



October 9, 2008

## **FOR IMMEDIATE RELEASE**

### **FHLBanks of Atlanta and Pittsburgh Each File a Form 8-K Describing Termination of Swap Transactions with Lehman Brothers Special Financing, Inc.**

Today, the FHLBank of Atlanta and the FHLBank of Pittsburgh each filed a Current Report on Form 8-K with the SEC discussing the actions it has taken in regard to swap terminations with and bankruptcy filings by Lehman Brothers Special Financing, Inc. (LBSF) and its parent guarantor, Lehman Brothers Holdings, Inc.

LBSF was a counterparty to each of the FHLBank of Atlanta and the FHLBank of Pittsburgh on multiple swap transactions documented under their respective International Swaps & Derivatives Association, Inc. master agreement (ISDA master agreement). In the case of each of these FHLBanks, the FHLBank pledged collateral to LBSF in an amount that exceeded the amount that may be owed under certain circumstances by that FHLBank to LBSF under its ISDA master agreement with LBSF following the termination of the swaps.

Each of the 12 FHLBanks has terminated substantially all of its swaps with Lehman entities under its ISDA master agreements with Lehman counterparties. Based on the settlement statements prepared by, or management estimates from, each of the 12 FHLBanks to date, the aggregate FHLBank System credit exposure to Lehman entities under ISDA master agreements is believed to be approximately \$260 million, including \$179 million of excess collateral pledged by the FHLBank of Atlanta and approximately \$41 million of excess collateral pledged by the FHLBank of Pittsburgh.

The FHLBanks reported combined net income for the six months ended June 30, 2008 of \$1.4 billion, a 13.3% increase from the \$1.2 billion recorded for the same period in the previous year. As of June 30, 2008, the FHLBanks had combined capital of \$56.6 billion.

For additional information, you may visit the websites of the FHLBank of Atlanta ([www.fhlbatl.com](http://www.fhlbatl.com)) and the FHLBank of Pittsburgh ([www.fhlpgh.com](http://www.fhlpgh.com)) and in each of the Current Reports on Form 8-K filed with the SEC by the FHLBank of Atlanta and the FHLBank of Pittsburgh. Please keep in mind that as SEC registrants, all individual FHLBanks are subject to periodic reporting requirements.

For additional information, you may visit the Office of Finance web site ([www.fhlob.com](http://www.fhlob.com)), the web sites of the individual Federal Home Loan Banks, and the EDGAR database.



The FHLBanks have delivered innovation and service to the U.S. housing market for 76 years, and currently have over 8,100 members in all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, and the Northern Mariana and the U.S. Virgin Islands. Please contact David Messerly at 703-467-3609 ([messerly@fhlb-of.com](mailto:messerly@fhlb-of.com)) for additional information.

*Statements contained in this release may be "forward-looking statements." By their nature, these forward-looking statements, including those regarding the ultimate resolution of the credit exposure to Lehman, are subject to risks and uncertainties related to the business of the FHLBanks and the general business environment, all of which are difficult to predict and many of which are beyond the control of the FHLBanks. These risks and uncertainties could cause actual results to differ materially from those expressed or implied in forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. Such risks and uncertainties include the following: changes in interest rates, housing prices, employment rates and the general economy; the size and volatility of the residential mortgage market; demand for FHLBank advances; volatility of market prices, rates, and indices or other factors, including natural disasters, that could affect the value of investments or collateral held by the FHLBanks as security; political events, including legislative, regulatory, judicial or other developments that affect the FHLBanks, their members, counterparties and/or investors in the consolidated obligations of the FHLBanks; competitive forces, including other sources of funding available to FHLBank members, and the ability to attract and retain skilled individuals; the pace of technological change and the ability to develop and support technology and information systems; changes in investor demand for consolidated obligations and/or the terms of interest-rate exchange agreements and similar agreements; the application of accounting rules, such as SFAS 133; and the ability to introduce new FHLBank products and services and successfully manage the risks associated with those products and services. Investors are encouraged to consider these and other risks and uncertainties that are discussed in periodic combined financial reports posted on the Office of Finance website, [www.fhlb-of.com](http://www.fhlb-of.com), and in reports filed by each FHLBank with the Securities and Exchange Commission.*