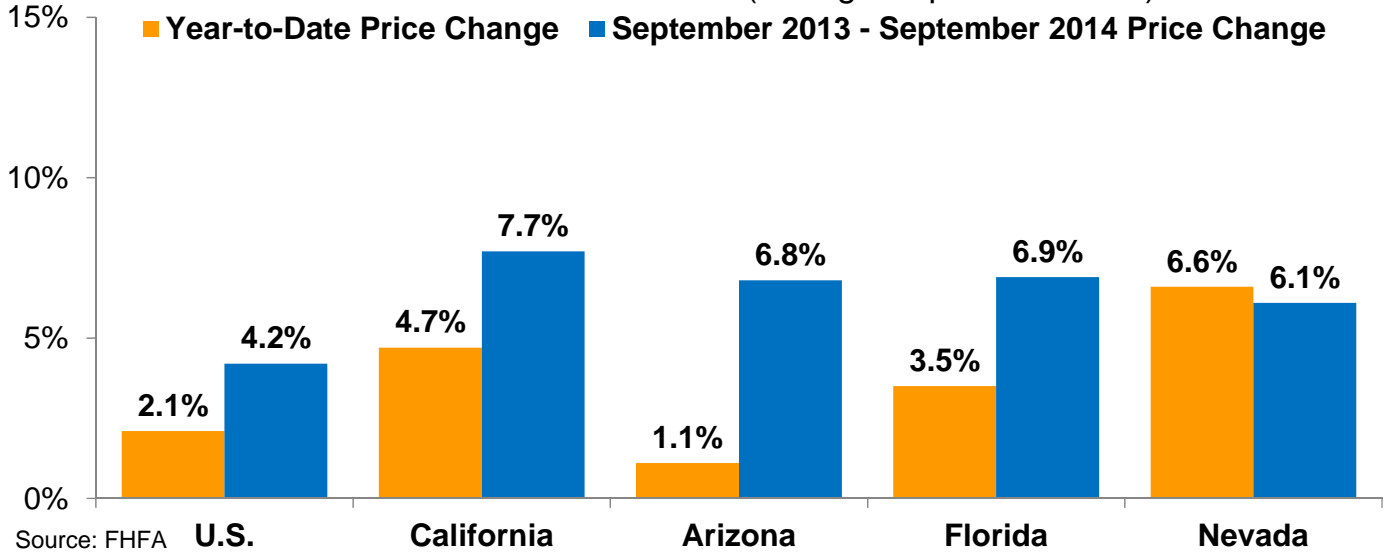


Figure 2

Average Interest Rate on a 30-Year Mortgage

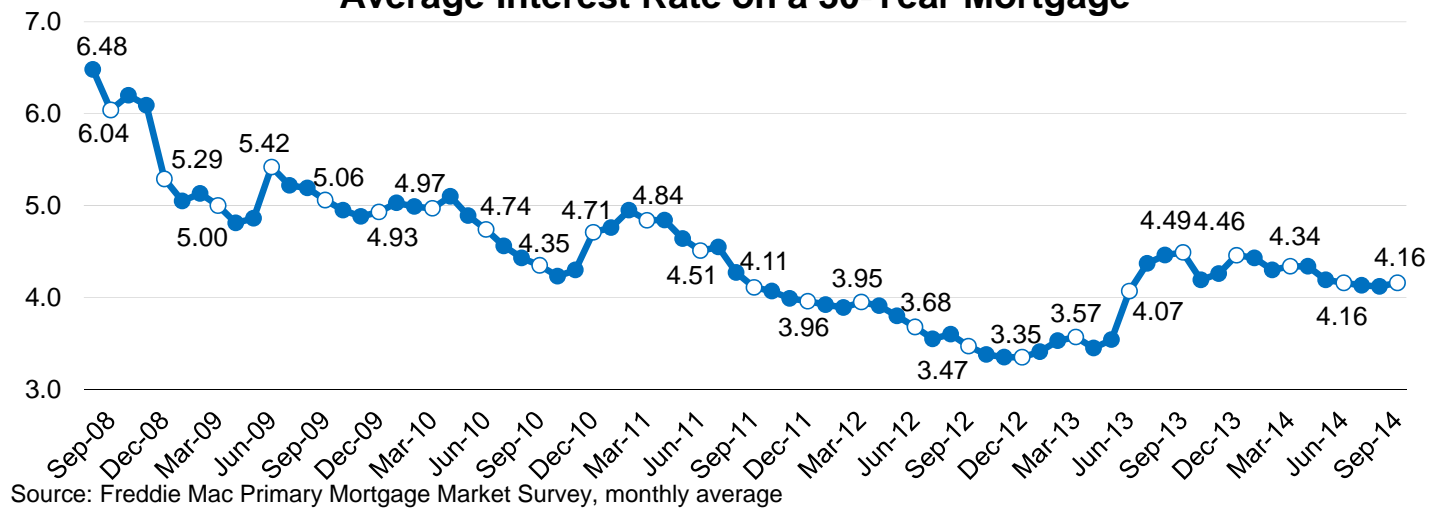
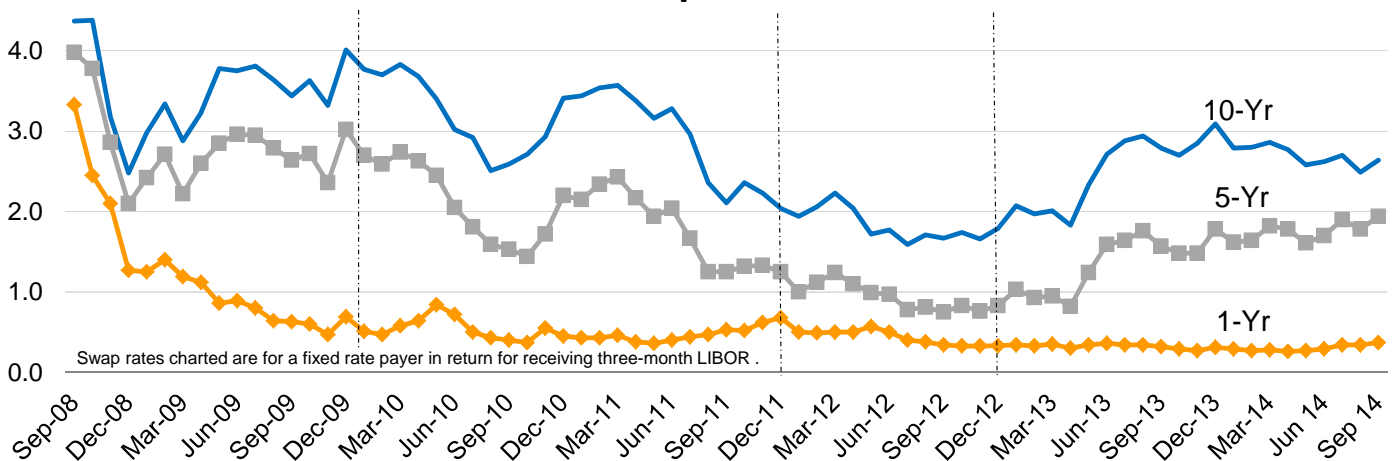


Figure 3

Swap Rates



Source: Federal Reserve

The Enterprises

Proceeds from Legal Settlements and Improving Housing and Mortgage Markets Contribute to Net Income

The Enterprises reported net income of \$6.0 billion in the third quarter of 2014, a significant portion of which represented proceeds from legal settlements as the Enterprises and FHFA continued to reach agreements with financial institutions to cover claims in connection with the Enterprises' previous purchases of private-label mortgage-related securities (PLS). The proceeds from these settlements contributed \$0.5 billion and \$1.2 billion to pre-tax income at Fannie Mae and Freddie Mac, respectively.

Earnings during the quarter also benefited from rising house prices, although to a lesser extent compared to the prior quarter, and a continued reduction in the number of delinquent loans guaranteed by the Enterprises.

For the first nine months of 2014, the Enterprises reported net income of \$20.4 billion. Proceeds from PLS legal settlements contributed \$4.8 billion at Fannie Mae and \$6.1 billion at Freddie Mac to pre-tax income.

Year-to-date through September 2014, national house prices rose 2.1 percent, according to the FHFA House Price Index (purchase-only, seasonally adjusted index). Moreover, national house prices rose 4.2 percent compared to September 2013 (Figure 1).

Loan Loss Reserves Continued to Fall

In the third quarter and the first nine months of 2014, rising home prices contributed to further releases of loan loss reserves at both Enterprises.

The increase in national house prices during the quarter reduced expected defaults and expected credit losses on loans guaranteed by the Enterprises, particularly in those states with the highest severity levels including California, Florida, and Nevada (Figure 1).

Furthermore, the quality of the Enterprises' portfolios continued to improve as the number of delinquencies on loans acquired prior to 2009 continued to decline, and the number of new loans acquired since 2009 with stronger credit characteristics continued to increase.

These factors resulted in a \$2.5 billion decrease in the Enterprises' loan loss reserves during the third quarter of 2014 (Figure 4).

Since December 31, 2013, loan loss reserves at the Enterprises have declined 13 percent or \$9.6 billion to \$62.4 billion.

Further Decline in Delinquent Loan Counts

The Enterprises' seriously delinquent loan count declined by 5 percent to approximately 549,000 loans as of September 30, 2014, compared to approximately 577,000 loans as of June 30, 2014. Since September 30, 2013, the number of seriously delinquent loans at the Enterprises has declined by 24 percent or approximately 175,000 loans (Figure 5).

Interest Carry Costs Drove Derivative Losses

The Enterprises reported combined losses on derivatives, which are used to hedge interest rate risk, of \$1.1 billion in the third quarter of 2014 primarily due to net interest carry costs driven by increases in swap rates.

The Enterprises reported losses on derivatives of \$7.9 billion for the first nine months of 2014 driven by a decrease in the fair value of pay-fixed derivatives due to a decrease in longer-term swap rates during the period (Figure 3).

Credit Quality of New Single-Family Business Remained High

The credit quality of new single-family business remained high in the first nine months of 2014.

The weighted average credit score for new single-family business volume was 744 for both Fannie Mae and Freddie Mac, down from the scores reported at the end of 2013 of 753 and 749, respectively. The decline in the average credit scores at the Enterprises was driven by the reduction in refinance activity and increase in home purchases, which are generally linked to lower credit scores than refinances. Purchases of non-traditional and higher-risk mortgages continued to be very low. The average loan-to-value (LTV) ratio for new business increased slightly as purchase-mortgage originations, which generally have higher LTV ratios, exceeded refinances, and borrowers continued to use the Enterprises' refinance programs targeting deeply underwater borrowers, including the Home Affordable Refinance Program (HARP).

The post-conservatorship business (2009 to present) continues to become a larger piece of the total single-family portfolios as new business is added and homeowners take advantage of low interest rates to refinance existing loans. This business now accounts for approximately 79 percent of the total single-family portfolio at both Enterprises. However, the percentage of seriously delinquent loans originated between 2005 and 2008 remains at a heightened level. Loans originated between 2005-2008 represent approximately 14 percent of the single-family portfolios.

Refinance Activity Continues to Trend Down

In the first nine months of 2014, refinances accounted for 48 percent and 46 percent, respectively, of single-family new business volume at Fannie Mae and Freddie Mac. As 30-year average mortgage rates were higher in the first nine months of 2014, compared to the first nine months of 2013 (Figure 2), refinance activity continued to trend down throughout the first nine months of 2014.

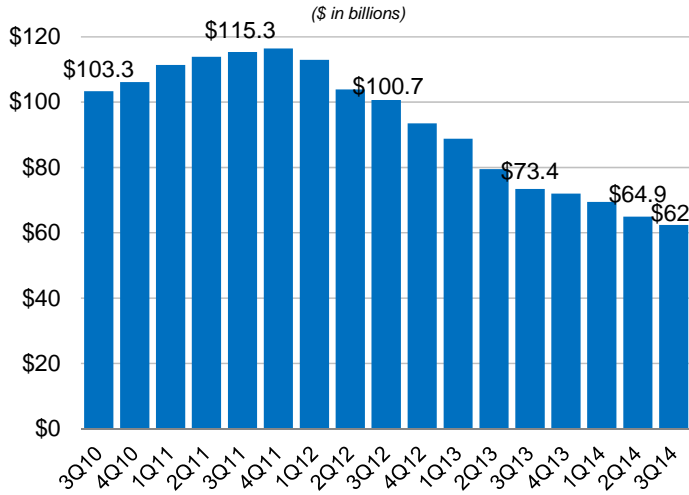
Similarly, HARP volume decreased by 18 percent to approximately 44,000 refinances in the third quarter of 2014, compared to approxi-

mately 54,000 refinances in the second quarter of 2014. HARP volume represented 11 percent of total refinance volume in the third quarter of 2014.

The Enterprises and Ginnie Mae continue to account for essentially all issuances of mortgage-backed securities (MBS). In the first nine months of 2014, the Enterprises accounted for \$488 billion or 69 percent of MBS issuance volume, down considerably from \$1,027 billion or 77% in the first nine months of 2013 (Figure 6). The decrease in the Enterprises' percent of MBS issuance volume was offset by increased Ginnie Mae MBS issuance levels, which increased to 30% for the first nine months of 2014 compared to 23% for the first nine months of 2013.

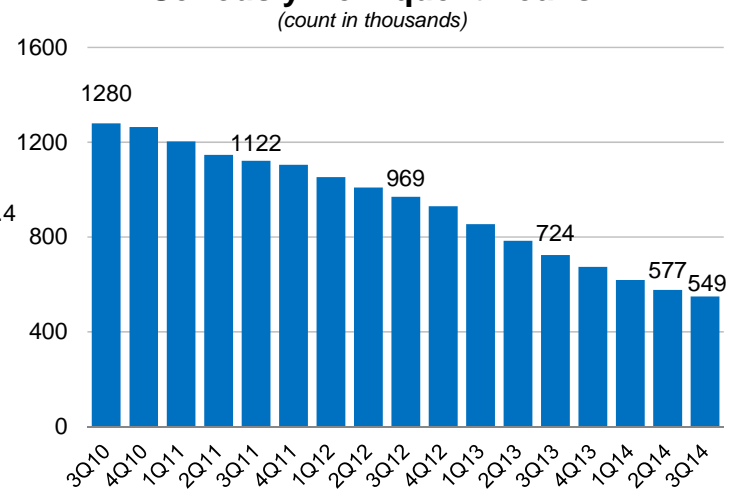
Enterprises

Figure 4 **Loan Loss Reserves**



Source: FHFA (Fannie Mae and Freddie Mac)

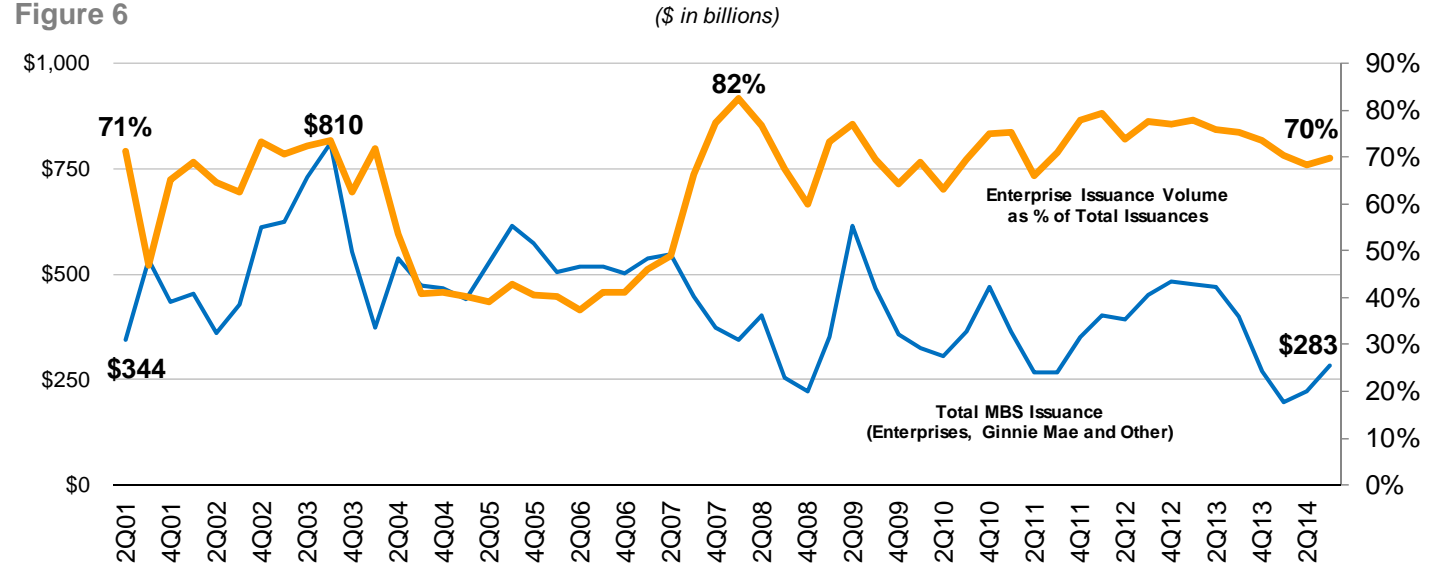
Figure 5 **Seriously Delinquent Loans**



Source: FHFA (Fannie Mae and Freddie Mac)

Figure 6

MBS Issuance Volume

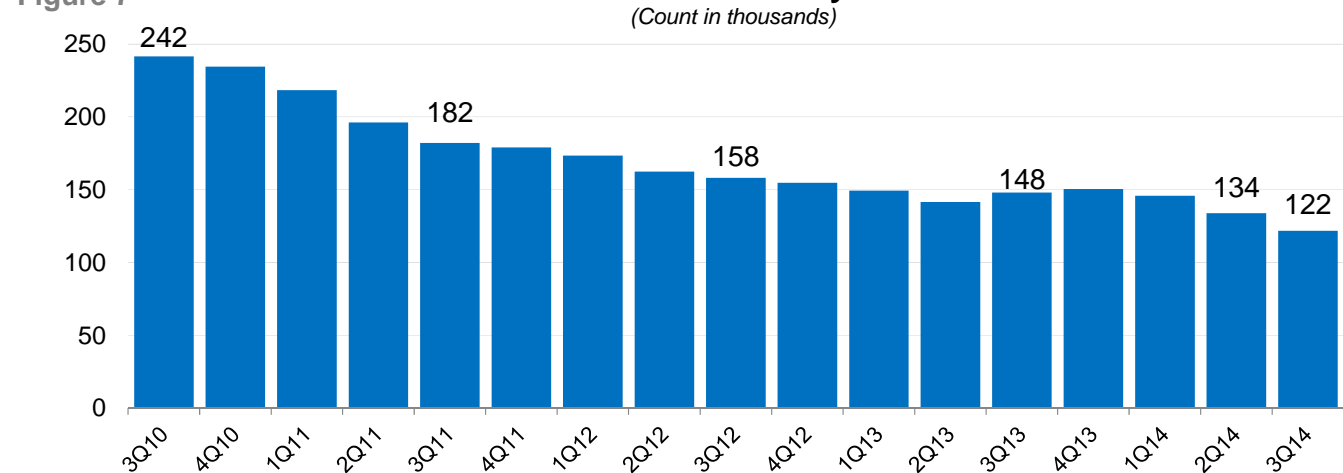


Issuance figures exclude MBS issued backed by assets previously held in the Enterprises' portfolios.

Source: Inside Mortgage Finance, Inside MBS & ABS, Enterprises' Monthly Volume Summaries.

Figure 7

REO Inventory



Source: FHFA (Fannie Mae and Freddie Mac)

Conservator's Update on Fannie Mae and Freddie Mac

At the end of 2007, the Enterprises had \$71 billion of combined capital. From the end of 2007 through the third quarter of 2014, the Enterprises' combined charges against capital totaled \$254 billion, requiring Treasury support of \$187.5 billion through draws under the Senior Preferred Stock Purchase Agreements. Neither Enterprise has required funding from the Treasury in the past ten quarters.

Senior preferred dividends paid on Treasury draws accounted for \$219 billion, or 86 percent of the cumulative change in capital, which will increase in the fourth quarter of 2014 as comprehensive income generated in the third quarter is paid out as dividends. The Enterprises' combined net worth totaled \$11.6 billion as of September 30, 2014, \$6.8 billion of which will be paid out as dividends in the fourth quarter of 2014.

The Enterprises generated \$8 billion in total comprehensive income from the Single-Family Guarantee Segment in the first nine months of 2014. However, the segment continues to be the largest contributor to charges against capital, accounting for \$147 billion, or 58 percent of the cumulative change in capital since 2007.

The Investments and Capital Markets segments generated \$15 billion in total comprehensive income in the nine months of 2014, as both Enterprises continued to benefit from low funding costs driven by the low interest rate environment. The Enterprises also benefited from private-label mortgage-related securities (PLS) litigation settlement proceeds, particularly in the first quarter of 2014.

Press Releases

- 26 NOV 2014** FHFA announced that the total volume of mortgage refinances increased slightly in the third quarter. Total refinance volume for the third quarter exceeded 389,000, while refinances through the Home Affordable Refinance Program were down slightly at 44,136.
- 25 NOV 2014** FHFA announced that U.S. house prices rose 0.9 percent in the third quarter of 2014, according to its purchase-only, seasonally adjusted House Price Index (HPI). This is the thirteenth consecutive quarterly price increase in the HPI.
- 21 NOV 2014** FHFA released the FHFA Strategic Plan: Fiscal Years 2015-2019, which reflects the agency's priorities as regulator of the Federal Home Loan Banks and as regulator and conservator of Fannie Mae and Freddie Mac.
- 19 NOV 2014** FHFA announced it will hold its fourth event to reach homeowners who could save through the Home Affordable Refinance Program (HARP). The event is designed to provide tools to community leaders to encourage the more than 21,000 Miami area residents still eligible to take advantage of HARP.
- 24 SEP 2014** FHFA announced that Fannie Mae and Freddie Mac have completed nearly 3.3 million foreclosure prevention actions since the start of conservatorship in September 2008.
- 18 SEP 2014** FHFA announced it will hold its third event to reach homeowners who could benefit from the Home Affordable Refinance Program (HARP) on October 2, 2014 in Detroit. The event will highlight the benefits of HARP and provide tools to help community leaders reach the more than 27,000 Detroit area residents still eligible to benefit substantially from a HARP refinance.
- 12 SEP 2014** FHFA announced that it has reached a settlement with HSBC North America Holdings Inc., related companies and certain named individuals for \$550 million to resolve claims alleging violations of federal and state securities laws in connection with private-label mortgage-backed securities purchased by Freddie Mac during 2005-2007.

Capital Changes - Enterprises

| Fannie Mae | | | | | |
|--------------------------------------------------------|-------------|-------------|-------------|-------------|--------------|
| (\$ in billions) | 2008- | | | YTD | 2008 - |
| | 2011 | 2012 | 2013 | 3Q14 | 3Q14 |
| Beginning Capital ¹ | \$44 | \$0 | \$7 | \$10 | \$44 |
| Equity Issuance ² | <u>7</u> | - | - | <u>0</u> | <u>7</u> |
| Available Capital | \$51 | \$0 | \$7 | \$10 | \$51 |
| Capital Change | | | | | |
| Single-Family Comprehensive Income (Loss) ³ | (\$141) | \$6 | \$48 | \$7 | (\$80) |
| Multifamily Comprehensive Income (Loss) ^{3,4} | (5) | 2 | 10 | 1 | 7 |
| Investments Comprehensive Income (Loss) ^{3,4} | 9 | 16 | 28 | 8 | 61 |
| Other | (10) | (5) | (2) | (3) | (20) |
| Senior Preferred dividends ⁵ | <u>(20)</u> | <u>(12)</u> | <u>(82)</u> | <u>(17)</u> | <u>(130)</u> |
| Total Capital Change ⁶ | (\$167) | \$7 | \$2 | (\$3) | (\$161) |
| Capital surplus (deficit) | (\$116) | \$7 | \$10 | \$6 | (\$110) |
| Treasury Senior Preferred draw ⁷ | \$116.1 | - | - | - | \$116.1 |

| Freddie Mac | | | | | |
|--------------------------------------------------------|-------------|------------|-------------|-------------|-------------|
| (\$ in billions) | 2008- | | | YTD | 2008 - |
| | 2011 | 2012 | 2013 | 3Q14 | 3Q14 |
| Beginning Capital ¹ | \$27 | \$0 | \$9 | \$13 | \$27 |
| Equity Issuance ² | - | - | - | - | - |
| Available Capital | \$27 | \$0 | \$9 | \$13 | \$27 |
| Capital Change | | | | | |
| Single-Family Comprehensive Income (Loss) ³ | (\$74) | (\$0) | \$6 | \$1 | (\$67) |
| Multifamily Comprehensive Income (Loss) ^{3,4} | 14 | 4 | 1 | 1 | 21 |
| Investments Comprehensive Income (Loss) ^{3,4} | (7) | 11 | 20 | 7 | 31 |
| Other | (15) | 1 | 24 | (0) | 10 |
| Senior Preferred dividends ⁵ | <u>(17)</u> | <u>(7)</u> | <u>(48)</u> | <u>(17)</u> | <u>(88)</u> |
| Total Capital Change ⁶ | (\$98) | \$9 | \$4 | (\$8) | (\$93) |
| Capital surplus (deficit) | (\$71) | \$9 | \$13 | \$5 | (\$66) |
| Treasury Senior Preferred draw ⁷ | \$71.3 | \$0.0 | - | - | \$71.3 |

| Enterprises Combined | | | | | |
|--------------------------------------------------------|-------------|-------------|--------------|-------------|--------------|
| (\$ in billions) | 2008- | | | YTD | 2008 - |
| | 2011 | 2012 | 2013 | 3Q14 | 3Q14 |
| Beginning Capital ¹ | \$71 | \$0 | \$16 | \$22 | \$71 |
| Equity Issuance ² | <u>7</u> | - | - | - | <u>7</u> |
| Available Capital (Pre-Conservatorship) | \$78 | \$0 | \$16 | \$22 | \$78 |
| Capital Change | | | | | |
| Single-Family Comprehensive Income (Loss) ³ | (\$215) | \$6 | \$54 | \$8 | (\$147) |
| Multifamily Comprehensive Income (Loss) ^{3,4} | 9 | 6 | 12 | 2 | 28 |
| Investments Comprehensive Income (Loss) ^{3,4} | 2 | 27 | 49 | 15 | 93 |
| Other | (25) | (4) | 22 | (3) | (9) |
| Senior Preferred dividends ⁵ | <u>(36)</u> | <u>(19)</u> | <u>(130)</u> | <u>(33)</u> | <u>(219)</u> |
| Total Capital Change ⁶ | (\$266) | \$16 | \$6 | (\$11) | (\$254) |
| Capital surplus (deficit) | (\$187) | \$16 | \$22 | \$12 | (\$176) |
| Treasury Senior Preferred draw ⁷ | \$187.5 | \$0.0 | - | - | \$187.5 |

Notes

Totals may not sum due to rounding.

¹ Capital is defined as stockholders' equity. In 2011 and 2012, beginning capital includes requested Treasury draws pertaining to the fourth quarter of the prior year.

² Fannie Mae's figure includes common and preferred stock issuance pre-conservatorship.

³ Segment comprehensive income (loss) represents net income (loss) plus total other comprehensive income (loss) by segment.

⁴ Freddie Mac includes activities related to Multifamily loans and Multifamily securities in Multifamily Comprehensive Income (Loss), while Fannie Mae includes similar items in Investments comprehensive income. Investments comprehensive income includes the impact of accounting changes for security impairments. In 1Q14, Freddie Mac revised its inter-segment allocations between the Multifamily and the Investments segments for the Multifamily segment's investment securities and held-for-sale loans. Certain prior period results for Freddie Mac (2012 and 2013) have been revised to conform with the current period presentation.

⁵ Senior Preferred Dividends from 2008 - 2012 were calculated by applying an annual dividend rate of 10% to the aggregate liquidation preference of the senior preferred stock. Effective January 1, 2013, dividends payable are determined based on the Enterprises' net worth as of the end of the immediately preceding fiscal quarter less the applicable capital reserve.

⁶ Included in total capital change for both Enterprises are losses attributable to the writedown of low income housing tax credits (LIHTC) investments to zero in the fourth quarter of 2009. The writedown of these LIHTC losses for Fannie Mae and Freddie Mac were \$5 billion and \$3 billion, respectively, and are included in Other. The establishment of a deferred tax asset valuation allowance, which reduced capital by \$21 billion for Fannie Mae and \$14 billion for Freddie Mac in 2008 is also contributing to the total capital change (valuation allowance and releases have been allocated across segments at Fannie Mae and in Other at Freddie Mac). In the first quarter of 2013, Fannie Mae released the substantial majority of the valuation allowance against its deferred tax assets, resulting in a benefit for federal income taxes of \$50.6 billion. In 2013, Freddie Mac released the valuation allowance against its deferred tax assets, resulting in a benefit for federal income taxes change of \$26.4 billion.

⁷ Amounts represent the total draws requested based on quarterly net deficits for the periods presented.

Totals may not sum due to rounding.

Single-Family Credit Guarantee Segment - Enterprises

Single-Family Credit Guarantee Segment Results

| | Fannie Mae | | | | Freddie Mac | | | | Combined | | |
|----------------------------------------------------|----------------|------|------|-------------|----------------|----------------|-------|------|-------------|----------------|----------------|
| (\$ in billions) | 2008 - 2011 | 2012 | 2013 | YTD 3Q14 | 2008 - 3Q14 | 2008 - 2011 | 2012 | 2013 | YTD 3Q14 | 2008 - 3Q14 | 2008 - 3Q14 |
| Revenue ¹ | \$26 | \$8 | \$11 | \$9 | \$55 | \$19 | \$5 | \$6 | \$4 | \$35 | \$89 |
| (Provision) benefit for credit losses ² | (127) | 1 | 9 | 3 | (114) | (77) | (3) | 1 | (1) | (79) | (193) |
| Other expenses ³ | (37) | (3) | (1) | (3) | (44) | (15) | (2) | (2) | (2) | (22) | (65) |
| (Provision) benefit for taxes | (3) | (0) | 29 | (3) | 23 | (1) | 0 | 0 | (0) | (1) | 22 |
| Comprehensive Income (Loss) ⁴ | (\$141) | \$6 | \$48 | \$7 | (\$80) | (\$74) | (\$0) | \$6 | \$1 | (\$67) | (\$147) |

Source: FHFA (Fannie Mae and Freddie Mac)

¹ Consists of guarantee fee income, trust management income, net interest income, and other income.

² The provision for credit losses is the recognition of estimated incurred losses and increases the loan loss reserve. Fannie Mae's figures have been adjusted to exclude losses on credit-impaired loans acquired from MBS trusts.

³ Consists of investment gains (losses), fair value losses (Fannie Mae), administrative expenses, foreclosed property income (expense), other expenses, losses on credit-impaired loans acquired from MBS/PC Trusts, and at Freddie Mac, segment adjustments.

⁴ Represents segment earnings (loss) and, for periods after 2008, total comprehensive income (loss), net of taxes, for the Single-Family Credit Guarantee segment. Totals may not sum due to rounding.

Single-Family Loan Loss Reserves

| | Fannie Mae | | | | Freddie Mac | | | | | |
|------------------------------------------------------|----------------|------|------|-------------|----------------|----------------|------|------|-------------|----------------|
| (\$ in billions) | 2008 - 2011 | 2012 | 2013 | YTD 3Q14 | 2008 - 3Q14 | 2008 - 2011 | 2012 | 2013 | YTD 3Q14 | 2008 - 3Q14 |
| Beginning balance ¹ | \$3 | \$72 | \$59 | \$45 | | \$3 | \$39 | \$31 | \$25 | |
| Provision (benefit) for credit losses ^{2,3} | 127 | (1) | (9) | (3) | 114 | 77 | 3 | (1) | 1 | 79 |
| Charge-offs, net ³ | (56) | (15) | (7) | (5) | (83) | (34) | (11) | (5) | (3) | (53) |
| Other | (2) | 3 | 2 | 1 | | (6) | (0) | 0 | (0) | |
| Ending balance ¹ | \$72 | \$59 | \$45 | \$38 | | \$39 | \$31 | \$25 | \$23 | |
| Credit Losses - Single-Family | | | | | | | | | | |
| Charge-offs ³ | \$56 | \$15 | \$7 | \$5 | \$83 | \$34 | \$11 | \$5 | \$3 | \$53 |
| Other ⁴ | - | - | - | - | - | 2 | 0 | 0 | 0 | 2 |
| Foreclosed Property Expense | 5 | (0) | (3) | (0) | 2 | 3 | 0 | (0) | 0 | 3 |
| Total ³ | \$61 | \$14 | \$4 | \$4 | \$85 | \$39 | \$12 | \$5 | \$3 | \$58 |

Source: FHFA (Fannie Mae and Freddie Mac)

¹ Fannie Mae's loan loss reserve excludes amounts related to the allowance for accrued interest receivable and allowance for pre-foreclosure property taxes and insurance receivable. Freddie Mac's loan loss reserve excludes amounts related to the allowance for accrued interest receivable and forgone interest on loans placed on non-accrual status.

² Freddie Mac's figures represent Segment Earnings provision for credit losses, which is generally higher than that recorded under GAAP, primarily due to recognized provision associated with forgone interest income on loans placed on non-accrual status, which is not recognized under GAAP.

³ Fannie Mae's provision for credit losses has been adjusted to exclude losses on credit-impaired loans acquired from MBS trusts. Additionally, the effect of losses from credit-impaired loans acquired from MBS trusts on charge-offs and foreclosed property expense has been reflected as an adjustment to total credit losses and charge-offs, net.

⁴ Freddie Mac's figures include charge-offs related to certain loans purchased under financial guarantees.

Totals may not sum due to rounding.

Single-Family Credit Guarantee Segment - Enterprises

Credit Losses (Percent of Total Credit Losses)

| Fannie Mae | | | | Freddie Mac | | | |
|-------------------------------|------------------------------------------------|------|--------------------------|-------------------------------|------------------------------------------------|------|-------------|
| | % of UPB as of Dec 31, 2008 ¹ | 2008 | YTD 3Q14 ³ | | % of UPB as of Dec 31, 2008 ¹ | 2008 | YTD 3Q14 |
| by State | | | | by State | | | |
| California | 16% | 25% | -1% | California | 14% | 30% | 5% |
| Florida | 7% | 11% | 34% | Florida | 7% | 10% | 29% |
| Arizona | 3% | 8% | 1% | Arizona | 3% | 9% | 1% |
| Nevada | 1% | 5% | 1% | Nevada | 1% | 4% | 2% |
| Illinois | 4% | 3% | 11% | Illinois | 5% | 2% | 10% |
| by Product² | | | | by Product² | | | |
| Alt-A | 11% | 46% | 15% | Alt-A | 10% | 50% | 15% |
| Interest-Only | 8% | 34% | 0% | Interest-Only | 9% | 50% | 12% |
| by Vintage | | | | by Vintage | | | |
| 2006 | 14% | 35% | 24% | 2006 | 15% | 41% | 24% |
| 2007 | 20% | 28% | 27% | 2007 | 19% | 25% | 37% |
| 2008 | 16% | 1% | 10% | 2008 | 15% | 0% | 11% |
| 2009 | N/A | N/A | 4% | 2009 | N/A | N/A | 3% |
| 2010 | N/A | N/A | 3% | 2010 | N/A | N/A | 2% |
| 2011 | N/A | N/A | 2% | 2011 | N/A | N/A | 1% |
| 2012 | N/A | N/A | 4% | 2012 | N/A | N/A | 3% |
| 2013 | N/A | N/A | 1% | 2013 | N/A | N/A | 1% |

Source: FHFA (Fannie Mae and Freddie Mac)

¹ Represents each category's share of the respective Enterprises' single-family book of business, which is based on the unpaid principal balance of all single-family unsecuritized mortgages held by the Enterprises and those underlying Freddie Mac mortgage-related securities, or covered by the Enterprises' other guarantee commitments.

² Product categories overlap.

³ Negative values are the result of recoveries on previously recognized credit losses.

Investments and Capital Markets Segments - Enterprises

Investments and Capital Markets Segment Results

| | Fannie Mae | | | | | Freddie Mac | | | | | Combined | |
|------------------------------------------------|----------------|------|------|-------------|----------------|----------------|------|------|-------------|----------------|----------------|--|
| | 2008 - 2011 | 2012 | 2013 | YTD 3Q14 | 2008 - 3Q14 | 2008 - 2011 | 2012 | 2013 | YTD 3Q14 | 2008 - 3Q14 | 2008 - 3Q14 | |
| <i>(\$ in billions)</i> | | | | | | | | | | | | |
| Revenue ^{1,2} | \$47 | \$13 | \$12 | \$10 | \$81 | \$24 | \$6 | \$4 | \$2 | \$36 | \$117 | |
| Derivatives gains (losses) | (31) | (4) | 3 | (3) | (35) | (14) | 1 | 6 | (3) | (10) | (44) | |
| Trading gains (losses) | 0 | 1 | (0) | 0 | 1 | 3 | (2) | (1) | (0) | (0) | 1 | |
| Security impairments | (18) | (1) | (0) | (0) | (19) | (33) | (2) | (1) | (0) | (36) | (54) | |
| Other ³ | 8 | 5 | 5 | 4 | 21 | 4 | 3 | 10 | 8 | 25 | 46 | |
| (Provision) benefit for taxes ⁴ | (9) | (0) | 8 | (3) | (4) | (2) | 1 | (0) | (2) | (4) | (7) | |
| Net income (loss) | (\$3) | \$14 | \$28 | \$8 | \$46 | (\$17) | \$7 | \$16 | \$5 | \$11 | \$57 | |
| Unrealized gains (losses) on AFS ⁵ | 10 | 2 | 1 | 0 | 13 | 4 | 4 | 4 | 2 | 15 | 27 | |
| Accounting change for Impairments | 3 | - | - | - | 3 | 5 | - | - | - | 5 | 8 | |
| Total Comprehensive Income (Loss) ¹ | \$9 | \$16 | \$28 | \$8 | \$61 | (\$7) | \$11 | \$20 | \$7 | \$31 | \$93 | |

Source: FHFA (Fannie Mae and Freddie Mac)

¹ Freddie Mac includes activities related to Multifamily loans and Multifamily securities in Multifamily Comprehensive Income (Loss), while Fannie Mae includes similar items in Investments comprehensive income. Investments comprehensive income includes the impact of accounting changes for security impairments. In 1Q14, Freddie Mac revised its inter-segment allocations between the Multifamily and the Investments segments for the Multifamily segment's investment securities and held-for-sale loans. Certain prior period results for Freddie Mac (2012 and 2013) have been revised to conform with the current period presentation.

² Consists of guarantee fee expense, trust management income, net interest income, and other income.

³ Figures consist of debt extinguishment gains (losses), debt foreign exchange gains (losses), debt fair-value gains (losses), investment gains (losses), hedged mortgage assets gains, net, administrative expenses, other expenses, and at Freddie Mac, segment adjustments.

⁴ Includes extraordinary losses/noncontrolling interest.

⁵ Amount for 2008 includes consolidated changes in unrealized gains (losses) on available for sale securities, net of taxes. Effective April 2009, includes adjustments for other-than-temporary impairments, net of taxes, included in accumulated other comprehensive income due to a change in accounting standards for impairments. At Freddie Mac, amount also includes the change in unrealized gains (losses), net of taxes, related to cash flow hedge relationships.

Totals may not sum due to rounding.

Security Impairments

| | Fannie Mae | | | | | Freddie Mac | | | | | |
|--------------------|----------------|-------|-------|-------------|----------------|-------------------------|----------------|-------|-------|-------------|----------------|
| | 2008 - 2011 | 2012 | 2013 | YTD 3Q14 | 2008 - 3Q14 | <i>(\$ in billions)</i> | 2008 - 2011 | 2012 | 2013 | YTD 3Q14 | 2008 - 3Q14 |
| Alt-A/Option | \$9.7 | \$0.4 | \$0.0 | \$0.0 | \$10.1 | Alt-A | \$6.6 | \$0.2 | \$0.1 | \$0.0 | \$6.9 |
| Subprime | 7.7 | 0.3 | 0.0 | 0.1 | 8.1 | Subprime | 13.2 | 1.3 | 1.3 | 0.6 | 16.3 |
| Other | 0.5 | 0.0 | 0.0 | 0.0 | 0.6 | CMBS | 0.6 | 0.1 | 0.0 | - | 0.7 |
| Total ¹ | \$17.9 | \$0.7 | \$0.1 | \$0.1 | \$18.7 | Option ARM | 11.1 | 0.6 | 0.1 | 0.1 | 11.8 |
| | | | | | | Other | 2.7 | 0.0 | 0.0 | 0.0 | 2.7 |
| | | | | | | Total ¹ | \$34.2 | \$2.2 | \$1.5 | \$0.7 | \$38.5 |

Source: FHFA (Fannie Mae and Freddie Mac)

¹ The adoption of an accounting standard for impairments in April 2009 required the Enterprises to begin recognizing only the credit portion of impairments in their statements of income and comprehensive income. This accounting standard did not require the Enterprises to revise previously recorded amounts in their statements of income and comprehensive income but did result in an equity increase of \$5 billion and \$3 billion for Freddie Mac and Fannie Mae, respectively, which is not reflected in the table above. For the full year of 2008 and a portion of 2009, amounts include both credit and non-credit-related security impairments.

Totals may not sum due to rounding.

The Federal Home Loan Bank System

Aggregate Earnings Increase, Remain Strong

For the twelfth consecutive quarter, all FHLBanks recorded positive net income. The FHLBanks' reported aggregate net income of \$638 million in the third quarter of 2014, a significant increase from \$527 million in the second quarter. While net income increased by \$112 million, net interest income increased by only \$4 million, highlighting the positive effect of other income. The increase in net interest income was primarily due to lower bond funding expense. The FHLBanks collected \$43 million in private-label MBS litigation settlements in the third quarter, \$22 million more than in the previous quarter. It is unlikely that significant legal settlement income will persist in the future as most of the private-label MBS settlement fees have been collected to date. Additionally, compared to a \$56 million loss associated with derivatives and hedging activities and an \$8 million gain from trading securities in the second quarter, the FHLBanks reported a combined \$62 million gain on derivatives and hedging activities and a \$26 million loss on trading securities during the third quarter of 2014. (Figure 8).

Aggregate return on assets was 29 basis points in the third quarter of 2014, ranging from a high of 61 basis points at Chicago to lows of 12 basis points at Des Moines and Dallas. Chicago also led the FHLBanks in return on equity at 10.07 percent. Dallas exhibited the lowest return on equity at 2.27 percent. The aggregate return on equity was 5.50 percent.¹ The Banks' profitability metrics remain robust relative to historical averages and given the current environment of low interest rates.

Growth in Advances Continues

Aggregate assets of the FHLBanks totaled \$883.4 billion as of September 30, 2014, up by \$17.0 billion from the end of the second quarter

and \$48.8 billion from year-end 2013. Advances have increased by \$46.0 billion in 2014, with \$7.9 billion of the increase coming in the third quarter. At the end of the third quarter of 2014, advances represented 61.6 percent of aggregate assets, investments 33.2 percent of total assets, and mortgages 4.9 percent of assets. (Figure 9).

Advances increased by \$7.9 billion, or 1.5 percent, during the third quarter to an aggregate total of \$544.6 billion at September 30, 2014. At this level, advances are at their highest nominal level since the first quarter of 2010. Advances to the top 10 member-borrowers in the System increased by \$9.7 billion; significant changes in borrowing by these members during the third quarter included a \$4.3 billion increase in advances to Citibank in the New York district and a \$12.0 billion increase in advances to Wells Fargo at the FHLBank of Des Moines. Relative to year-end 2013, all FHLBanks except Atlanta, San Francisco, and Seattle have experienced advance growth. Des Moines experienced the largest increase in advances during the first nine months of 2014 on both a dollar and percentage basis, with advance growth of \$18.6 billion, or 41.7 percent.

Aggregate whole loan mortgages held by the FHLBanks increased in the third quarter, the first quarterly increase since 2004. Mortgages increased by \$32 million during the third quarter of 2014 to \$43.3 billion. Half of the FHLBanks expanded their mortgage portfolios during the quarter, with three increases greater than 3.0 percent.

Balance sheet composition varies considerably across the FHLBanks. New York, Cincinnati, and Atlanta have more than 70 percent of their assets in advances. By contrast, advances are less than 40 percent of assets at Chicago and Seattle. Investments are more than 49 percent of assets at the FHLBanks of Chicago, Dallas, San Francisco, and Seattle. Mortgages are

¹ Under GAAP, mandatorily redeemable capital stock is a liability and dividends on this stock are classified as interest expense. Thus, Banks with large amounts of mandatorily redeemable capital stock and high dividends, San Francisco in particular, exhibit lower earnings ratios.

greater than 10 percent of assets only at the FHLBanks of Indianapolis and Topeka. The FHLBanks of Boston, Cincinnati, Chicago, and Des Moines also hold significant mortgage portfolios.

Capital Remains Strong

At September 30, 2014, aggregate GAAP capital totaled \$46.7 billion and aggregate regulatory capital totaled \$49.5 billion. The aggregate GAAP capital ratio was 5.3 percent and the aggregate regulatory capital ratio was 5.6 percent. All Banks exceeded the minimum leverage requirement of a 4.0 percent regulatory capital ratio. Retained earnings growth has been the primary driver of capital growth; a decline in mandatorily redeemable capital stock (MRCS) has partially offset this trend, limiting the increase in regulatory capital relative to that of GAAP capital. The FHLBanks have continued to build their retained earnings in 2014 as profitability has been strong. In aggregate, the FHLBanks held total retained earnings of \$13.0 billion as of September 30, 2014, representing 1.5 percent of total assets. (Figure 10).

Federal Home Loan Banks

Each of the twelve Federal Home Loan Banks is a cooperative owned by its members, which are mostly federally insured depository institutions.

With a few exceptions, borrowing from a Bank requires the institution to be a member and purchase stock in the Bank; only current and former members can own stock in any Bank.

As cooperatives, each Bank can decide how to distribute the benefits of membership. Some Banks do this by pricing advances and other services to generate significant net interest income so they can pay dividends to their members. Other Banks distribute the benefits of membership by having low pricing on advances and correspondingly low dividends.

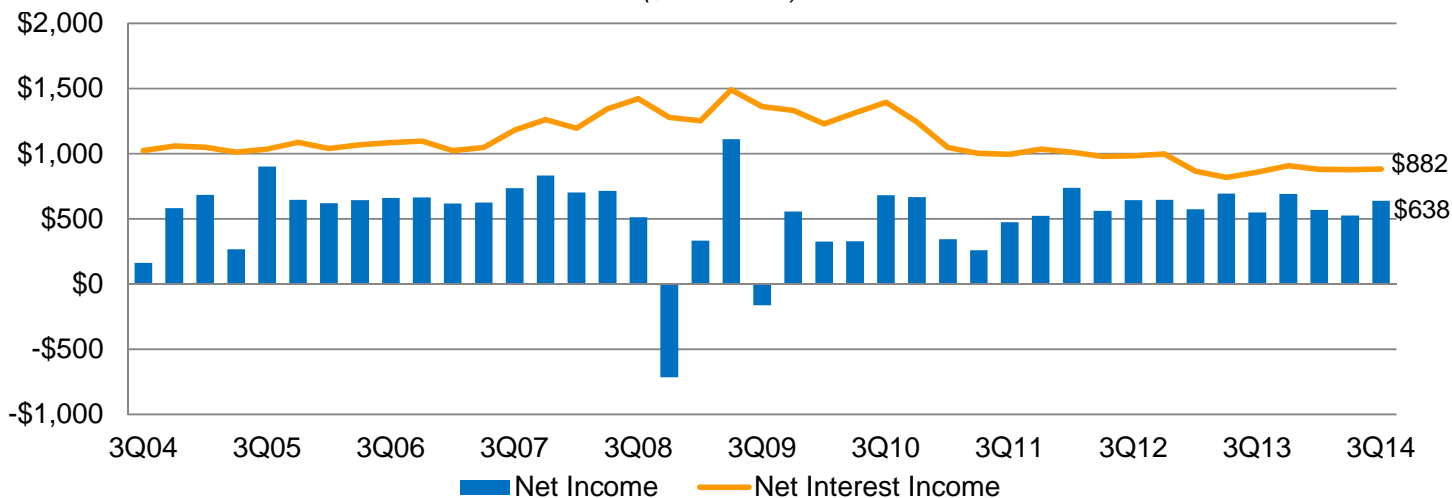
Because of the customer-owner nexus at each Bank, metrics used to gauge the profitability of publicly traded corporations may not be directly applicable to the Banks.

Federal Home Loan Bank System

Figure 8

Quarterly Net Interest Income/Net Income

(\$ in millions)

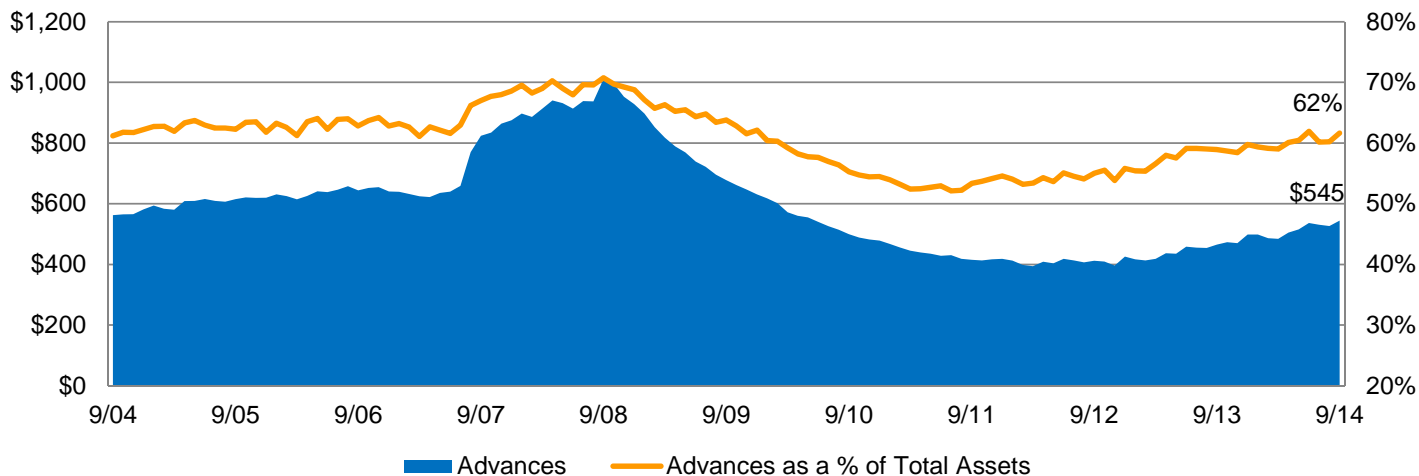


Source: FHFA (Federal Home Loan Banks)

Figure 9

System Total Advances

(\$ in billions)

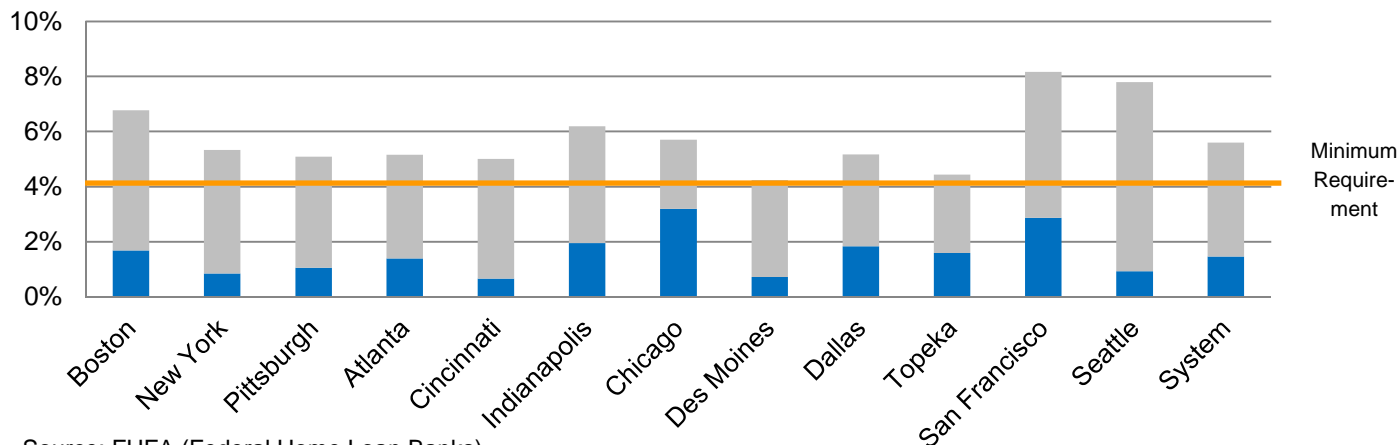


Source: FHFA (Federal Home Loan Banks)

Figure 10

Regulatory Capital-to-Assets Ratio

■ Retained Earnings ■ Capital Stock



Source: FHFA (Federal Home Loan Banks)

Appendix

Financial Data

Income Statements, Balance Sheets, and Performance Measures

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Financial Data - Fannie Mae

Income Statement

| (\$ in billions) | | | 3rd Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|-----------------------------------------------------------------|---------------|----------------|--------------|----------------|----------------|---------------------|---------------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 | 3rd Quarter 2014 | 3rd Quarter 2013 |
| Net interest income | \$21.5 | \$22.4 | \$5.6 | \$4.9 | \$5.2 | \$14.8 | \$17.6 |
| Other income | 1.5 | 3.9 | 0.7 | 0.4 | 0.8 | 5.6 | 1.8 |
| Total Revenues | 23.0 | 26.3 | 6.3 | 5.3 | 6.0 | 20.4 | 19.3 |
| Derivatives gains (losses) | (3.6) | 3.3 | 0.5 | (1.2) | (0.5) | (3.0) | 2.3 |
| Trading gains (losses) | 1.0 | 0.3 | (0.1) | 0.2 | 0.1 | 0.4 | 0.1 |
| Other gains (losses) | (0.1) | 0.7 | 0.6 | 0.6 | 0.4 | 1.1 | 0.7 |
| Total Mark-to-Market Gains (Losses) | (2.7) | 4.3 | 1.1 | (0.4) | (0.0) | (1.5) | 3.2 |
| (Provision) benefit for credit losses | 0.9 | 8.9 | 2.6 | 1.6 | 1.1 | 3.5 | 8.9 |
| REO (Foreclosed property exp.) | 0.3 | 2.8 | 1.2 | 0.2 | (0.2) | 0.2 | 1.8 |
| Security impairments | (0.7) | (0.1) | (0.0) | (0.0) | (0.0) | (0.1) | (0.0) |
| Total Credit-Related Income (Expenses/Losses) | 0.4 | 11.7 | 3.7 | 1.8 | 0.8 | 3.6 | 10.7 |
| Administrative expenses | (2.4) | (2.5) | (0.6) | (0.7) | (0.7) | (2.1) | (1.9) |
| Other expenses | (1.1) | (1.2) | (0.4) | (0.6) | (0.4) | (1.5) | (1.0) |
| Pre-Tax Income (Loss) | 17.2 | 38.6 | 10.1 | 5.4 | 5.7 | 19.0 | 30.3 |
| Tax (expense)/benefit / Extraordinary items | 0.0 | 45.4 | (1.4) | (1.8) | (1.8) | (6.1) | 47.2 |
| Net Income (Loss) | \$17.2 | \$84.0 | \$8.7 | \$3.7 | \$3.9 | \$12.9 | \$77.5 |
| Less: Net income (loss) attributable to noncontrolling interest | 0.0 | (0.0) | (0.0) | (0.0) | - | (0.0) | (0.0) |
| Net Income (Loss) Attributable to the Enterprise | \$17.2 | \$84.0 | \$8.7 | \$3.7 | \$3.9 | \$12.9 | \$77.5 |
| Preferred stock dividends and undistributed net worth sweep | (15.8) | (85.4) | (8.6) | (3.7) | (4.0) | (13.4) | (78.2) |
| Net Income (Loss) to Common Stockholders | \$1.4 | (\$1.5) | \$0.1 | (\$0.0) | (\$0.1) | (\$0.5) | (\$0.7) |

Balance Sheet

| (\$ in billions) | Dec 31 | Dec 31 | Sep 30 | Jun 30 | Sep 30 |
|------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets | | | | | |
| Cash and cash equivalents | \$21.1 | \$19.2 | \$30.8 | \$20.8 | \$16.3 |
| Restricted cash | 67.9 | 29.0 | 31.5 | 29.6 | 28.5 |
| Federal Funds sold and securities purchased under agreements to resell | 32.5 | 39.0 | 40.3 | 16.7 | 29.5 |
| Investments in securities | | | | | |
| Agency | 30.0 | 22.1 | 23.8 | 20.4 | 19.4 |
| CMBS | 22.9 | 4.3 | 7.0 | 4.1 | 4.0 |
| Subprime | 8.8 | 8.5 | 8.4 | 7.0 | 6.7 |
| Alt-A | 12.4 | 8.9 | 8.9 | 7.9 | 7.3 |
| U.S. Treasury securities | 18.0 | 16.3 | 16.4 | 13.1 | 17.8 |
| Other | 11.8 | 8.8 | 9.5 | 8.1 | 7.8 |
| Total investments in securities | 103.9 | 68.9 | 73.9 | 60.7 | 62.943 |
| Total mortgage loans, net | 2,949.4 | 3,026.2 | 3,013.2 | 3,004.8 | 3,010.2 |
| Other assets | 47.6 | 87.7 | 91.6 | 86.2 | 82.9 |
| Total Assets | \$3,222.4 | \$3,270.1 | \$3,281.2 | \$3,218.8 | \$3,230.3 |
| Liabilities and Equity | | | | | |
| Accrued interest payable | \$11.3 | \$10.6 | \$10.8 | \$10.2 | \$10.5 |
| Total debt | 3,189.5 | 3,234.5 | 3,240.1 | 3,189.5 | 3,201.5 |
| Other liabilities | 14.4 | 15.4 | 18.7 | 13.0 | 11.9 |
| Total Liabilities | \$3,215.2 | \$3,260.5 | \$3,269.6 | \$3,212.7 | \$3,223.9 |
| Stockholders' Equity | | | | | |
| Senior preferred stock | \$117.1 | \$117.1 | \$117.1 | \$117.1 | \$117.1 |
| Preferred stock | 19.1 | 19.1 | 19.1 | \$19.1 | \$19.1 |
| Accumulated deficit | (122.8) | (121.2) | (119.1) | (\$125.1) | (\$124.9) |
| Accumulated other comprehensive income | 0.4 | 1.2 | 1.1 | \$1.6 | \$1.7 |
| Other Equity | (6.7) | (6.7) | (6.7) | (\$6.7) | (\$6.7) |
| Total Equity | \$7.2 | \$9.6 | \$11.6 | \$6.1 | \$6.4 |
| Total Liabilities and Equity | \$3,222.4 | \$3,270.1 | \$3,281.2 | \$3,218.8 | \$3,230.3 |

Totals may not sum due to rounding

Financial Data - Fannie Mae

Income Statement

| (\$ in billions) | | | | | | 3rd Quarter |
|-----------------------------------------------------------------|-----------------|-----------------|-----------------|---------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Net interest income | \$14.5 | \$16.4 | \$19.3 | \$21.5 | \$22.4 | \$5.2 |
| Other income | 8.0 | 1.1 | 1.2 | 1.5 | 3.9 | 0.8 |
| Total Revenues | 22.5 | 17.5 | 20.4 | 23.0 | 26.3 | 6.0 |
| Derivatives gains (losses) | (6.4) | (3.0) | (6.6) | (3.6) | 3.3 | (0.5) |
| Trading gains (losses) | 3.7 | 2.7 | 0.3 | 1.0 | 0.3 | 0.1 |
| Other gains (losses) | 0.9 | (0.4) | (0.1) | (0.1) | 0.7 | 0.4 |
| Total Mark-to-Market Gains (Losses) | (1.7) | (0.7) | (6.3) | (2.7) | 4.3 | (0.0) |
| (Provision) benefit for credit losses | (52.1) | (24.9) | (26.7) | 0.9 | 8.9 | 1.1 |
| REO (Foreclosed property exp.) | (0.9) | (1.7) | (0.8) | 0.3 | 2.8 | (0.2) |
| SOP 03-3 losses, net | (20.6) | | | | | |
| Security impairments | (9.9) | (0.7) | (0.3) | (0.7) | (0.1) | (0.0) |
| Total Credit-Related Income (Expenses/Losses) | (83.4) | (27.3) | (27.8) | 0.4 | 11.7 | 0.8 |
| Administrative expenses | (2.2) | (2.6) | (2.4) | (2.4) | (2.5) | (0.7) |
| Other expenses | (8.2) | (0.9) | (0.9) | (1.1) | (1.2) | (0.4) |
| Pre-Tax Income (Loss) | (73.0) | (14.1) | (16.9) | 17.2 | 38.6 | 5.7 |
| Tax (expense)/benefit / Extraordinary items | 1.0 | 0.1 | 0.1 | 0.0 | 45.4 | (1.8) |
| Net Income (Loss) | (\$72.0) | (\$14.0) | (\$16.9) | \$17.2 | \$84.0 | \$3.9 |
| Less: Net income (loss) attributable to noncontrolling interest | 0.1 | 0.0 | (0.0) | 0.0 | (0.0) | - |
| Net Income (Loss) Attributable to the Enterprise | (\$72.0) | (\$14.0) | (\$16.9) | \$17.2 | \$84.0 | \$3.9 |
| Preferred stock dividends and undistributed net worth sweep | (2.5) | (7.7) | (9.6) | (15.8) | (85.4) | (4.0) |
| Net Income (Loss) to Common Stockholders | (\$74.4) | (\$21.7) | (\$26.5) | \$1.4 | (\$1.5) | (\$0.1) |

Balance Sheet

| (\$ in billions) | Dec 31 | Dec 31 | Dec 31 | Dec 31 | Dec. 31 | Sep 30 |
|------------------------------------------------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Assets | | | | | | |
| Cash and cash equivalents | \$6.8 | \$17.3 | \$17.5 | \$21.1 | \$19.2 | \$16.3 |
| Restricted cash | 3.1 | 63.7 | 50.8 | 67.9 | 29.0 | 28.5 |
| Federal Funds sold and securities purchased under agreements to resell | 53.7 | 11.8 | 46.0 | 32.5 | 39.0 | 29.5 |
| Investments in securities | | | | | | |
| Agency | 273.1 | 50.2 | 41.0 | 30.0 | 22.1 | 19.4 |
| CMBS | 22.5 | 25.6 | 24.4 | 22.9 | 4.3 | 4.0 |
| Subprime | 12.5 | 11.5 | 8.9 | 8.8 | 8.5 | 6.7 |
| Alt-A | 15.5 | 15.6 | 13.0 | 12.4 | 8.9 | 7.3 |
| U.S. Treasury securities | 0.0 | 27.4 | 47.7 | 18.0 | 16.3 | 17.8 |
| Other | 26.0 | 20.9 | 16.7 | 11.8 | 8.8 | 7.8 |
| Total investments in securities | 349.7 | 151.2 | 151.8 | 103.9 | 68.9 | 62.9 |
| Total mortgage loans, net | 394.6 | 2,923.7 | 2,898.6 | 2,949.4 | 3,026.2 | 3,010.2 |
| Other assets | 61.3 | 54.3 | 46.7 | 47.6 | 87.7 | 82.9 |
| Total Assets | \$869.1 | \$3,222.0 | \$3,211.5 | \$3,222.4 | \$3,270.1 | \$3,230.3 |
| Liabilities and Equity | | | | | | |
| Accrued interest payable | \$5.0 | \$13.8 | \$12.6 | \$11.3 | \$10.6 | \$10.5 |
| Total debt | 774.6 | 3,197.0 | 3,189.9 | 3,189.5 | 3,234.5 | 3,201.5 |
| Other liabilities | 104.9 | 13.7 | 13.5 | 14.4 | 15.4 | 11.9 |
| Total Liabilities | \$884.4 | \$3,224.5 | \$3,216.1 | \$3,215.2 | \$3,260.5 | \$3,223.9 |
| Stockholders' Equity | | | | | | |
| Senior preferred stock | \$60.9 | \$88.6 | \$112.6 | \$117.1 | \$117.1 | \$117.1 |
| Preferred stock | 20.3 | 20.2 | 19.1 | 19.1 | 19.1 | 19.1 |
| Accumulated deficit | (90.2) | (103.0) | (128.4) | (122.8) | (121.2) | (124.9) |
| Accumulated other comprehensive income | (1.7) | (1.7) | (1.2) | 0.4 | 1.2 | 1.7 |
| Other Equity | (4.6) | (6.7) | (6.7) | (6.7) | (6.7) | (6.7) |
| Total Equity | (\$15.3) | (\$2.5) | (\$4.6) | \$7.2 | \$9.6 | \$6.4 |
| Total Liabilities and Equity | \$869.1 | \$3,222.0 | \$3,211.5 | \$3,222.4 | \$3,270.1 | \$3,230.3 |

Totals may not sum due to rounding

Financial Data - Freddie Mac

Income Statement

| (\$ in billions) | 3rd Quarter | | | 2nd Quarter | | YTD | |
|-----------------------------------------------------------------|----------------|----------------|---------------|----------------|----------------|------------------|------------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 | 3rd Quarter 2014 | 3rd Quarter 2013 |
| Net interest income | \$17.6 | \$16.5 | \$4.3 | \$3.5 | \$3.7 | \$10.7 | \$12.7 |
| Other income | 0.8 | 6.7 | 0.841 | 0.5 | 1.6 | 6.8 | 1.4 |
| Total Revenues | 18.5 | 23.2 | 5.1 | 4.0 | 5.2 | 17.5 | 14.1 |
| Derivatives gains (losses) | (2.4) | 2.6 | (0.1) | (1.9) | (0.6) | (4.9) | 1.7 |
| Trading gains (losses) | (1.7) | (1.6) | (0.2) | 0.0 | (0.2) | (0.2) | (1.3) |
| Other gains (losses) | 1.0 | 2.0 | 1.2 | 0.1 | 0.1 | 1.3 | 1.1 |
| Total Mark-to-Market Gains (Losses) | (3.2) | 3.0 | 0.9 | (1.8) | (0.7) | (3.8) | 1.4 |
| (Provision) benefit for credit losses | (1.9) | 2.5 | 1.1 | 0.6 | (0.6) | (0.0) | 2.3 |
| REO (Foreclosed property exp.) | (0.1) | 0.1 | 0.1 | 0.1 | (0.1) | (0.1) | 0.2 |
| SOP 03-3 losses, net | 0.4 | 0.3 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 |
| Security impairments | (2.2) | (1.5) | (0.1) | (0.2) | (0.2) | (0.7) | (0.2) |
| Total Credit-Related Income (Expenses/Losses) | (3.7) | 1.4 | 1.2 | 0.6 | (0.8) | (0.7) | 2.4 |
| Administrative expenses | (1.6) | (1.8) | (0.5) | (0.5) | (0.5) | (1.4) | (1.3) |
| Other expenses | (0.6) | (0.4) | (0.2) | (0.3) | (0.2) | (0.8) | (0.6) |
| Pre-Tax Income (Loss) | 9.4 | 25.4 | 6.5 | 2.0 | 3.0 | 10.8 | 16.0 |
| Tax (expense)/benefit / Extraordinary items | 1.5 | 23.3 | 24.0 | (0.7) | (1.0) | (3.4) | 24.0 |
| Net Income (Loss) | 11.0 | 48.7 | 30.5 | 1.4 | 2.1 | 7.5 | 40.1 |
| Less: Net income (loss) attributable to noncontrolling interest | - | - | - | - | - | - | - |
| Net Income (Loss) Attributable to the Enterprise | \$11.0 | \$48.7 | \$30.5 | \$1.4 | \$2.1 | \$7.5 | \$40.1 |
| Preferred stock dividends and undistributed net worth sweep | (13.1) | (52.2) | (30.4) | (1.9) | (2.8) | (9.2) | (41.8) |
| Net Income (Loss) to Common Stockholders | (\$2.1) | (\$3.5) | \$0.1 | (\$0.5) | (\$0.7) | (\$1.7) | (\$1.7) |

Balance Sheet

| (\$ in billions) | Dec 31 | Dec 31 | Sep 30 | Jun 30 | Sep 30 |
|------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets | | | | | |
| Cash and cash equivalents | \$8.5 | \$11.3 | \$9.5 | \$4.7 | \$16.2 |
| Restricted cash | 14.6 | 12.3 | 5.8 | 2.8 | 6.3 |
| Federal Funds sold and securities purchased under agreements to resell | 37.6 | 62.4 | 41.0 | 44.1 | 30.0 |
| Investments in securities | | | | | |
| Agency | 94.8 | 68.3 | 76.7 | 68.9 | 73.3 |
| CMBS | 51.3 | 30.3 | 36.4 | 25.7 | 23.6 |
| Subprime | 26.5 | 27.5 | 27.6 | 24.3 | 22.7 |
| Alt-A | 10.9 | 8.7 | 9.1 | 6.5 | 5.5 |
| U.S. Treasury securities | 20.2 | 6.6 | 31.6 | 12.7 | 9.2 |
| Other | 12.7 | 10.9 | 11.0 | 9.9 | 9.0 |
| Total investments in securities | 216.4 | 152.3 | 192.4 | 147.9 | 143.2 |
| Total mortgage loans, net | 1,686.3 | 1,684.8 | 1,689.5 | 1,678.6 | 1,691.0 |
| Other assets | 26.5 | 43.0 | 43.5 | 38.6 | 36.2 |
| Total Assets | \$1,989.9 | \$1,966.1 | \$1,981.8 | \$1,916.6 | \$1,922.8 |
| Liabilities and Equity | | | | | |
| Accrued interest payable | \$7.7 | \$6.8 | \$6.5 | \$6.5 | \$6.2 |
| Total debt | 1,967.0 | 1,940.8 | 1,935.6 | 1,898.7 | 1,903.6 |
| Other liabilities | 6.3 | 5.7 | 6.3 | 7.1 | 7.8 |
| Total Liabilities | \$1,981.0 | \$1,953.2 | \$1,948.3 | \$1,912.3 | \$1,917.6 |
| Stockholders' Equity | | | | | |
| Senior preferred stock | \$72.3 | \$72.3 | \$72.3 | \$72.3 | \$72.3 |
| Preferred stock | 14.1 | 14.1 | 14.1 | 14.1 | 14.1 |
| Accumulated deficit | (70.8) | (69.7) | (47.9) | (79.3) | (79.1) |
| Accumulated other comprehensive income | (2.9) | (0.0) | (1.2) | 1.0 | 1.7 |
| Other Equity | (3.9) | (3.9) | (3.9) | (3.9) | (3.9) |
| Total Equity | \$8.8 | \$12.8 | \$33.4 | \$4.3 | \$5.2 |
| Total Liabilities and Equity | \$1,989.9 | \$1,966.1 | \$1,981.8 | \$1,916.6 | \$1,922.8 |

Totals may not sum due to rounding

Federal Housing Finance Agency

Financial Data - Freddie Mac

Income Statement

| (\$ in billions) | | | | | | 3rd Quarter |
|-----------------------------------------------------------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Net interest income | \$17.1 | \$16.9 | \$18.4 | \$17.6 | \$16.5 | \$3.7 |
| Other income | 6.0 | 1.0 | 0.9 | 0.8 | 6.7 | 1.6 |
| Total Revenues | 23.0 | 17.9 | 19.3 | 18.5 | 23.2 | 5.2 |
| Derivatives gains (losses) | (1.9) | (8.1) | (9.8) | (2.4) | 2.6 | (0.6) |
| Trading gains (losses) | 4.9 | (1.3) | (1.0) | (1.7) | (1.6) | (0.2) |
| Other gains (losses) | 3.3 | 0.3 | 0.8 | 1.0 | 2.0 | 0.1 |
| Total Mark-to-Market Gains (Losses) | 6.3 | (9.1) | (10.0) | (3.2) | 3.0 | (0.7) |
| (Provision) benefit for credit losses | (29.5) | (17.2) | (10.7) | (1.9) | 2.5 | (0.6) |
| REO (Foreclosed property exp.) | (0.3) | (0.7) | (0.6) | (0.1) | 0.1 | (0.1) |
| SOP 03-3 losses, net | (4.4) | 0.8 | 0.5 | 0.4 | 0.3 | 0.1 |
| Security impairments | (11.2) | (4.3) | (2.3) | (2.2) | (1.5) | (0.2) |
| Total Credit-Related Income (Expenses/Losses) | (45.4) | (21.4) | (13.1) | (3.7) | 1.4 | (0.8) |
| Administrative expenses | (1.7) | (1.5) | (1.5) | (1.6) | (1.8) | (0.5) |
| Other expenses | (4.6) | (0.7) | (0.4) | (0.6) | (0.4) | (0.2) |
| Pre-Tax Income (Loss) | (22.4) | (14.9) | (5.7) | 9.4 | 25.4 | 3.0 |
| Tax (expense)/benefit / Extraordinary items | 0.8 | 0.9 | 0.4 | 1.5 | 23.3 | (1.0) |
| Net Income (Loss) | (21.6) | (14.0) | (5.3) | 11.0 | 48.7 | 2.1 |
| Less: Net income (loss) attributable to noncontrolling interest | (0.0) | 0.0 | - | - | - | - |
| Net Income (Loss) Attributable to the Enterprise | (\$21.6) | (\$14.0) | (\$5.3) | \$11.0 | \$48.7 | \$2.1 |
| Preferred stock dividends and undistributed net worth sweep | (4.1) | (5.7) | (6.5) | (13.1) | (52.2) | (2.8) |
| Net Income (Loss) to Common Stockholders | (\$25.7) | (\$19.8) | (\$11.8) | (\$2.1) | (\$3.5) | (\$0.7) |

Balance Sheet

| (\$ in billions) | Dec 31 | Dec 31 | Dec 31 | Dec 31 | Dec. 31 | Sep 30 |
|------------------------------------------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Assets | | | | | | |
| Cash and cash equivalents | \$64.7 | \$37.0 | \$28.4 | \$8.5 | \$4.7 | \$16.2 |
| Restricted cash | 0.5 | 8.1 | 28.1 | 14.6 | 2.8 | 6.3 |
| Federal Funds sold and securities purchased under agreements to resell | 7.0 | 46.5 | 12.0 | 37.6 | 44.1 | 30.0 |
| Investments in securities | | | | | | |
| Agency | 464.9 | 142.7 | 133.0 | 94.8 | 68.9 | 73.3 |
| CMBS | 54.0 | 58.1 | 55.7 | 51.3 | 25.7 | 23.6 |
| Subprime | 35.7 | 33.9 | 28.0 | 26.5 | 24.3 | 22.7 |
| Alt-A | 13.4 | 13.2 | 10.9 | 10.9 | 6.5 | 5.5 |
| U.S. Treasury securities | 14.8 | 27.4 | 24.8 | 20.2 | 12.7 | 9.2 |
| Other | 24.1 | 17.7 | 17.1 | 12.7 | 9.9 | 9.0 |
| Total investments in securities | 606.9 | 292.9 | 269.5 | 216.4 | 147.9 | 143.2 |
| Total mortgage loans, net | 127.9 | 1,844.9 | 1,781.3 | 1,686.3 | 1,678.6 | 1,691.0 |
| Other assets | 34.8 | 32.3 | 27.9 | 26.5 | 38.6 | 36.2 |
| Total Assets | \$841.8 | \$2,261.8 | \$2,147.2 | \$1,989.9 | \$1,916.6 | \$1,922.8 |
| Liabilities and Equity | | | | | | |
| Accrued interest payable | \$5.0 | \$10.3 | \$8.9 | \$7.7 | \$6.5 | \$6.2 |
| Total debt | 780.6 | 2,242.6 | 2,132.0 | 1,967.0 | 1,898.7 | 1,903.6 |
| Other liabilities | 51.8 | 9.3 | 6.5 | 6.3 | 7.1 | 7.8 |
| Total Liabilities | \$837.4 | \$2,262.2 | \$2,147.4 | \$1,981.0 | \$1,912.3 | \$1,917.6 |
| Stockholders' Equity | | | | | | |
| Senior preferred stock | \$51.7 | \$64.2 | \$72.2 | \$72.3 | \$72.3 | \$72.3 |
| Preferred stock | 14.1 | 14.1 | 14.1 | 14.1 | 14.1 | 14.1 |
| Accumulated deficit | (33.9) | (62.7) | (74.5) | (70.8) | (79.3) | (79.1) |
| Accumulated other comprehensive income | (23.6) | (12.0) | (8.0) | (2.9) | 1.0 | 1.7 |
| Other Equity | (3.9) | (3.9) | (3.9) | (3.9) | (3.9) | (3.9) |
| Total Equity | \$4.4 | (\$0.4) | (\$0.1) | \$8.8 | \$4.3 | \$5.2 |
| Total Liabilities and Equity | \$841.8 | \$2,261.8 | \$2,147.2 | \$1,989.9 | \$1,916.6 | \$1,922.8 |

Totals may not sum due to rounding

Single Family Portfolio Credit Metrics - Enterprises

Fannie Mae

Portfolio Quality

| | 2012 | 2013 | 3rd Quarter 2013 | 2nd Quarter 2014 | 3rd Quarter 2014 |
|----------------------------------------------|--------|--------|---------------------|---------------------|---------------------|
| SDQ Rate: | 3.29% | 2.38% | 2.55% | 2.05% | 1.96% |
| SDQ Loan Count (<i>in thousands</i>): | 577 | 419 | 448 | 357 | 341 |
| Average FICO: | 742 | 744 | 744 | 744 | 744 |
| Average MTM LTV: | 75% | 67% | 67% | 64% | 63% |
| REO Inventory (<i>in thousands</i>): | 106 | 103 | 101 | 97 | 92 |
| Loan Loss Reserve (<i>\$ in billions</i>): | \$61.4 | \$46.7 | \$47.7 | \$41.7 | \$39.3 |

New Business Purchase Quality

| | 2012 | 2013 | 3rd Quarter ¹ 2013 | 2nd Quarter 2014 | 3rd Quarter 2014 |
|--------------------------------------------------------------|------|------|----------------------------------|---------------------|---------------------|
| Weighted Average FICO: | 761 | 753 | 754 | 744 | 744 |
| Percent of Purchases with | | | | | |
| FICO <620 | 1% | 1% | 1% | 1% | 1% |
| FICO 620 - 739 | 25% | 31% | 30% | 39% | 40% |
| FICO >=740 | 74% | 67% | 69% | 59% | 59% |
| Weighted Average Origination LTV Ratio | 75% | 76% | 75% | 77% | 77% |
| Weighted Average Origination LTV Ratio (excluding Refi Plus) | 68% | 70% | 70% | 76% | 77% |
| Weighted Average Origination LTV Ratio (HARP) | 111% | 110% | 111% | 102% | 102% ¹ |
| Percent of Purchases with Original LTV >90% | 17% | 19% | 18% | 19% | 19% |

Freddie Mac

Portfolio Quality

| | 2012 | 2013 | 3rd Quarter 2013 | 2nd Quarter 2014 | 3rd Quarter 2014 |
|----------------------------------------------|--------|--------|---------------------|---------------------|---------------------|
| SDQ Rate: | 3.25% | 2.39% | 2.58% | 2.07% | 1.96% |
| SDQ Loan Count (<i>in thousands</i>): | 353 | 255 | 276 | 219 | 208 |
| Average FICO: | 737 | 739 | 739 | 740 | 740 |
| Average MTM LTV: | 75% | 69% | 70% | 68% | 67% |
| REO Inventory (<i>in thousands</i>): | 49 | 47 | 47 | 36 | 29 |
| Loan Loss Reserve (<i>\$ in billions</i>): | \$30.5 | \$24.6 | \$24.8 | \$22.7 | \$22.6 |

New Business Purchase Quality

| | 2012 | 2013 | 3rd Quarter ¹ 2013 | 2nd Quarter ¹ 2014 | 3rd Quarter ¹ 2014 |
|---------------------------------------------------------------------|------|------|----------------------------------|----------------------------------|----------------------------------|
| Weighted Average FICO: | 756 | 749 | 750 | 742 | 744 |
| Percent of Purchases with | | | | | |
| FICO <620 | 1% | 1% | 1% | 2% | 1% |
| FICO 620 - 739 | 27% | 33% | 32% | 39% | 38% |
| FICO >= 740 | 72% | 66% | 67% | 59% | 61% |
| Weighted Average Origination LTV Ratio | 76% | 75% | 75% | 77% | 77% |
| Weighted Average Origination LTV Ratio (excluding Relief Refinance) | 68% | 71% | 70% | 76% | 76% |
| Weighted Average Origination LTV Ratio (Relief Refinance) | 97% | 91% | 91% | 84% | 83% |
| Percent of Purchases with Original LTV >90% | 20% | 18% | 18% | 19% | 18% |

1. Amounts represent year-to-date totals

FHLBank - System¹

Income Statement

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Interest Income (\$Millions) | | | | | | | |
| Advances | 3,446.0 | 2,696.7 | 645.9 | 647.1 | 623.9 | 1,916.9 | 2,017.5 |
| Investments | 4,570.1 | 3,862.5 | 947.3 | 936.2 | 926.3 | 2,809.8 | 2,905.0 |
| Mortgage Loans | 2,190.1 | 1,867.0 | 437.8 | 428.2 | 426.3 | 1,292.3 | 1,418.4 |
| Other | 3.3 | 3.3 | 0.5 | 0.8 | 0.3 | 1.6 | 2.4 |
| Total Interest Income | \$10,209.5 | \$8,429.5 | \$2,031.5 | \$2,012.4 | \$1,976.8 | \$6,020.6 | \$6,343.3 |
| Interest Expense | | | | | | | |
| Bonds | 5,456.8 | 4,251.0 | 971.1 | 958.9 | 917.7 | 2,847.7 | 3,259.1 |
| Discount Notes | 524.6 | 510.9 | 132.4 | 127.4 | 138.5 | 398.3 | 384.1 |
| Other | 147.6 | 238.9 | 59.9 | 53.1 | 43.5 | 156.5 | 171.8 |
| Total Interest Expense | \$6,129.0 | \$5,000.8 | \$1,163.4 | \$1,139.3 | \$1,099.8 | \$3,402.5 | \$3,815.0 |
| Provision for Credit Losses | 21.4 | -18.9 | -10.7 | -4.7 | -4.9 | -20.3 | -11.8 |
| Net Interest Income | \$4,059.1 | \$3,447.6 | \$878.7 | \$877.7 | \$881.9 | \$2,638.4 | \$2,540.2 |
| Other Income | -193.3 | 310.3 | 8.0 | -32.0 | 90.6 | 66.6 | 157.6 |
| Operating Expenses | 839.7 | 889.4 | 218.1 | 227.7 | 232.7 | 678.4 | 633.3 |
| Other Expense | 142.8 | 63.5 | 33.4 | 28.7 | 27.2 | 89.3 | 33.4 |
| Income Before AHP Assessment | \$2,883.2 | \$2,804.9 | \$635.3 | \$589.3 | \$712.7 | \$1,937.3 | \$2,031.1 |
| Affordable Housing Program Assessment | 296.8 | 293.3 | 68.1 | 62.8 | 74.2 | 205.1 | 210.8 |
| Net Income | \$2,586.5 | \$2,511.6 | \$567.2 | \$526.5 | \$638.5 | \$1,732.2 | \$1,820.3 |

Balance Sheet

| | Dec 31 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|----------------------------------------|----------------|----------------|----------------|----------------|---------------|
| | 2012 | 2013 | 2014 | 2014 | 2014 |
| Assets (\$Billions) | | | | | |
| Advances | 425.7 | 498.6 | 484.4 | 536.6 | 544.6 |
| Cash and Liquidity Investments | 102.8 | 101.0 | 102.9 | 97.0 | 107.4 |
| MBS Investments | 138.5 | 140.3 | 139.9 | 139.4 | 138.8 |
| Private Label | 25.4 | 21.3 | 20.6 | 20.0 | 19.2 |
| Federal and Agency | 113.1 | 119.1 | 119.2 | 119.4 | 119.6 |
| Other Investments | 43.3 | 47.7 | 47.5 | 47.3 | 46.8 |
| Net Mortgage Loans | 49.4 | 44.4 | 43.7 | 43.3 | 43.3 |
| Other | 2.9 | 2.5 | 2.5 | 2.7 | 2.4 |
| Total Assets | \$762.7 | \$834.5 | \$820.9 | \$866.3 | 883.4 |
| Liabilities | | | | | |
| Bonds | 476.1 | 474.3 | 487.5 | 478.8 | 490.4 |
| Discount Notes | 216.3 | 293.3 | 267.6 | 322.8 | 327.6 |
| Deposits | 13.7 | 10.6 | 10.4 | 9.1 | 9.3 |
| Mandatorily Redeemable Capital Stock | 6.9 | 5.0 | 4.5 | 3.6 | 3.1 |
| Other | 7.1 | 6.4 | 6.9 | 6.0 | 6.3 |
| Total Liabilities | \$720.2 | \$789.6 | \$776.9 | \$820.3 | 836.7 |
| Capital | | | | | |
| Capital Stock | 33.5 | 33.4 | 31.8 | 33.3 | 33.4 |
| Retained Earnings | 10.4 | 12.1 | 12.4 | 12.6 | 13.0 |
| Accumulated Other Comprehensive Income | -1.5 | -0.5 | -0.2 | 0.1 | 0.2 |
| Total GAAP Capital | \$42.5 | \$45.0 | \$44.0 | \$46.0 | \$46.7 |

Performance Measures

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|--------------------------------------------------|-------|-------|-------------|-------------|-------------|-------------|-------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.34% | 0.32% | 0.28% | 0.25% | 0.29% | 0.27% | 0.32% |
| Return on Equity (Annualized) | 6.44% | 5.86% | 5.13% | 4.73% | 5.50% | 5.12% | 5.72% |
| Net Interest Spread | 0.47% | 0.40% | 0.38% | 0.38% | 0.36% | 0.37% | 0.39% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 1.4% | 1.5% | 1.5% | 1.5% | 1.5% | | |
| GAAP Capital/Total Assets | 5.6% | 5.4% | 5.4% | 5.3% | 5.3% | | |
| Regulatory Capital/Total Assets | 6.7% | 6.0% | 5.9% | 5.7% | 5.6% | | |
| Permanent Capital/Required RBC | 388% | 350% | 361% | 391% | 398% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 101% | 104% | 104% | 105% | 104% | | |
| Market Value of Equity / Par Value of Capital St | 124% | 135% | 139% | 141% | 142% | | |
| Base Duration of Equity (years) | 0.14 | 0.96 | 0.42 | 0.07 | 0.35 | | |

1. FHLBank - System values do not include combining adjustments.

FHLBank - System¹

Income Statement

| | 2009 | 2010 | 2011 | 2012 | 2013 | YTD 3rd Quarter 2014 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|----------------------------|
| Interest Income (\$Millions) | | | | | | |
| Advances | 9,921.5 | 5,125.1 | 3,596.5 | 3,446.0 | 2,696.7 | 1,916.9 |
| Investments | 7,130.0 | 6,198.4 | 5,251.6 | 4,570.1 | 3,862.5 | 2,809.8 |
| Mortgage Loans | 3,872.2 | 3,187.1 | 2,641.8 | 2,190.1 | 1,867.0 | 1,292.3 |
| Other | 3.7 | 3.8 | 2.4 | 3.3 | 3.3 | 1.6 |
| Total Interest Income | \$20,927.5 | \$14,514.5 | \$11,492.3 | \$10,209.5 | \$8,429.5 | \$6,020.6 |
| Interest Expense | | | | | | |
| Bonds | 13,161.6 | 8,474.8 | 6,633.2 | 5,456.8 | 4,251.0 | 2,847.7 |
| Discount Notes | 2,174.8 | 669.6 | 528.6 | 524.6 | 510.9 | 398.3 |
| Other | 145.8 | 145.3 | 130.0 | 147.6 | 238.9 | 156.5 |
| Total Interest Expense | \$15,482.3 | \$9,289.8 | \$7,291.8 | \$6,129.0 | \$5,000.8 | \$3,402.5 |
| Provision for Credit Losses | 17.1 | 58.5 | 71.8 | 21.4 | -18.9 | -20.3 |
| Net Interest Income | \$5,428.1 | \$5,166.2 | \$4,128.7 | \$4,059.1 | \$3,447.6 | \$2,638.4 |
| Other Income | -1,844.6 | -1,497.8 | -1,111.8 | -193.3 | 310.3 | 66.6 |
| Operating Expenses | 810.8 | 860.0 | 854.8 | 839.7 | 889.4 | 678.4 |
| Other Expense | 104.8 | 80.7 | 206.3 | 142.8 | 63.5 | 89.3 |
| Income Before AHP Assessment | \$2,667.9 | \$2,727.6 | \$1,955.9 | \$2,883.2 | \$2,804.9 | \$1,937.3 |
| Affordable Housing Program Assessment | 830.6 | 728.0 | 348.3 | 296.8 | 293.3 | 205.1 |
| Net Income | \$1,837.2 | \$1,999.6 | \$1,607.6 | \$2,586.5 | \$2,511.6 | \$1,732.2 |

Balance Sheet

| | 2009 | 2010 | 2011 | 2012 | 2013 | Sep 30 2014 |
|----------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| Assets (\$Billions) | | | | | | |
| Advances | 631.2 | 478.6 | 418.2 | 425.7 | 498.6 | 544.6 |
| Cash and Liquidity Investments | 115.5 | 127.0 | 89.8 | 102.8 | 101.0 | 107.4 |
| MBS Investments | 152.0 | 146.9 | 140.2 | 138.5 | 140.3 | 138.8 |
| Private Label | 48.1 | 37.6 | 29.5 | 25.4 | 21.3 | 19.2 |
| Federal and Agency | 104.0 | 109.3 | 110.7 | 113.1 | 119.1 | 119.6 |
| Other Investments | 41.5 | 60.6 | 61.7 | 43.3 | 47.7 | 46.8 |
| Net Mortgage Loans | 71.4 | 61.2 | 53.4 | 49.4 | 44.4 | 43.3 |
| Other | 4.3 | 4.1 | 3.1 | 2.9 | 2.5 | 2.4 |
| Total Assets | \$1015.9 | \$878.3 | \$766.3 | \$762.7 | \$834.5 | 883.4 |
| Liabilities | | | | | | |
| Bonds | 736.7 | 606.8 | 507.2 | 476.1 | 474.3 | 490.4 |
| Discount Notes | 198.5 | 194.4 | 190.1 | 216.3 | 293.3 | 327.6 |
| Deposits | 15.9 | 14.4 | 12.6 | 13.7 | 10.6 | 9.3 |
| Mandatorily Redeemable Capital Stock | 8.1 | 7.1 | 8.0 | 6.9 | 5.0 | 3.1 |
| Other | 13.9 | 11.9 | 8.6 | 7.1 | 6.4 | 6.3 |
| Total Liabilities | \$973.1 | \$834.6 | \$726.6 | \$720.2 | \$789.6 | 836.7 |
| Capital | | | | | | |
| Capital Stock | 45.0 | 41.7 | 35.5 | 33.5 | 33.4 | 33.4 |
| Retained Earnings | 6.0 | 7.5 | 8.5 | 10.4 | 12.1 | 13.0 |
| Accumulated Other Comprehensive Income | -8.2 | -5.5 | -4.3 | -1.5 | -0.5 | 0.2 |
| Total GAAP Capital | \$42.8 | \$43.7 | \$39.8 | \$42.5 | \$45.0 | \$46.7 |

Performance Measures

| | 2009 | 2010 | 2011 | 2012 | 2013 | 3rd Quarter 2014 |
|--------------------------------------------------|-------|-------|-------|-------|-------|---------------------|
| Profitability | | | | | | |
| Return on Assets (Annualized) | 0.16% | 0.21% | 0.19% | 0.34% | 0.32% | 0.29% |
| Return on Equity (Annualized) | 3.91% | 4.63% | 3.81% | 6.44% | 5.86% | 5.50% |
| Net Interest Spread | 0.38% | 0.48% | 0.45% | 0.47% | 0.40% | 0.36% |
| Capital | | | | | | |
| Retained Earnings/Total Assets | 0.6% | 0.9% | 1.1% | 1.4% | 1.5% | 1.5% |
| GAAP Capital/Total Assets | 4.2% | 5.0% | 5.2% | 5.6% | 5.4% | 5.3% |
| Regulatory Capital/Total Assets | 5.9% | 6.5% | 6.9% | 6.7% | 6.0% | 5.6% |
| Permanent Capital/Required RBC | 288% | 362% | 367% | 388% | 350% | 398% |
| Market Value | | | | | | |
| Market Value of Equity / Book Value of Equity | 92% | 99% | 97% | 101% | 104% | 104% |
| Market Value of Equity / Par Value of Capital St | 88% | 103% | 106% | 124% | 135% | 142% |
| Base Duration of Equity (years) | 3.43 | 1.01 | 0.71 | 0.14 | 0.96 | 0.35 |

1. FHLBank - System values do not include combining adjustments.

FHLBank - Atlanta

Income Statement

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Interest Income (\$Millions) | | | | | | | |
| Advances | 294.1 | 233.0 | 57.2 | 51.5 | 11.4 | 120.1 | 179.6 |
| Investments | 602.3 | 496.9 | 115.3 | 113.9 | 110.7 | 340.0 | 376.6 |
| Mortgage Loans | 76.6 | 61.2 | 13.1 | 12.5 | 12.5 | 38.1 | 47.1 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$972.9 | \$791.1 | \$185.7 | \$177.9 | \$134.6 | \$498.2 | \$603.3 |
| Interest Expense | | | | | | | |
| Bonds | 567.5 | 420.8 | 88.1 | 79.4 | 79.8 | 247.3 | 324.8 |
| Discount Notes | 25.2 | 26.7 | 7.7 | 6.3 | 7.5 | 21.6 | 18.4 |
| Other | 4.1 | 1.3 | 0.3 | 0.3 | 0.2 | 0.8 | 1.0 |
| Total Interest Expense | \$596.9 | \$448.7 | \$96.1 | \$85.9 | \$87.6 | \$269.7 | \$344.2 |
| Provision for Credit Losses | 5.9 | 4.8 | -4.4 | 1.9 | -1.3 | -3.7 | 4.4 |
| Net Interest Income | \$370.2 | \$337.6 | \$93.9 | \$90.0 | \$48.3 | \$232.2 | \$254.7 |
| Other Income | 55.2 | 165.7 | 22.4 | 10.2 | 67.2 | 99.8 | 90.0 |
| Operating Expenses | 108.2 | 113.1 | 25.7 | 27.6 | 29.0 | 82.3 | 80.5 |
| Other Expense | 16.3 | 14.7 | 5.0 | 4.2 | 3.8 | 13.0 | 10.6 |
| Income Before AHP Assessment | \$300.8 | \$375.5 | \$85.6 | \$68.4 | \$82.7 | \$236.7 | \$253.6 |
| Affordable Housing Program Assessment | 30.4 | 37.6 | 8.6 | 6.9 | 8.3 | 23.7 | 25.4 |
| Net Income | \$270.4 | \$337.9 | \$77.0 | \$61.5 | \$74.4 | \$213.0 | \$228.2 |

Balance Sheet

| | Dec 31 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|----------------------------------------|----------------|----------------|----------------|----------------|--------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets (\$Billions) | | | | | |
| Advances | 87.5 | 89.6 | 84.2 | 95.1 | 88.6 |
| Cash and Liquidity Investments | 13.1 | 7.2 | 9.2 | 8.2 | 9.9 |
| MBS Investments | 16.8 | 18.6 | 18.5 | 18.0 | 18.2 |
| Private Label | 5.4 | 4.2 | 4.0 | 3.9 | 3.7 |
| Federal and Agency | 11.4 | 14.4 | 14.5 | 14.1 | 14.5 |
| Other Investments | 4.6 | 5.5 | 6.2 | 6.2 | 6.4 |
| Net Mortgage Loans | 1.2 | 0.9 | 0.9 | 0.8 | 0.8 |
| Other | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Total Assets | \$123.7 | \$122.3 | \$119.5 | \$128.9 | 124.4 |
| Liabilities | | | | | |
| Bonds | 82.9 | 80.7 | 88.3 | 89.4 | 89.7 |
| Discount Notes | 31.7 | 32.2 | 22.8 | 30.7 | 26.1 |
| Deposits | 2.1 | 1.8 | 1.5 | 1.4 | 1.3 |
| Mandatorily Redeemable Capital Stock | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.6 | 1.0 | 0.7 | 0.6 | 0.9 |
| Total Liabilities | \$117.4 | \$115.7 | \$113.2 | \$122.2 | 117.9 |
| Capital | | | | | |
| Capital Stock | 4.9 | 4.9 | 4.4 | 4.9 | 4.7 |
| Retained Earnings | 1.4 | 1.7 | 1.7 | 1.7 | 1.7 |
| Accumulated Other Comprehensive Income | -0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total GAAP Capital | \$6.3 | \$6.7 | \$6.2 | \$6.7 | \$6.5 |

Performance Measures

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------------------|-------|-------|-------------|-------------|-------------|-------------|-------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.22% | 0.28% | 0.25% | 0.19% | 0.22% | 0.22% | 0.25% |
| Return on Equity (Annualized) | 4.26% | 5.42% | 4.75% | 3.81% | 4.45% | 4.34% | 4.92% |
| Net Interest Spread | 0.27% | 0.26% | 0.27% | 0.27% | 0.13% | 0.20% | 0.27% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 1.2% | 1.4% | 1.4% | 1.3% | 1.4% | | |
| GAAP Capital/Total Assets | 5.1% | 5.4% | 5.2% | 5.2% | 5.2% | | |
| Regulatory Capital/Total Assets | 5.2% | 5.4% | 5.1% | 5.1% | 5.2% | | |
| Permanent Capital/Required RBC | 392% | 292% | 296% | 351% | 358% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 102% | 99% | 99% | 101% | 101% | | |
| Market Value of Equity / Par Value of Capital Str | 131% | 135% | 140% | 138% | 141% | | |
| Base Duration of Equity (years) | -0.76 | 0.28 | -0.42 | -1.28 | -0.71 | | |

FHLBank - Boston

Income Statement

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|---------------------------------------|----------------|----------------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Interest Income (\$Millions) | | | | | | | |
| Advances | 356.4 | 252.3 | 58.4 | 57.6 | 58.6 | 174.6 | 190.9 |
| Investments | 237.4 | 206.2 | 46.6 | 47.8 | 50.5 | 144.9 | 158.7 |
| Mortgage Loans | 136.4 | 128.2 | 31.8 | 31.5 | 30.9 | 94.1 | 96.2 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$730.2 | \$586.8 | \$136.7 | \$136.8 | \$140.1 | \$413.6 | \$445.7 |
| Interest Expense | | | | | | | |
| Bonds | 405.0 | 318.2 | 75.5 | 80.2 | 82.5 | 238.2 | 243.1 |
| Discount Notes | 11.6 | 7.0 | 3.0 | 3.9 | 4.6 | 11.5 | 5.1 |
| Other | 1.1 | 5.8 | 3.6 | 2.7 | 1.4 | 7.7 | 2.1 |
| Total Interest Expense | \$417.7 | \$330.9 | \$82.1 | \$86.8 | \$88.5 | \$257.4 | \$250.3 |
| Provision for Credit Losses | -3.1 | -2.0 | -0.3 | 0.2 | 0.4 | 0.3 | -2.2 |
| Net Interest Income | \$315.6 | \$257.8 | \$54.9 | \$49.8 | \$51.2 | \$155.9 | \$197.7 |
| Other Income | -22.1 | 43.4 | 2.5 | 1.7 | 17.8 | 22.0 | -9.7 |
| Operating Expenses | 53.5 | 56.2 | 14.9 | 14.3 | 14.0 | 43.1 | 40.1 |
| Other Expense | 9.8 | 8.5 | 2.1 | 2.1 | 1.7 | 5.9 | 6.6 |
| Income Before AHP Assessment | \$230.2 | \$236.5 | \$40.5 | \$35.1 | \$53.3 | \$128.9 | \$141.3 |
| Affordable Housing Program Assessment | 23.1 | 24.2 | 4.4 | 3.8 | 5.5 | 13.7 | 14.3 |
| Net Income | \$207.1 | \$212.3 | \$36.1 | \$31.3 | \$47.9 | \$115.3 | \$127.0 |

Balance Sheet

| | Dec 31 2012 | Dec 31 2013 | Mar 31 2013 | Jun 30 2014 | Sep 30 2014 |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets (\$Billions) | | | | | |
| Advances | 20.8 | 27.5 | 29.7 | 32.3 | 31.4 |
| Cash and Liquidity Investments | 4.9 | 5.2 | 8.7 | 10.0 | 7.8 |
| MBS Investments | 7.8 | 6.6 | 7.0 | 7.8 | 8.2 |
| Private Label | 1.3 | 1.2 | 1.1 | 1.1 | 1.1 |
| Federal and Agency | 6.5 | 5.4 | 5.9 | 6.7 | 7.1 |
| Other Investments | 3.1 | 1.8 | 1.1 | 1.0 | 1.0 |
| Net Mortgage Loans | 3.5 | 3.4 | 3.3 | 3.4 | 3.4 |
| Other | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Assets | \$40.2 | \$44.6 | \$50.1 | \$54.6 | \$51.9 |
| Liabilities | | | | | |
| Bonds | 26.1 | 23.5 | 24.5 | 23.8 | 25.0 |
| Discount Notes | 8.6 | 16.1 | 20.2 | 26.1 | 22.6 |
| Deposits | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| Mandatorily Redeemable Capital Stock | 0.2 | 1.0 | 1.0 | 0.6 | 0.2 |
| Other | 1.1 | 0.8 | 0.9 | 0.8 | 0.7 |
| Total Liabilities | \$36.6 | \$41.8 | \$47.2 | \$51.7 | \$49.1 |
| Capital | | | | | |
| Capital Stock | 3.5 | 2.5 | 2.6 | 2.5 | 2.4 |
| Retained Earnings | 0.6 | 0.8 | 0.8 | 0.8 | 0.9 |
| Accumulated Other Comprehensive Income | -0.5 | -0.5 | -0.5 | -0.4 | -0.4 |
| Total GAAP Capital | \$3.6 | \$2.8 | \$2.9 | \$2.9 | \$2.8 |

Performance Measures

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|--------------------------------------------------|-------|-------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.45% | 0.54% | 0.31% | 0.24% | 0.35% | 0.30% | 0.43% |
| Return on Equity (Annualized) | 6.03% | 7.40% | 5.10% | 4.38% | 6.70% | 5.39% | 5.83% |
| Net Interest Spread | 0.58% | 0.56% | 0.41% | 0.33% | 0.33% | 0.37% | 0.45% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 1.5% | 1.8% | 1.6% | 1.5% | 1.7% | | |
| GAAP Capital/Total Assets | 8.9% | 6.4% | 5.8% | 5.3% | 5.5% | | |
| Regulatory Capital/Total Assets | 10.6% | 9.6% | 8.7% | 7.2% | 6.8% | | |
| Permanent Capital/Required RBC | 592% | 590% | 631% | 580% | 512% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 104% | 110% | 109% | 110% | 112% | | |
| Market Value of Equity / Par Value of Capital St | 108% | 119% | 120% | 124% | 130% | | |
| Base Duration of Equity (years) | 0.33 | 0.88 | -0.60 | -0.62 | 0.11 | | |

FHLBank - Chicago

Income Statement

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------|------------------|------------------|----------------|----------------|----------------|------------------|------------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| | | | 2014 | 2014 | 2014 | 2014 | 2013 |
| Interest Income (\$Millions) | | | | | | | |
| Advances | 241.2 | 175.5 | 38.6 | 38.9 | 38.6 | 116.1 | 137.1 |
| Investments | 1,129.0 | 936.2 | 227.8 | 220.9 | 216.2 | 665.0 | 711.3 |
| Mortgage Loans | 545.8 | 399.0 | 88.7 | 85.1 | 78.6 | 252.3 | 307.9 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$1,916.0 | \$1,510.8 | \$355.2 | \$344.8 | \$333.4 | \$1,033.4 | \$1,156.3 |
| Interest Expense | | | | | | | |
| Bonds | 979.6 | 716.4 | 147.2 | 146.4 | 114.8 | 408.4 | 561.8 |
| Discount Notes | 306.6 | 287.3 | 67.2 | 66.0 | 67.4 | 200.6 | 221.7 |
| Other | 57.4 | 57.0 | 13.5 | 13.5 | 13.5 | 40.6 | 42.9 |
| Total Interest Expense | \$1,343.6 | \$1,060.8 | \$228.0 | \$225.9 | \$195.7 | \$649.5 | \$826.4 |
| Provision for Credit Losses | 9.3 | -2.2 | -2.6 | -3.9 | -1.6 | -8.0 | -1.9 |
| Net Interest Income | \$563.1 | \$452.2 | \$129.8 | \$122.8 | \$139.3 | \$391.9 | \$331.8 |
| Other Income | -35.3 | -19.8 | -10.1 | 11.0 | 11.1 | 12.0 | 24.4 |
| Operating Expenses | 91.2 | 102.9 | 26.2 | 28.0 | 28.3 | 82.5 | 72.9 |
| Other Expense | 19.5 | -46.6 | 3.9 | 0.6 | -0.1 | 4.4 | -48.3 |
| Income Before AHP Assessment | \$417.0 | \$376.1 | \$89.6 | \$105.3 | \$122.2 | \$317.0 | \$331.7 |
| Affordable Housing Program Assessment | 41.7 | 32.6 | 9.0 | 10.5 | 12.2 | 31.7 | 28.2 |
| Net Income | \$375.3 | \$343.4 | \$80.6 | \$94.7 | \$110.0 | \$285.3 | \$303.5 |

Balance Sheet

| | Dec 31 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|----------------------------------------|---------------|---------------|---------------|---------------|--------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets (\$Billions) | | | | | |
| Advances | 14.5 | 23.5 | 22.4 | 24.8 | 26.8 |
| Cash and Liquidity Investments | 10.1 | 6.0 | 10.6 | 6.3 | 10.8 |
| MBS Investments | 22.4 | 19.9 | 19.6 | 19.1 | 18.5 |
| Private Label | 1.5 | 1.3 | 1.2 | 1.2 | 1.2 |
| Federal and Agency | 20.9 | 18.6 | 18.3 | 17.9 | 17.4 |
| Other Investments | 11.8 | 11.5 | 12.0 | 10.7 | 9.3 |
| Net Mortgage Loans | 10.4 | 7.7 | 7.3 | 6.9 | 6.4 |
| Other | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total Assets | \$69.6 | \$68.8 | \$72.0 | \$68.1 | 72.0 |
| Liabilities | | | | | |
| Bonds | 32.6 | 32.0 | 39.2 | 38.0 | 35.2 |
| Discount Notes | 31.3 | 31.1 | 26.9 | 23.8 | 30.5 |
| Deposits | 0.8 | 0.5 | 0.6 | 0.5 | 0.5 |
| Mandatorily Redeemable Capital Stock | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 1.5 | 1.4 | 1.4 | 1.5 | 1.4 |
| Total Liabilities | \$66.1 | \$65.0 | \$68.1 | \$63.8 | 67.7 |
| Capital | | | | | |
| Capital Stock | 1.7 | 1.7 | 1.7 | 1.8 | 1.8 |
| Retained Earnings | 1.7 | 2.0 | 2.1 | 2.2 | 2.3 |
| Accumulated Other Comprehensive Income | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| Total GAAP Capital | \$3.4 | \$3.8 | \$4.0 | \$4.2 | \$4.3 |

Performance Measures

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|--------------------------------------------------|--------|-------|-------------|-------------|-------------|-------------|-------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| | | | 2014 | 2014 | 2014 | 2014 | 2013 |
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.54% | 0.53% | 0.47% | 0.53% | 0.61% | 0.54% | 0.62% |
| Return on Equity (Annualized) | 12.91% | 9.71% | 8.54% | 9.13% | 10.07% | 9.28% | 11.60% |
| Net Interest Spread | 0.62% | 0.55% | 0.65% | 0.59% | 0.70% | 0.68% | 0.57% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 2.4% | 2.9% | 2.9% | 3.2% | 3.2% | | |
| GAAP Capital/Total Assets | 5.0% | 5.5% | 5.5% | 6.2% | 6.0% | | |
| Regulatory Capital/Total Assets | 4.8% | 5.4% | 5.3% | 5.9% | 5.7% | | |
| Permanent Capital/Required RBC | 217% | 253% | 296% | 325% | 347% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 102% | 116% | 115% | 117% | 116% | | |
| Market Value of Equity / Par Value of Capital St | 212% | 260% | 268% | 275% | 278% | | |
| Base Duration of Equity (years) | 0.75 | 0.96 | 0.51 | 0.38 | -0.28 | | |

FHLBank - Cincinnati

Income Statement

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Interest Income (\$Millions) | | | | | | | |
| Advances | 260.7 | 308.1 | 77.1 | 78.1 | 79.3 | 234.5 | 229.2 |
| Investments | 347.4 | 323.3 | 91.5 | 90.7 | 86.2 | 268.4 | 235.6 |
| Mortgage Loans | 312.7 | 268.7 | 60.3 | 57.4 | 62.9 | 180.6 | 206.7 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$920.8 | \$900.2 | \$228.9 | \$226.2 | \$228.4 | \$683.5 | \$671.4 |
| Interest Expense | | | | | | | |
| Bonds | 569.9 | 529.8 | 142.2 | 141.8 | 137.8 | 421.8 | 392.4 |
| Discount Notes | 30.7 | 36.7 | 8.4 | 6.2 | 6.2 | 20.9 | 28.9 |
| Other | 12.1 | 5.8 | 1.3 | 1.2 | 1.2 | 3.7 | 4.6 |
| Total Interest Expense | \$612.7 | \$572.3 | \$151.9 | \$149.3 | \$145.2 | \$446.4 | \$426.0 |
| Provision for Credit Losses | 1.5 | -7.5 | 0.0 | -0.9 | 0.0 | -0.9 | -7.5 |
| Net Interest Income | \$306.7 | \$335.3 | \$77.0 | \$77.8 | \$83.1 | \$238.0 | \$252.9 |
| Other Income | 13.4 | 19.8 | 3.7 | 6.3 | 3.8 | 13.8 | 13.4 |
| Operating Expenses | 44.9 | 51.5 | 13.7 | 12.6 | 14.1 | 40.4 | 37.4 |
| Other Expense | 13.1 | 12.9 | 3.4 | 4.1 | 3.3 | 10.8 | 9.4 |
| Income Before AHP Assessment | \$262.1 | \$290.7 | \$63.7 | \$67.5 | \$69.5 | \$200.6 | \$219.4 |
| Affordable Housing Program Assessment | 27.4 | 29.6 | 6.5 | 6.9 | 7.1 | 20.4 | 22.4 |
| Net Income | \$234.7 | \$261.1 | \$57.2 | \$60.6 | \$62.4 | \$180.2 | \$197.0 |

Balance Sheet

| | Dec 31 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|----------------------------------------|---------------|----------------|----------------|----------------|--------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets (\$Billions) | | | | | |
| Advances | 53.9 | 65.3 | 65.5 | 69.5 | 71.4 |
| Cash and Liquidity Investments | 7.2 | 14.9 | 12.4 | 9.3 | 6.4 |
| MBS Investments | 12.8 | 16.1 | 16.2 | 15.6 | 15.1 |
| Private Label | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Federal and Agency | 12.8 | 16.1 | 16.2 | 15.6 | 15.1 |
| Other Investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Mortgage Loans | 7.5 | 6.8 | 6.7 | 6.7 | 6.9 |
| Other | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Assets | \$81.6 | \$103.2 | \$100.9 | \$101.3 | 100.0 |
| Liabilities | | | | | |
| Bonds | 44.3 | 58.2 | 61.4 | 59.7 | 56.9 |
| Discount Notes | 30.8 | 38.2 | 33.2 | 35.4 | 36.9 |
| Deposits | 1.2 | 0.9 | 0.9 | 0.8 | 0.8 |
| Mandatorily Redeemable Capital Stock | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 |
| Total Liabilities | \$77.0 | \$97.9 | \$96.1 | \$96.4 | 95.1 |
| Capital | | | | | |
| Capital Stock | 4.0 | 4.7 | 4.2 | 4.2 | 4.2 |
| Retained Earnings | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 |
| Accumulated Other Comprehensive Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total GAAP Capital | \$4.5 | \$5.3 | \$4.8 | \$4.9 | \$4.9 |

Performance Measures

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------------------|-------|-------|-------------|-------------|-------------|-------------|-------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.35% | 0.28% | 0.23% | 0.24% | 0.25% | 0.24% | 0.29% |
| Return on Equity (Annualized) | 6.20% | 5.10% | 4.51% | 5.00% | 5.07% | 4.86% | 5.21% |
| Net Interest Spread | 0.40% | 0.31% | 0.27% | 0.28% | 0.30% | 0.29% | 0.30% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 0.7% | 0.6% | 0.6% | 0.6% | 0.7% | | |
| GAAP Capital/Total Assets | 5.6% | 5.1% | 4.8% | 4.8% | 4.9% | | |
| Regulatory Capital/Total Assets | 5.8% | 5.3% | 4.9% | 4.9% | 5.0% | | |
| Permanent Capital/Required RBC | 974% | 993% | 937% | 1013% | 902% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 103% | 93% | 96% | 99% | 98% | | |
| Market Value of Equity / Par Value of Capital Str | 115% | 105% | 110% | 113% | 113% | | |
| Base Duration of Equity (years) | 1.94 | 2.54 | 2.09 | 1.79 | 2.18 | | |

FHLBank - Dallas

Income Statement

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|---------------------------------------|----------------|----------------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Interest Income (\$Millions) | | | | | | | |
| Advances | 195.4 | 157.9 | 31.6 | 35.0 | 31.0 | 97.7 | 121.9 |
| Investments | 106.2 | 80.0 | 16.8 | 16.4 | 16.4 | 49.5 | 61.9 |
| Mortgage Loans | 7.9 | 5.9 | 1.3 | 1.2 | 1.1 | 3.6 | 4.6 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$309.5 | \$243.8 | \$49.7 | \$52.6 | \$48.5 | \$150.7 | \$188.4 |
| Interest Expense | | | | | | | |
| Bonds | 139.3 | 89.0 | 19.1 | 18.6 | 17.8 | 55.6 | 69.5 |
| Discount Notes | 8.4 | 6.8 | 1.8 | 2.0 | 3.1 | 6.9 | 5.2 |
| Other | 0.4 | 0.2 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Total Interest Expense | \$148.1 | \$96.0 | \$20.9 | \$20.7 | \$21.0 | \$62.6 | \$74.7 |
| Provision for Credit Losses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Interest Income | \$161.4 | \$147.9 | \$28.7 | \$31.9 | \$27.5 | \$88.1 | \$113.7 |
| Other Income | 2.2 | 20.7 | 2.8 | 2.8 | 3.2 | 8.8 | 16.3 |
| Operating Expenses | 67.6 | 66.1 | 16.0 | 18.1 | 17.6 | 51.6 | 48.9 |
| Other Expense | 5.1 | 4.8 | 1.2 | 1.1 | 1.1 | 3.4 | 3.6 |
| Income Before AHP Assessment | \$90.9 | \$97.6 | \$14.3 | \$15.6 | \$12.0 | \$41.9 | \$77.5 |
| Affordable Housing Program Assessment | 9.1 | 9.8 | 1.4 | 1.6 | 1.2 | 4.2 | 7.8 |
| Net Income | \$81.8 | \$87.9 | \$12.9 | \$14.0 | \$10.8 | \$37.7 | \$69.7 |

Balance Sheet

| | Dec 31 2012 | Dec 31 2013 | Mar 31 2013 | Jun 30 2014 | Sep 30 2014 |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets (\$Billions) | | | | | |
| Advances | 18.4 | 16.0 | 15.3 | 18.2 | 18.8 |
| Cash and Liquidity Investments | 6.1 | 2.4 | 3.5 | 3.5 | 7.1 |
| MBS Investments | 5.2 | 5.2 | 5.1 | 5.2 | 5.5 |
| Private Label | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 |
| Federal and Agency | 5.0 | 5.0 | 4.9 | 5.0 | 5.4 |
| Other Investments | 5.8 | 6.5 | 6.5 | 6.5 | 5.9 |
| Net Mortgage Loans | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Assets | \$35.8 | \$30.2 | \$30.6 | \$33.7 | 37.5 |
| Liabilities | | | | | |
| Bonds | 25.7 | 21.5 | 20.1 | 19.0 | 17.4 |
| Discount Notes | 7.0 | 6.0 | 7.8 | 12.0 | 17.4 |
| Deposits | 1.2 | 0.9 | 0.8 | 0.6 | 0.6 |
| Mandatorily Redeemable Capital Stock | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 |
| Total Liabilities | \$34.0 | \$28.5 | \$28.9 | \$31.7 | 35.5 |
| Capital | | | | | |
| Capital Stock | 1.2 | 1.1 | 1.1 | 1.2 | 1.2 |
| Retained Earnings | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| Accumulated Other Comprehensive Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total GAAP Capital | \$1.8 | \$1.7 | \$1.7 | \$1.9 | \$1.9 |

Performance Measures

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|---------------------------------------------------|-------|-------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.22% | 0.26% | 0.16% | 0.17% | 0.12% | 0.15% | 0.28% |
| Return on Equity (Annualized) | 4.77% | 5.15% | 3.08% | 3.10% | 2.27% | 2.80% | 5.45% |
| Net Interest Spread | 0.41% | 0.43% | 0.35% | 0.36% | 0.29% | 0.32% | 0.40% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 1.6% | 2.2% | 2.2% | 2.0% | 1.8% | | |
| GAAP Capital/Total Assets | 5.0% | 5.8% | 5.7% | 5.7% | 5.2% | | |
| Regulatory Capital/Total Assets | 5.0% | 5.9% | 5.7% | 5.7% | 5.2% | | |
| Permanent Capital/Required RBC | 444% | 395% | 446% | 525% | 495% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 109% | 113% | 112% | 109% | 108% | | |
| Market Value of Equity / Par Value of Capital Str | 158% | 176% | 180% | 170% | 169% | | |
| Base Duration of Equity (years) | 1.56 | 4.25 | 2.23 | 1.55 | 1.81 | | |

FHLBank - Des Moines

Income Statement

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|---------------------------------------|----------------|----------------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Interest Income (\$Millions) | | | | | | | |
| Advances | 270.6 | 200.8 | 53.0 | 57.2 | 59.3 | 169.5 | 144.8 |
| Investments | 221.2 | 180.1 | 44.4 | 45.5 | 48.1 | 138.0 | 134.8 |
| Mortgage Loans | 284.1 | 253.5 | 62.3 | 61.3 | 60.6 | 184.2 | 190.9 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$775.9 | \$634.4 | \$159.7 | \$164.0 | \$167.9 | \$491.6 | \$470.6 |
| Interest Expense | | | | | | | |
| Bonds | 523.3 | 407.2 | 97.9 | 93.5 | 91.6 | 283.1 | 309.4 |
| Discount Notes | 11.4 | 13.6 | 9.3 | 10.1 | 12.3 | 31.7 | 6.1 |
| Other | 0.6 | 0.4 | 0.1 | 0.1 | 0.1 | 0.2 | 0.3 |
| Total Interest Expense | \$535.3 | \$421.3 | \$107.3 | \$103.7 | \$104.0 | \$315.0 | \$315.9 |
| Provision for Credit Losses | 0.0 | -5.9 | -0.3 | 0.0 | -1.4 | -1.7 | 0.0 |
| Net Interest Income | \$240.6 | \$219.0 | \$52.7 | \$60.3 | \$65.3 | \$178.4 | \$154.7 |
| Other Income | -49.3 | -34.5 | 3.5 | -14.7 | -18.1 | -29.3 | -30.8 |
| Operating Expenses | 52.2 | 53.1 | 12.5 | 13.2 | 13.9 | 39.7 | 35.6 |
| Other Expense | 15.3 | 9.4 | 2.5 | 2.5 | 3.8 | 8.8 | 7.1 |
| Income Before AHP Assessment | \$123.8 | \$122.0 | \$41.1 | \$30.0 | \$29.5 | \$100.7 | \$81.2 |
| Affordable Housing Program Assessment | 12.4 | 12.2 | 4.1 | 3.0 | 3.0 | 10.1 | 8.1 |
| Net Income | \$111.4 | \$109.8 | \$37.0 | \$27.0 | \$26.6 | \$90.6 | \$73.1 |

Balance Sheet

| | Dec 31 2012 | Dec 31 2013 | Mar 31 2013 | Jun 30 2014 | Sep 30 2014 |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets (\$Billions) | | | | | |
| Advances | 26.6 | 45.7 | 44.9 | 51.7 | 64.2 |
| Cash and Liquidity Investments | 4.6 | 9.9 | 9.7 | 11.3 | 14.2 |
| MBS Investments | 6.9 | 8.2 | 9.0 | 10.1 | 10.9 |
| Private Label | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Federal and Agency | 6.8 | 8.1 | 9.0 | 10.1 | 10.8 |
| Other Investments | 2.2 | 2.6 | 2.5 | 2.4 | 2.4 |
| Net Mortgage Loans | 7.0 | 6.6 | 6.5 | 6.5 | 6.5 |
| Other | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total Assets | \$47.4 | \$73.0 | \$72.9 | \$82.2 | 98.4 |
| Liabilities | | | | | |
| Bonds | 34.3 | 30.2 | 25.2 | 18.3 | 30.4 |
| Discount Notes | 8.7 | 38.1 | 42.8 | 59.3 | 62.8 |
| Deposits | 1.1 | 0.7 | 0.8 | 0.5 | 0.5 |
| Mandatorily Redeemable Capital Stock | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.4 | 0.5 | 0.6 | 0.3 | 0.4 |
| Total Liabilities | \$44.5 | \$69.5 | \$69.4 | \$78.4 | 94.1 |
| Capital | | | | | |
| Capital Stock | 2.1 | 2.7 | 2.7 | 3.0 | 3.5 |
| Retained Earnings | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| Accumulated Other Comprehensive Income | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| Total GAAP Capital | \$2.8 | \$3.5 | \$3.5 | \$3.8 | \$4.3 |

Performance Measures

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|--------------------------------------------------|-------|-------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.23% | 0.20% | 0.21% | 0.14% | 0.12% | 0.15% | 0.20% |
| Return on Equity (Annualized) | 3.98% | 3.68% | 4.37% | 3.02% | 2.69% | 3.32% | 3.45% |
| Net Interest Spread | 0.42% | 0.35% | 0.26% | 0.30% | 0.27% | 0.27% | 0.33% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 1.3% | 0.9% | 1.0% | 0.9% | 0.7% | | |
| GAAP Capital/Total Assets | 6.0% | 4.7% | 4.8% | 4.6% | 4.4% | | |
| Regulatory Capital/Total Assets | 5.7% | 4.6% | 4.6% | 4.5% | 4.2% | | |
| Permanent Capital/Required RBC | 724% | 500% | 551% | 641% | 703% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 85% | 94% | 94% | 97% | 98% | | |
| Market Value of Equity / Par Value of Capital St | 117% | 121% | 122% | 125% | 123% | | |
| Base Duration of Equity (years) | -2.37 | 0.97 | -0.14 | -0.61 | 0.07 | | |

FHLBank - Indianapolis

Income Statement

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Interest Income (\$Millions) | | | | | | | |
| Advances | 174.6 | 145.5 | 29.2 | 24.5 | 27.0 | 80.6 | 101.9 |
| Investments | 210.6 | 173.7 | 38.7 | 38.7 | 40.3 | 117.7 | 132.4 |
| Mortgage Loans | 258.2 | 246.4 | 57.3 | 57.2 | 58.9 | 173.4 | 186.2 |
| Other | 1.4 | 1.5 | 0.1 | 0.4 | -0.1 | 0.4 | 1.1 |
| Total Interest Income | \$644.8 | \$567.1 | \$125.3 | \$120.8 | \$126.1 | \$372.2 | \$421.6 |
| Interest Expense | | | | | | | |
| Bonds | 379.7 | 314.0 | 76.4 | 75.9 | 76.7 | 229.0 | 235.6 |
| Discount Notes | 8.0 | 7.8 | 1.4 | 1.3 | 2.0 | 4.8 | 6.1 |
| Other | 15.2 | 7.6 | 0.6 | 0.2 | 0.1 | 0.9 | 6.8 |
| Total Interest Expense | \$402.9 | \$329.5 | \$78.5 | \$77.4 | \$78.9 | \$234.7 | \$248.5 |
| Provision for Credit Losses | 8.2 | -4.2 | -0.7 | -0.1 | -0.1 | -0.9 | -3.5 |
| Net Interest Income | \$233.7 | \$241.9 | \$47.5 | \$43.5 | \$47.4 | \$138.4 | \$176.6 |
| Other Income | -13.1 | 69.5 | 5.9 | 10.0 | 6.8 | 22.7 | 28.5 |
| Operating Expenses | 52.7 | 61.4 | 14.0 | 15.0 | 15.2 | 44.2 | 46.2 |
| Other Expense | 7.0 | 6.8 | 1.9 | 1.6 | 1.5 | 5.0 | 4.9 |
| Income Before AHP Assessment | \$160.9 | \$243.1 | \$37.5 | \$36.8 | \$37.5 | \$111.8 | \$153.9 |
| Affordable Housing Program Assessment | 17.6 | 25.1 | 3.8 | 3.7 | 3.8 | 11.3 | 16.1 |
| Net Income | \$143.3 | \$218.0 | \$33.7 | \$33.1 | \$33.8 | \$100.6 | \$137.9 |

Balance Sheet

| | Dec 31 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|----------------------------------------|---------------|---------------|---------------|---------------|--------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets (\$Billions) | | | | | |
| Advances | 18.1 | 17.3 | 17.1 | 19.2 | 19.3 |
| Cash and Liquidity Investments | 5.5 | 3.3 | 2.5 | 2.8 | 4.4 |
| MBS Investments | 7.9 | 7.3 | 7.1 | 7.1 | 7.2 |
| Private Label | 0.9 | 0.6 | 0.6 | 0.6 | 0.5 |
| Federal and Agency | 7.0 | 6.7 | 6.5 | 6.5 | 6.7 |
| Other Investments | 3.6 | 3.4 | 3.4 | 3.4 | 3.4 |
| Net Mortgage Loans | 6.0 | 6.2 | 6.2 | 6.3 | 6.5 |
| Other | 0.1 | 0.2 | 0.1 | 0.2 | 0.2 |
| Total Assets | \$41.2 | \$37.8 | \$36.5 | \$39.1 | 41.0 |
| Liabilities | | | | | |
| Bonds | 27.4 | 26.6 | 26.2 | 26.2 | 26.9 |
| Discount Notes | 8.9 | 7.4 | 6.4 | 9.0 | 10.1 |
| Deposits | 1.8 | 1.1 | 1.2 | 1.0 | 1.0 |
| Mandatorily Redeemable Capital Stock | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.4 | 0.3 | 0.3 | 0.3 | 0.4 |
| Total Liabilities | \$39.0 | \$35.4 | \$34.1 | \$36.6 | 38.5 |
| Capital | | | | | |
| Capital Stock | 1.6 | 1.6 | 1.6 | 1.7 | 1.7 |
| Retained Earnings | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 |
| Accumulated Other Comprehensive Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Total GAAP Capital | \$2.2 | \$2.4 | \$2.4 | \$2.5 | \$2.6 |

Performance Measures

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|--------------------------------------------------|-------|-------|-------------|-------------|-------------|-------------|-------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.35% | 0.54% | 0.36% | 0.35% | 0.33% | 0.35% | 0.46% |
| Return on Equity (Annualized) | 6.89% | 9.40% | 5.68% | 5.40% | 5.24% | 5.43% | 7.95% |
| Net Interest Spread | 0.54% | 0.52% | 0.44% | 0.38% | 0.40% | 0.42% | 0.45% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 1.4% | 2.0% | 2.1% | 2.0% | 1.9% | | |
| GAAP Capital/Total Assets | 5.4% | 6.3% | 6.6% | 6.4% | 6.3% | | |
| Regulatory Capital/Total Assets | 6.5% | 6.3% | 6.6% | 6.3% | 6.2% | | |
| Permanent Capital/Required RBC | 421% | 311% | 344% | 394% | 407% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 100% | 116% | 109% | 106% | 104% | | |
| Market Value of Equity / Par Value of Capital St | 128% | 171% | 162% | 159% | 155% | | |
| Base Duration of Equity (years) | 0.25 | -2.01 | -1.93 | -0.46 | -0.11 | | |

FHLBank - New York

Income Statement

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Interest Income (\$Millions) | | | | | | | |
| Advances | 524.2 | 444.6 | 113.9 | 113.4 | 127.0 | 354.2 | 324.4 |
| Investments | 313.4 | 274.8 | 71.9 | 70.4 | 72.7 | 215.0 | 202.9 |
| Mortgage Loans | 65.9 | 68.3 | 17.5 | 17.6 | 18.1 | 53.1 | 50.8 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$903.5 | \$787.7 | \$203.2 | \$201.3 | \$217.9 | \$622.4 | \$578.2 |
| Interest Expense | | | | | | | |
| Bonds | 376.6 | 295.9 | 77.3 | 78.1 | 81.4 | 236.8 | 221.1 |
| Discount Notes | 57.5 | 68.8 | 17.4 | 16.7 | 19.3 | 53.3 | 51.7 |
| Other | 2.6 | 1.6 | 0.4 | 0.4 | 0.4 | 1.2 | 1.2 |
| Total Interest Expense | \$436.7 | \$366.2 | \$95.1 | \$95.1 | \$101.1 | \$291.3 | \$274.0 |
| Provision for Credit Losses | 1.0 | 0.0 | 0.3 | -0.3 | 0.0 | 0.0 | 0.1 |
| Net Interest Income | \$465.9 | \$421.5 | \$107.8 | \$106.5 | \$116.9 | \$331.1 | \$304.1 |
| Other Income | 31.6 | 14.1 | 1.2 | 2.5 | 3.3 | 7.0 | 6.8 |
| Operating Expenses | 82.5 | 83.3 | 21.4 | 19.6 | 21.1 | 62.1 | 61.3 |
| Other Expense | 13.9 | 13.7 | 3.9 | 3.8 | 4.0 | 11.6 | 9.6 |
| Income Before AHP Assessment | \$401.0 | \$338.6 | \$83.8 | \$85.5 | \$95.2 | \$264.4 | \$240.0 |
| Affordable Housing Program Assessment | 40.3 | 34.0 | 8.4 | 8.6 | 9.5 | 26.5 | 24.1 |
| Net Income | \$360.7 | \$304.6 | \$75.4 | \$76.9 | \$85.6 | \$237.9 | \$215.8 |

Balance Sheet

| | Dec 31 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|----------------------------------------|----------------|----------------|----------------|----------------|--------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets (\$Billions) | | | | | |
| Advances | 75.9 | 90.8 | 87.7 | 96.8 | 99.5 |
| Cash and Liquidity Investments | 11.6 | 21.3 | 15.9 | 14.7 | 9.4 |
| MBS Investments | 12.6 | 13.4 | 13.0 | 13.2 | 13.3 |
| Private Label | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 |
| Federal and Agency | 12.1 | 13.0 | 12.6 | 12.8 | 13.0 |
| Other Investments | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 |
| Net Mortgage Loans | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 |
| Other | 0.2 | 0.2 | 0.2 | 0.3 | 0.2 |
| Total Assets | \$103.0 | \$128.3 | \$119.5 | \$127.8 | 125.4 |
| Liabilities | | | | | |
| Bonds | 64.8 | 73.3 | 75.0 | 75.4 | 79.9 |
| Discount Notes | 29.8 | 45.9 | 35.6 | 43.2 | 36.1 |
| Deposits | 2.1 | 1.9 | 1.7 | 1.7 | 2.1 |
| Mandatorily Redeemable Capital Stock | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.9 | 0.7 | 0.7 | 0.8 | 0.7 |
| Total Liabilities | \$97.5 | \$121.8 | \$113.1 | \$121.1 | 118.8 |
| Capital | | | | | |
| Capital Stock | 4.8 | 5.6 | 5.4 | 5.8 | 5.6 |
| Retained Earnings | 0.9 | 1.0 | 1.0 | 1.0 | 1.1 |
| Accumulated Other Comprehensive Income | -0.2 | -0.1 | -0.1 | -0.1 | -0.1 |
| Total GAAP Capital | \$5.5 | \$6.5 | \$6.4 | \$6.7 | \$6.6 |

Performance Measures

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|--------------------------------------------------|-------|-------|-------------|-------------|-------------|-------------|-------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.35% | 0.27% | 0.25% | 0.25% | 0.26% | 0.25% | 0.26% |
| Return on Equity (Annualized) | 6.88% | 5.22% | 4.79% | 4.83% | 5.21% | 4.94% | 5.08% |
| Net Interest Spread | 0.42% | 0.36% | 0.33% | 0.33% | 0.33% | 0.33% | 0.35% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 0.9% | 0.8% | 0.8% | 0.8% | 0.8% | | |
| GAAP Capital/Total Assets | 5.3% | 5.1% | 5.3% | 5.3% | 5.2% | | |
| Regulatory Capital/Total Assets | 5.5% | 5.1% | 5.4% | 5.4% | 5.3% | | |
| Permanent Capital/Required RBC | 1168% | 1006% | 1089% | 1135% | 1092% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 103% | 104% | 104% | 105% | 105% | | |
| Market Value of Equity / Par Value of Capital St | 118% | 121% | 122% | 121% | 123% | | |
| Base Duration of Equity (years) | -1.46 | 0.60 | -0.10 | -0.50 | -0.36 | | |

FHLBank - Pittsburgh

Income Statement

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|---------------------------------------|----------------|----------------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Interest Income (\$Millions) | | | | | | | |
| Advances | 292.6 | 230.0 | 63.1 | 63.8 | 67.1 | 194.0 | 170.0 |
| Investments | 269.8 | 224.9 | 55.5 | 57.2 | 55.7 | 168.3 | 168.0 |
| Mortgage Loans | 168.1 | 141.7 | 33.4 | 32.9 | 32.0 | 98.2 | 107.5 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$730.4 | \$596.6 | \$151.9 | \$153.9 | \$154.7 | \$460.5 | \$445.5 |
| Interest Expense | | | | | | | |
| Bonds | 501.3 | 381.3 | 83.5 | 82.5 | 76.0 | 242.1 | 295.4 |
| Discount Notes | 18.1 | 18.5 | 6.0 | 5.6 | 6.3 | 17.9 | 13.4 |
| Other | 1.2 | 1.7 | 0.1 | 0.1 | 0.1 | 0.2 | 1.6 |
| Total Interest Expense | \$520.6 | \$401.4 | \$89.6 | \$88.1 | \$82.4 | \$260.1 | \$310.5 |
| Provision for Credit Losses | 0.4 | -1.8 | -3.9 | 0.4 | -0.4 | -3.9 | -2.0 |
| Net Interest Income | \$209.4 | \$197.0 | \$66.2 | \$65.4 | \$72.8 | \$204.3 | \$137.0 |
| Other Income | 7.1 | 47.5 | 41.7 | 2.5 | 19.2 | 63.4 | 32.5 |
| Operating Expenses | 64.4 | 72.3 | 16.9 | 16.3 | 15.6 | 48.8 | 48.2 |
| Other Expense | 8.0 | 7.8 | 2.2 | 2.0 | 1.9 | 6.0 | 5.5 |
| Income Before AHP Assessment | \$144.2 | \$164.5 | \$88.8 | \$49.6 | \$74.5 | \$212.8 | \$115.9 |
| Affordable Housing Program Assessment | 14.5 | 16.6 | 8.9 | 5.0 | 7.4 | 21.3 | 11.7 |
| Net Income | \$129.7 | \$147.9 | \$79.9 | \$44.6 | \$67.0 | \$191.5 | \$104.1 |

Balance Sheet

| | Dec 31 2012 | Dec 31 2013 | Mar 31 2013 | Jun 30 2014 | Sep 30 2014 |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets (\$Billions) | | | | | |
| Advances | 40.5 | 50.2 | 46.1 | 54.6 | 53.1 |
| Cash and Liquidity Investments | 8.9 | 6.0 | 4.0 | 4.3 | 8.3 |
| MBS Investments | 9.7 | 8.4 | 8.5 | 8.4 | 8.2 |
| Private Label | 2.6 | 2.0 | 1.9 | 1.9 | 1.8 |
| Federal and Agency | 7.1 | 6.4 | 6.6 | 6.6 | 6.5 |
| Other Investments | 1.8 | 2.6 | 2.6 | 3.0 | 3.5 |
| Net Mortgage Loans | 3.5 | 3.2 | 3.2 | 3.1 | 3.1 |
| Other | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total Assets | \$64.6 | \$70.7 | \$64.6 | \$73.6 | 76.4 |
| Liabilities | | | | | |
| Bonds | 35.1 | 37.7 | 37.9 | 37.5 | 39.9 |
| Discount Notes | 24.1 | 28.2 | 21.9 | 31.2 | 31.5 |
| Deposits | 1.0 | 0.7 | 0.8 | 0.7 | 0.7 |
| Mandatorily Redeemable Capital Stock | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.5 | 0.3 | 0.4 | 0.3 | 0.3 |
| Total Liabilities | \$61.2 | \$67.0 | \$61.1 | \$69.7 | 72.4 |
| Capital | | | | | |
| Capital Stock | 2.8 | 3.0 | 2.7 | 3.1 | 3.1 |
| Retained Earnings | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 |
| Accumulated Other Comprehensive Income | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 |
| Total GAAP Capital | \$3.4 | \$3.7 | \$3.5 | \$4.0 | \$4.0 |

Performance Measures

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|--------------------------------------------------|-------|-------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.23% | 0.24% | 0.48% | 0.26% | 0.36% | 0.36% | 0.23% |
| Return on Equity (Annualized) | 3.75% | 4.32% | 8.76% | 4.90% | 6.79% | 6.81% | 4.05% |
| Net Interest Spread | 0.29% | 0.27% | 0.34% | 0.35% | 0.36% | 0.35% | 0.31% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 0.9% | 1.0% | 1.2% | 1.0% | 1.1% | | |
| GAAP Capital/Total Assets | 5.3% | 5.2% | 5.4% | 5.4% | 5.2% | | |
| Regulatory Capital/Total Assets | 5.9% | 5.2% | 5.3% | 5.2% | 5.1% | | |
| Permanent Capital/Required RBC | 370% | 347% | 348% | 417% | 440% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 97% | 103% | 104% | 103% | 104% | | |
| Market Value of Equity / Par Value of Capital St | 115% | 128% | 136% | 133% | 135% | | |
| Base Duration of Equity (years) | 2.51 | 1.15 | 1.41 | 0.73 | 0.98 | | |

FHLBank - San Francisco

Income Statement

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| | | | 2014 | 2014 | 2014 | 2014 | 2013 |
| Interest Income (\$Millions) | | | | | | | |
| Advances | 584.3 | 345.1 | 78.4 | 80.1 | 75.9 | 234.4 | 261.8 |
| Investments | 832.3 | 691.1 | 171.4 | 168.6 | 161.4 | 501.4 | 517.7 |
| Mortgage Loans | 77.6 | 50.0 | 11.2 | 10.8 | 10.2 | 32.3 | 38.1 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$1,494.2 | \$1,086.2 | \$261.0 | \$259.5 | \$247.5 | \$768.1 | \$817.5 |
| Interest Expense | | | | | | | |
| Bonds | 573.6 | 431.7 | 80.7 | 82.3 | 84.4 | 247.3 | 341.7 |
| Discount Notes | 21.4 | 16.9 | 6.0 | 5.4 | 4.4 | 15.8 | 11.0 |
| Other | 51.1 | 155.3 | 39.2 | 33.9 | 25.9 | 99.0 | 109.7 |
| Total Interest Expense | \$646.1 | \$604.0 | \$125.9 | \$121.7 | \$114.7 | \$362.2 | \$462.4 |
| Provision for Credit Losses | -1.4 | -0.9 | 0.6 | -0.1 | -0.2 | 0.3 | -0.3 |
| Net Interest Income | \$849.5 | \$483.1 | \$134.6 | \$137.9 | \$133.1 | \$405.6 | \$355.4 |
| Other Income | -164.2 | 4.9 | -48.3 | -53.9 | -12.0 | -114.2 | 9.8 |
| Operating Expenses | 115.6 | 116.0 | 28.6 | 34.1 | 31.0 | 93.7 | 83.7 |
| Other Expense | 18.8 | 12.4 | 3.8 | 2.5 | 2.7 | 9.1 | 9.1 |
| Income Before AHP Assessment | \$551.0 | \$359.6 | \$53.8 | \$47.5 | \$87.3 | \$188.6 | \$272.5 |
| Affordable Housing Program Assessment | 60.2 | 51.5 | 9.3 | 8.1 | 11.3 | 28.7 | 38.2 |
| Net Income | \$490.8 | \$308.2 | \$44.5 | \$39.3 | \$76.0 | \$159.9 | \$234.3 |

Balance Sheet

| | Dec 31 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|----------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets (\$Billions) | | | | | |
| Advances | 43.7 | 44.4 | 45.6 | 46.6 | 40.6 |
| Cash and Liquidity Investments | 14.2 | 14.1 | 13.9 | 14.4 | 16.7 |
| MBS Investments | 22.7 | 22.5 | 22.0 | 21.3 | 20.5 |
| Private Label | 10.5 | 9.3 | 9.1 | 8.9 | 8.6 |
| Federal and Agency | 12.2 | 13.2 | 12.9 | 12.4 | 11.9 |
| Other Investments | 3.7 | 3.6 | 3.5 | 3.9 | 4.0 |
| Net Mortgage Loans | 1.3 | 0.9 | 0.9 | 0.8 | 0.8 |
| Other | 0.7 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total Assets | \$86.4 | \$85.8 | \$86.2 | \$87.2 | \$82.8 |
| Liabilities | | | | | |
| Bonds | 70.3 | 53.2 | 53.2 | 56.2 | 50.9 |
| Discount Notes | 5.2 | 24.2 | 24.9 | 23.5 | 24.4 |
| Deposits | 0.2 | 0.2 | 0.3 | 0.2 | 0.2 |
| Mandatorily Redeemable Capital Stock | 4.3 | 2.1 | 1.6 | 1.2 | 1.1 |
| Other | 0.7 | 0.4 | 0.6 | 0.4 | 0.4 |
| Total Liabilities | \$80.8 | \$80.1 | \$80.5 | \$81.5 | \$77.0 |
| Capital | | | | | |
| Capital Stock | 4.2 | 3.5 | 3.3 | 3.4 | 3.3 |
| Retained Earnings | 2.2 | 2.4 | 2.4 | 2.4 | 2.4 |
| Accumulated Other Comprehensive Income | -0.8 | -0.1 | -0.1 | 0.0 | 0.1 |
| Total GAAP Capital | \$5.6 | \$5.7 | \$5.6 | \$5.8 | \$5.8 |

Performance Measures

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------------------|-------|-------|-------------|-------------|-------------|-------------|-------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| | | | 2014 | 2014 | 2014 | 2014 | 2013 |
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.48% | 0.35% | 0.21% | 0.18% | 0.35% | 0.25% | 0.36% |
| Return on Equity (Annualized) | 9.44% | 5.36% | 3.11% | 2.80% | 5.25% | 3.73% | 5.41% |
| Net Interest Spread | 0.80% | 0.52% | 0.60% | 0.60% | 0.59% | 0.60% | 0.56% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 2.6% | 2.8% | 2.8% | 2.7% | 2.9% | | |
| GAAP Capital/Total Assets | 6.5% | 6.7% | 6.5% | 6.6% | 7.0% | | |
| Regulatory Capital/Total Assets | 12.4% | 9.2% | 8.5% | 7.9% | 8.2% | | |
| Permanent Capital/Required RBC | 264% | 203% | 197% | 196% | 197% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 102% | 103% | 103% | 104% | 104% | | |
| Market Value of Equity / Par Value of Capital Stk | 119% | 145% | 151% | 158% | 163% | | |
| Base Duration of Equity (years) | -0.30 | 1.63 | 1.49 | 1.27 | 1.27 | | |

FHLBank - Seattle

Income Statement

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|---------------------------------------|----------------|----------------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Interest Income (\$Millions) | | | | | | | |
| Advances | 97.3 | 75.4 | 16.3 | 17.4 | 17.2 | 50.8 | 58.7 |
| Investments | 156.5 | 157.9 | 41.8 | 41.2 | 44.0 | 127.0 | 116.2 |
| Mortgage Loans | 62.6 | 48.5 | 10.3 | 10.0 | 9.4 | 29.7 | 37.5 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Interest Income | \$316.3 | \$281.8 | \$68.4 | \$68.6 | \$70.6 | \$207.5 | \$212.4 |
| Interest Expense | | | | | | | |
| Bonds | 176.8 | 131.5 | 33.8 | 32.4 | 27.3 | 93.6 | 98.2 |
| Discount Notes | 16.4 | 11.9 | 2.3 | 2.1 | 2.6 | 7.1 | 9.7 |
| Other | 0.1 | 1.0 | 0.5 | 0.5 | 0.4 | 1.4 | 0.6 |
| Total Interest Expense | \$193.3 | \$144.5 | \$36.7 | \$35.0 | \$30.4 | \$102.0 | \$108.4 |
| Provision for Credit Losses | -2.9 | -1.1 | 0.2 | 0.1 | -0.3 | 0.1 | -1.0 |
| Net Interest Income | \$125.9 | \$138.5 | \$31.5 | \$33.4 | \$40.5 | \$105.4 | \$105.1 |
| Other Income | 24.2 | 9.8 | -0.7 | 2.8 | -0.9 | 1.2 | 4.1 |
| Operating Expenses | 64.8 | 70.4 | 17.5 | 18.5 | 21.1 | 57.1 | 48.2 |
| Other Expense | 6.7 | 9.6 | 1.4 | 1.3 | 1.3 | 4.0 | 8.1 |
| Income Before AHP Assessment | \$78.7 | \$68.4 | \$11.9 | \$16.4 | \$17.1 | \$45.4 | \$52.9 |
| Affordable Housing Program Assessment | 7.9 | 6.9 | 1.2 | 1.7 | 1.7 | 4.7 | 5.3 |
| Net Income | \$70.8 | \$61.4 | \$10.7 | \$14.8 | \$15.3 | \$40.8 | \$47.6 |

Balance Sheet

| | Dec 31 2012 | Dec 31 2013 | Mar 31 2013 | Jun 30 2014 | Sep 30 2014 |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets (\$Billions) | | | | | |
| Advances | 9.1 | 10.9 | 9.9 | 10.2 | 10.2 |
| Cash and Liquidity Investments | 13.0 | 8.2 | 9.8 | 9.6 | 7.3 |
| MBS Investments | 8.4 | 8.7 | 8.5 | 8.2 | 8.1 |
| Private Label | 1.9 | 1.7 | 1.7 | 1.7 | 1.6 |
| Federal and Agency | 6.5 | 7.0 | 6.8 | 6.5 | 6.5 |
| Other Investments | 3.6 | 7.1 | 7.0 | 7.7 | 8.6 |
| Net Mortgage Loans | 1.1 | 0.8 | 0.8 | 0.7 | 0.7 |
| Other | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Assets | \$35.4 | \$35.9 | \$36.1 | \$36.5 | 35.0 |
| Liabilities | | | | | |
| Bonds | 10.5 | 17.4 | 16.8 | 15.9 | 18.2 |
| Discount Notes | 21.4 | 15.0 | 15.6 | 17.2 | 13.3 |
| Deposits | 0.5 | 0.4 | 0.4 | 0.4 | 0.5 |
| Mandatorily Redeemable Capital Stock | 1.2 | 1.7 | 1.7 | 1.6 | 1.5 |
| Other | 0.2 | 0.2 | 0.4 | 0.2 | 0.3 |
| Total Liabilities | \$33.8 | \$34.7 | \$34.9 | \$35.4 | 33.8 |
| Capital | | | | | |
| Capital Stock | 1.6 | 0.9 | 0.9 | 0.9 | 0.9 |
| Retained Earnings | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Accumulated Other Comprehensive Income | -0.2 | -0.1 | 0.0 | 0.0 | 0.0 |
| Total GAAP Capital | \$1.6 | \$1.1 | \$1.2 | \$1.2 | \$1.2 |

Performance Measures

| | 2012 | 2013 | 1st Quarter 2014 | 2nd Quarter 2014 | 3rd Quarter 2014 | YTD 3rd Quarter 2014 | YTD 3rd Quarter 2013 |
|-----------------------------------------------------|-------|-------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.19% | 0.17% | 0.12% | 0.16% | 0.17% | 0.15% | 0.17% |
| Return on Equity (Annualized) | 4.98% | 5.04% | 3.69% | 4.81% | 5.11% | 4.55% | 5.05% |
| Net Interest Spread | 0.29% | 0.35% | 0.32% | 0.35% | 0.41% | 0.37% | 0.35% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 0.6% | 0.8% | 0.8% | 0.9% | 0.9% | | |
| GAAP Capital/Total Assets | 4.4% | 3.2% | 3.3% | 3.2% | 3.5% | | |
| Regulatory Capital/Total Assets | 8.4% | 8.2% | 8.0% | 7.7% | 7.8% | | |
| Permanent Capital/Required RBC | 219% | 209% | 208% | 207% | 210% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 95% | 100% | 99% | 99% | 100% | | |
| Market Value of Equity / Par Value of Capital Stock | 95% | 108% | 109% | 113% | 115% | | |
| Base Duration of Equity (years) | 1.46 | 0.03 | -0.22 | -1.44 | -0.01 | | |

FHLBank - Topeka

Income Statement

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Interest Income (\$Millions) | | | | | | | |
| Advances | 154.6 | 128.4 | 29.1 | 29.8 | 31.5 | 90.3 | 97.3 |
| Investments | 144.0 | 117.3 | 25.6 | 25.0 | 24.1 | 74.7 | 88.8 |
| Mortgage Loans | 194.4 | 195.6 | 50.8 | 50.8 | 51.1 | 152.7 | 145.1 |
| Other | 1.8 | 1.7 | 0.4 | 0.4 | 0.4 | 1.1 | 1.3 |
| Total Interest Income | \$494.8 | \$443.1 | \$105.9 | \$106.0 | \$107.0 | \$318.9 | \$332.3 |
| Interest Expense | | | | | | | |
| Bonds | 264.1 | 215.2 | 49.2 | 47.7 | 47.6 | 144.5 | 166.0 |
| Discount Notes | 9.2 | 8.9 | 1.8 | 1.7 | 2.7 | 6.3 | 6.7 |
| Other | 1.7 | 1.2 | 0.3 | 0.3 | 0.2 | 0.8 | 0.9 |
| Total Interest Expense | \$275.1 | \$225.3 | \$51.4 | \$49.7 | \$50.5 | \$151.5 | \$173.7 |
| Provision for Credit Losses | 2.5 | 1.9 | 0.3 | -2.1 | 0.1 | -1.7 | 2.1 |
| Net Interest Income | \$217.2 | \$215.8 | \$54.2 | \$58.4 | \$56.5 | \$169.1 | \$156.6 |
| Other Income | -43.1 | -30.8 | -16.7 | -13.2 | -10.8 | -40.6 | -27.6 |
| Operating Expenses | 42.1 | 43.2 | 10.6 | 10.5 | 11.8 | 32.9 | 30.4 |
| Other Expense | 9.4 | 9.6 | 2.2 | 3.0 | 2.1 | 7.3 | 7.4 |
| Income Before AHP Assessment | \$122.6 | \$132.3 | \$24.7 | \$31.8 | \$31.8 | \$88.3 | \$91.2 |
| Affordable Housing Program Assessment | 12.3 | 13.2 | 2.5 | 3.2 | 3.2 | 8.8 | 9.1 |
| Net Income | \$110.3 | \$119.0 | \$22.3 | \$28.6 | \$28.6 | \$79.5 | \$82.1 |

Balance Sheet

| | Dec 31 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|----------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | 2012 | 2013 | 2013 | 2014 | 2014 |
| Assets (\$Billions) | | | | | |
| Advances | 16.6 | 17.4 | 16.1 | 17.4 | 20.6 |
| Cash and Liquidity Investments | 3.6 | 2.6 | 2.8 | 2.6 | 5.1 |
| MBS Investments | 5.3 | 5.5 | 5.3 | 5.3 | 5.1 |
| Private Label | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 |
| Federal and Agency | 4.8 | 5.2 | 5.0 | 5.1 | 4.8 |
| Other Investments | 2.2 | 2.3 | 1.8 | 1.6 | 1.5 |
| Net Mortgage Loans | 5.9 | 5.9 | 6.0 | 6.1 | 6.2 |
| Other | 0.2 | 0.2 | 0.1 | 0.3 | 0.1 |
| Total Assets | \$33.8 | \$34.0 | \$32.1 | \$33.3 | \$38.5 |
| Liabilities | | | | | |
| Bonds | 22.0 | 20.1 | 19.8 | 19.4 | 20.0 |
| Discount Notes | 8.7 | 10.9 | 9.4 | 11.5 | 15.9 |
| Deposits | 1.2 | 1.0 | 1.0 | 0.8 | 0.7 |
| Mandatorily Redeemable Capital Stock | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total Liabilities | \$32.1 | \$32.1 | \$30.4 | \$31.9 | \$36.8 |
| Capital | | | | | |
| Capital Stock | 1.3 | 1.3 | 1.2 | 0.9 | 1.1 |
| Retained Earnings | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 |
| Accumulated Other Comprehensive Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total GAAP Capital | \$1.7 | \$1.8 | \$1.7 | \$1.5 | \$1.7 |

Performance Measures

| | 2012 | 2013 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | YTD |
|---------------------------------------------------|-------|-------|-------------|-------------|-------------|-------------|-------------|
| | | | 2014 | 2014 | 2014 | 3rd Quarter | 3rd Quarter |
| Profitability | | | | | | | |
| Return on Assets (Annualized) | 0.32% | 0.33% | 0.27% | 0.35% | 0.32% | 0.31% | 0.31% |
| Return on Equity (Annualized) | 6.23% | 6.37% | 4.91% | 7.48% | 6.93% | 6.36% | 5.85% |
| Net Interest Spread | 0.58% | 0.57% | 0.63% | 0.65% | 0.60% | 0.62% | 0.61% |
| Capital | | | | | | | |
| Retained Earnings/Total Assets | 1.4% | 1.7% | 1.8% | 1.8% | 1.6% | | |
| GAAP Capital/Total Assets | 5.1% | 5.3% | 5.4% | 4.4% | 4.4% | | |
| Regulatory Capital/Total Assets | 5.2% | 5.4% | 5.5% | 4.4% | 4.4% | | |
| Permanent Capital/Required RBC | 446% | 335% | 333% | 354% | 413% | | |
| Market Value | | | | | | | |
| Market Value of Equity / Book Value of Equity | 116% | 118% | 115% | 120% | 116% | | |
| Market Value of Equity / Par Value of Capital Str | 158% | 169% | 171% | 199% | 180% | | |
| Base Duration of Equity (years) | -0.57 | -0.23 | 0.12 | -0.16 | -0.71 | | |