

Directors' Compensation

In accordance with Federal Housing Finance Board's regulation, FHLBank Pittsburgh has a formal policy governing the compensation and travel reimbursement provided to its directors. Directors are compensated based on the time spent on official FHLBank business and the level of responsibility assumed. Compensation is earned where fees were either deferred or paid for attendance at meetings. Directors are also reimbursed for reasonable and necessary FHLBank-related travel, subsistence and other related expenses under a policy similar to FHLBank's travel policy. Total directors' compensation and expense incurred by FHLBank during 2005 and 2004 were \$308,000 and \$341,000, respectively.