

334

MEMBERS

ONE

UNYIELDING
COMMITMENT

18 Years, One Dedicated Leader

FHLBank Pittsburgh recognizes James D. "Jay" Roy for 18 years of dedicated leadership and service as President and Chief Executive. Jay's vision advanced the mission of the FHLBank, the business of our members and the culture of our workplace. A grateful Board, management team and staff wish Jay and Ruth all the best in retirement.

As a cooperative institution, the Federal Home Loan Bank of Pittsburgh belongs to 334 member financial institutions, and to them we offer one unyielding commitment: total value. Whether a member looks to us as a liquidity source, a secondary market alternative, a community investment leader, or simply a sound investment — our commitment to be a strategic business partner, providing real and practical value, does not waver.

Financial Results

(dollars in millions, except per-share data)

	2005	2004	2003	2002	2001
Balances at Year-end					
Loans to members	\$47,493	\$38,980	\$34,662	\$29,251	\$29,311
Mortgage loans held for portfolio, net	7,652	8,645	8,016	4,853	1,835
Total assets	72,898	61,069	53,151	45,104	42,656
Total capital	3,260	2,761	2,334	1,818	1,972
For the Year					
Net income	\$ 191.8	\$ 118.9	\$ 68.7	\$ (27.0)	\$ 84.5
Earnings per share	\$ 6.72	\$ 4.53	\$ 2.99	\$ (1.38)	\$ 4.63
Weighted average dividend rate	2.82%	1.69%	2.20%	3.56%	6.50%
Performance Ratios					
Return on average capital	6.41%	4.46%	3.01%	(1.35)%	4.36%
Return on average assets	0.29%	0.20%	0.13%	(0.06)%	0.20%
Net interest margin	0.47%	0.52%	0.55%	0.47%	0.58%

Table of Contents

Financial Results	2
Message to Stockholders	3
283 Customers Borrow at Record Levels	6
54 Members Embrace Secondary Market Alternative	8
62 Banks Work as Partners to Improve Communities	10
334 Members Rely on a Solid Investment	12
147 Bankers Have Voice in Public Policy Debates	14
Board of Directors and their Consultants	16
Board Committees	17
Affordable Housing Advisory Council	18
Management Committee	19
Products and Services	20

Message to Stockholders

At a time of extraordinary change at FHLBank, it may seem surprising to focus our theme on unchanging commitment. Indeed, at FHLBank lately, change is a daily fact of life: new CEO and CFO, restated financial statements, a filed but not yet effective registration statement with the SEC, a new Strategic Plan. But at FHLBank Pittsburgh, regardless of what changes, our one steadfast commitment remains the same: to provide value to our members.

Our value proposition includes all facets of membership in FHLBank: ready access to attractively priced funding; a profitable secondary mortgage alternative; programs to build thriving communities; a risk-adjusted return on a safe and sound investment, and access to those who make policy for our industry. As the stories on the following pages tell, these are the key drivers of value for members of FHLBank Pittsburgh.

Strong Growth, Added Value In 2005 we achieved record earnings in FHLBank's 74-year history. Net income of \$191.8 million surpassed our previous record of \$173.2 million, achieved in 2000. Net income increased 61 percent from \$118.9 million in 2004 and nearly three-fold since 2003 when it was \$68.7 million. Asset size was \$72.9 billion at year-end, up from \$61.1 billion in 2004 and \$53.2 billion in 2003. Return on average capital was 6.41 percent in 2005, up from 4.46 percent a year earlier and 3.01 percent in 2003.

Our core business, loans to members, showed continued growth in 2005, with average balances at a record \$44.2 billion at year-end, versus \$37.7 billion for 2004, an increase of 17 percent. Advances hit an all-time high of \$56.0 billion in September, and by year-end, approximately 85 percent of all members had borrowed. Both of these measures testify to our value as a liquidity and funding source.

Our second business segment, the Mortgage Partnership Finance® (MPF®) Program, welcomed several new members, bringing to 54 those who view the program as a profitable and efficient secondary market alternative. We look forward to developing this business to provide even more value, especially to our community bank members.

Another measure of our value proposition is the popularity of Bank4Banks®.com, our secure Web site, which provides members with online transaction capabilities, applications for housing grants and a host of reports and calculations. Reflecting the very positive acceptance of this delivery channel, today 68 percent of eligible credit transactions and three-quarters of safekeeping functions are conducted via Bank4Banks.

FHLBank provides value through products and services that help customers meet their particular business goals. Because they are stockholders as well as customers, members also measure the value of membership in dividends. Our average dividend rate for 2005 was 2.82 percent, which represented 50 percent of the actual dividend rate earned. This 50 percent payout ratio reflects the Board's resolve to build retained earnings, which increased from \$77 million at year-end 2004 to \$188 million at year-end 2005.

Message to Stockholders

The Federal Housing Finance Board has proposed a rule that, among other things, would require each FHLBank to maintain a minimum level of retained earnings equal to \$50 million plus one percent of non-advance assets. For us, retained earnings required under the regulation as proposed would be at least \$314 million, based on the balance sheet at December 31, 2005, and likely would be higher. The proposed rule would restrict the amount of dividends any FHLBank could pay if its retained earnings were below that minimum, and would permit dividend payments only after net income for a quarter is calculated.

We recognize our regulator's desire for additional capital within the FHLBank System and understand the critical role of capital. Therefore, any modifications of capital requirements should reflect best practices of risk-related capital. Moving toward this should be a thoughtful, interactive process. Along with the other FHLBanks, we will work with the Finance Board to ensure that any additional capital requirements are appropriate and are phased in over a reasonable period, respecting our members' interests and preserving the Bank's value proposition.

Serving Communities Our commitment to community development once again included Affordable Housing Program grants for safe, decent low-cost housing, and Banking On Business assistance for creating and retaining jobs through small-business finance. An important milestone, the AHP marked 16 years of helping to make housing affordable for lower-income individuals and families. A pilot program in the Pittsburgh area called "My Money, My Life," co-sponsored by nine area financial institutions, Allegheny County and Neighborhood Housing Services, is teaching 1,000 young people how to budget, save and avoid predatory lenders. Last summer, FHLBank launched "Blueprint Communities," which is providing training and support to 22 selected Pennsylvania communities to help them plan and implement specific initiatives to revitalize their communities. Earlier this year, we re-introduced our easier-to-use first-time homebuyer program under its new name, First Front Door. We are hoping to help approximately 1,000 lower-income homebuyers realize the dream of homeownership with matching grants of up to \$5,000 for down payment and closing costs. We are privileged to serve our members and communities through these programs and to help where both the need, and the impact, are so great.

Financial Reporting This Review takes a different format than annual reports of the past due to our status as a filed, but not yet effective, SEC registrant. The accompanying financial information is being filed with the SEC in early June. Our registration is to become effective 60 days following the filing. During this period, discussions between FHLBank and the SEC continue and, as a result, the Form 10 can be amended and the numbers can change. It is best to consider the Form 10 as a "living document" and to receive updates, as they may be filed, via FHLBank's Web site or the SEC's EDGAR system.

Our initial registration statement — publicly filed with the SEC in June 2005, then withdrawn in August — included full 2004 financial statements. However, we are mindful that our stockholders have not seen an FHLBank annual report since the 2003 report came out in February of 2004, 28 months ago. The reason for the delay, as we have publicly and frequently communicated, was our decision to restate our financials back to 2001, primarily due to the manner in which management had applied Financial Accounting Standard No. 133, *Accounting for Derivative Instruments and Hedging Activities*. There is a detailed discussion explaining the specifics of the restatement, along with the related financial impacts, in the



John R. Price – President and Chief Executive Officer



Marvin N. "Skip" Schoenhals – Chairman of the Board of Directors

accompanying Form 10 registration statement, Note 1 and in Management's Discussion and Analysis, Item 2. As so many firms have found, SFAS 133 is not simple. Our restatement was a complex and time-consuming process that challenged management to re-examine our accounting for all hedging relationships and to make substantive changes to our application of hedge accounting. We are pleased that the restatement is behind us and we look forward to reporting regularly under the SEC disclosure requirements.

Direction and Governance The Board of Directors has always relied on the expertise of both its elected and its appointed members. Because we started 2006 with only two of our six appointed directorships filled, the Board took the step of adding three advisory board consultants to assist the Board. These consultants participate in every way except voting, thus providing their considerable knowledge and expertise to complement that of the elected and other appointed directors. Already we have seen how the diversity of knowledge, experience and wisdom has enhanced and complemented the Board.

Management, working closely with the Board, is finalizing a new Strategic Plan, which will provide a roadmap through 2008 and beyond. The plan identifies five strategic goals: re-establishing our customer-centric focus, maximizing member value, championing affordable housing and community development, enhancing our infrastructure and fostering a stimulating work environment. We believe these goals set the right direction at the right time because they focus squarely on our overarching commitment to our valued members, both as customers and as owners.

Looking Ahead In 2006, no doubt we will continue to experience change. Pending regulation and legislation, effective SEC registration, new people in new roles — all of these will surely have impact on the Bank. We will work to make the impact positive and the results beneficial for our members. We have confidence in the talent of our staff, the leadership of our Board and the loyalty of our customers.

A handwritten signature in black ink that reads "John R. Price". The signature is written in a cursive, slightly stylized font.

John R. Price
President and Chief Executive Officer

A handwritten signature in black ink that reads "Marvin Schoenhals". The signature is written in a cursive, slightly stylized font.

Marvin N. "Skip" Schoenhals
Chairman of the Board of Directors

June 6, 2006

Customers Borrow at Record Levels



Thomas Bailey – President and Chief Executive Officer, Brentwood Bank, Pittsburgh, PA

Members view FHLBank, first and foremost, as a funding source. They cite variety of products, attractive pricing and ease of use as the chief reasons why borrowing is the principal value of membership in FHLBank.

Thomas A. Westerlund – Member Money Desk, FHLBank Pittsburgh



Access to liquidity is the fundamental value of membership in FHLBank.

Commitment to its communities is the foundation of Brentwood Bank's success. Originally, that success was confined to Pittsburgh's South Hills. But more and more

lately, Brentwood is experiencing commercial lending growth in areas beyond its retail footprint. How can community-based Brentwood Bank afford continued commercial lending growth in today's rate environment? They have a funding partner at FHLBank's Member Money Desk.

With FHLBank advances, Brentwood Bank can remain true to its mission, heritage and geographic community base on the retail side, and simultaneously take advantage of growth opportunities on the commercial side.

Brentwood uses FHLBank advances to supplement deposit growth, which has not kept pace with loan growth in the current rate environment. As a principal funding strategy, Brentwood has used five-year adjustable-rate loans to lock in a spread and mitigate interest rate risk. Brentwood President and CEO Tom Bailey appreciates how the staff on the Member Money Desk offers options and ideas tailored to his business needs. "You tell them your issues and they make helpful suggestions," said Bailey.

Funding loan demand is not the only way Brentwood uses FHLBank advances. To increase earnings and bolster profitability, Brentwood also uses FHLBank as part of a leverage strategy with trust-preferred investments. "We've protected ourselves from interest rate risk because our trust-preferred investments and our FHLBank advances are both adjustable and parallel each other," said Bailey.

Tom Westerlund, of the Member Market Access department, works with members like Brentwood every day to find solutions for their particular liquidity and risk management needs. From simple overnight borrowings, to amortizing structures that mimic the loans members make in their communities, and on to sophisticated option-embedded loans, the Member Money Desk staff is always ready to consult with members.

Late-day availability, attractive pricing and custom-tailored solutions come standard at FHLBank. Perhaps that's part of the reason the Bank enjoyed record-level advances in 2005. "We are always ready to provide market information and choices regarding products and pricing to help our members achieve their goals," said Westerlund. "We can also offer risk management tools through FHLBank loans and provide access to the capital markets to members, who may not have access on their own."

Brentwood Bank is a textbook example of a member institution that knows how to maximize their use of FHLBank resources, and in doing so, is able to sustain record growth, mitigate interest rate risk and realize their unique business goals.

Bailey believes that FHLBank is a key partner in Brentwood's success — in achieving their corporate vision and their commercial lending strategy. Said Bailey, "And it's especially nice to call on someone who knows you and you know them."

Members Embrace Secondary Market Alternative



Robert J. Schoonover – President and Chief Executive Officer, Citizens Financial Corp, Elkins, WV

Participating financial institutions agree that being able to offer long-term, fixed-rate mortgages; retain customer contact; and generate fee income are the key benefits of the MPF Program.

Margaret A. Stemmler – MPF Program and Member Money Desk Operations, FHLBank Pittsburgh



A profitable secondary market alternative is a major value of membership in FHLBank.

Citizens National Bank of Elkins entered the secondary mortgage market four years ago. As they sold their mortgages, and the servicing along with them, Citizens saw their valued customer relationships slipping away. They discovered a solution in the MPF Program, which is offered by FHLBank Pittsburgh.

Holding long-term, fixed-rate mortgages in portfolio was not an option for Citizens National, because of low yields and high interest rate risk. Selling in the secondary market proved to be problematic, too, because when mortgages moved, servicing relationships moved along with them. Bob Schoonover, president and CEO of Citizens Financial Corp, holding company of Citizens National, understands the importance of relationships, especially in a small town. "Customer contact is a key component of our business, and we were losing contact with our customers by selling to mortgage companies. With the MPF Program, we continue to service our loans and keep the customer contact. That's a win-win situation."

Schoonover noted that fee income is another important benefit to the MPF Program. Rather than paying a guarantee fee that's usually much higher than their actual loss experience, Citizens National gets paid for their experience in managing credit risk and the high credit quality of their loans. "And another thing is the great service from FHLBank staff. They've driven down to Elkins I don't know how many times," said Schoonover, the first MPF customer in West Virginia.

Peggy Stemmler, who manages the MPF Program and Member Money Desk Operations, works with participating financial institutions every day to ensure the MPF Program is meeting their needs. From operational questions to onsite training, Stemmler is ready to help customers realize the benefits of the MPF Program.

It's a given that retaining the servicing on their mortgages is crucial to ongoing banking relationships, but beyond that, the MPF Program provides additional opportunities for relationship building at the retail level. Some community bankers report success in cross-selling home equity loans to their mortgage customers. Others can now offer products they were previously unable to offer to their customers, such as 30-year fixed-rate mortgages or down payments of less than 20 percent – and often with a lower interest rate.

But retail relationships aren't the only ones that matter with the MPF Program, according to Stemmler. "There's a reason partnership is this program's middle name," she said, noting that each and every MPF participant receives onsite training and ongoing personalized service. "We pay our participants instead of charging them a fee – a customer service innovation that community bankers just love," Stemmler said. Noting that there is no application fee to join the program, she added, "And, we don't penalize local lenders for being local; we offer competitive pricing to everyone." With the MPF Program, even the smallest lender can enjoy a big competitive advantage.

Banks Work as Partners to Improve Communities



Cathy Niederberger – Senior Vice President of Community Development Banking, PNC Bank, Pittsburgh, PA

Making the cash flows work for lower-income projects is a challenge that often requires many partners. FHLBank's community investment programs offer subsidies and low-cost loans that help members help communities.

David W. Buches – Community Investment, FHLBank Pittsburgh



Helping low-income families is a critical value of membership in FHLBank.

The very first funding round of FHLBank's Affordable Housing Program traces back to PNC Bank. In 1990, Founders Federal Savings & Loan, which today is part of PNC, received funding for a two-unit project called Lycoming Scattered Sites. Ever since, PNC or one of its ancestors has been a regular recipient of AHP funding. In consistently maintaining its Outstanding CRA rating, PNC has found a true community development partner in FHLBank Pittsburgh.

Community development projects often face obstacles not encountered outside of lower-income areas. In nearly every instance, a gap exists between the cost of building or rehabbing the project and the appraised value it will bring when the development is completed and occupied. For community developers like Cathy Niederberger of PNC Bank, managing layers of financing is a major challenge. "In low-income neighborhoods, it's seldom true that typical borrower's equity plus a bank loan equals the total development cost," she said. "More and more, we need to rely on subsidy to fill that gap, and seven or eight sources of funds isn't unusual for a development deal."

Niederberger cited FHLBank's Affordable Housing Program as an important resource for PNC in all of its communities, including much of FHLBank's region. She noted a fine line between over-subsidizing a project, which squanders subsidy dollars that could be used effectively elsewhere, and under-subsidizing a project, which makes it not viable. Niederberger considers AHP an important tool, one that helps reduce the effective cost of borrowing.

Dave Buches, of the Community Investment department, lives and works in Delaware, serving the eastern areas of FHLBank's region. Buches, also an Air Force reservist who earlier served the United States in Iraq and is currently serving in the Middle East again, works with member banks as well as with community groups to help ensure the flow of available funds to projects that need them most. He understands that the dollars in each FHLBank community investment program belong to the member banks and should be used in ways that benefit them and the communities they serve. "We have access to the experience of 334 banks, so sometimes we can help when a member has to confront a new problem," said Buches. "Also, we have the capacity to work on issues or programs that our members may not have the time or staff to do."

PNC finds value in FHLBank's community investment programs in two key ways: the funding itself and the relationships formed to help communities. The funding dollars available through programs such as the Affordable Housing Program and Banking On Business are critically important, according to Niederberger, but they are only half of the story. "Equally important is the relationship we enjoy with the staff of FHLBank, which has been great at opening doors to new community partners and inclusive in its approach to community investment work."

Members Rely on a Solid Investment



Stephen C. Nelson – President and Chief Executive Officer, Artisans' Bank, Wilmington, DE

Many members view their capital stock as a reliable investment that returns value – not only in risk-adjusted average dividends over many years, but in access to attractively priced loans on a moment's notice.

Marianne Kearney – Capital Markets, FHLBank Pittsburgh



Dividends, which come in various forms, are a basic value of membership in FHLBank.

When Artisans' Bank speaks of long-term financial health, they mean long. Founded in 1861, Artisans' began as a bank for working people, the "artisans."

Today, longevity, strength and commitment to community are still important values to Artisans' Bank.

As stockholders in FHLBank Pittsburgh, Artisans' views their capital stock as both an investment and an added resource. President and CEO Steve Nelson views FHLBank stock as a safe investment, pointing to FHLBank's AAA rating and risk-adjusted return. "Tremendous reporting and scrutiny substantiates the credit ratings, so of course stockholders are reassured by the Bank's triple-A rating," said Nelson. "Our stock ownership has value in two ways – becoming a member and being able to use FHLBank products and services, as well as providing a reasonable return."

Nelson noted that membership provides the opportunity to access FHLBank Pittsburgh as a short-term borrowing source. He considers this access to liquidity as an important benefit of membership. He pointed to FHLBank's focus on building retained earnings as prudent business practice, even though it reduced the cash dividends paid in 2004 and 2005. "Retained earnings are a positive and should be seen as such," he said. Noting that FHLBank derives earnings on its retained earnings, which can improve future net income, he added, "FHLBank's long-term financial health is very important."

Certainly, the retained earnings target will continue to be a focal point for both members and management. Whether it remains at the current \$200 million level set by the Board of Directors and achieved in the first quarter 2006, or is raised to a new level by regulation, FHLBank will always seek to pay an attractive dividend after retained earnings goals are achieved.

Marianne Kearney, of the Capital Markets department, works behind the scenes on proper investing, funding and hedging to ensure that FHLBank's capital and investments provide an attractive risk-adjusted return on a safe investment. "New complexity in the business and rapid change in the market create a need to run fast every day just to keep up with the expanding universe of capital markets instruments used to increase investment and hedging opportunities," said Kearney.

Although Kearney deals with sophisticated hedging structures and positions generally in the billions of dollars, she is well aware that her impact is not only on FHLBank's own balance sheet, but on the stockholders' as well. "For many members, our stock is one of the largest assets on their balance sheet," she noted. "Our job is to make sure the asset is safe and sound, and that it makes a reasonable return." For Steve Nelson, that attitude counts. "We rely on FHLBank, and we take comfort in the experience of the staff and the depth of management."

Bankers Have Voice in Public Policy Debates



Robert H. Young – Executive Vice President and Chief Financial Officer, WesBanco, Inc., Wheeling, WV

Elected officials are eager to understand how legislation can affect their constituents. The Public Policy Network helps bankers stay up to date on key issues and provides opportunities to exchange ideas with members of Congress.

William A. Miller – Government Relations, FHLBank Pittsburgh



Opportunities and tools to affect public policy are key values of membership in FHLBank's PPN.

WesBanco may not be big enough for the Bankers' Roundtable, but it's certainly big enough to have a keen understanding of the importance of public policy debates related to the financial services industry, as well as a sincere desire to be part of the discussion. They found a voice with FHLBank's Public Policy Network (PPN).

Over its 130-year history of growth and success, WesBanco has always maintained a commitment to the communities it serves. Rooted in a corporate culture that views success in growth and profitability, to be sure, but also in keeping communities alive, vital and progressive, it's no wonder WesBanco finds value in FHLBank's Public Policy Network. Executive Vice President and CFO Robert Young sees value in engaging members of Congress on how government-sponsored enterprises can help WesBanco serve its market. "Our senators and representatives need to be clear about the benefits of FHLBank locally. We appreciate FHLBank's value in advances and match-funding in our growth strategy, and in AHP opportunities that have really helped us serve the community."

Young stated that the PPN offers opportunities that complement the outreach of the state banking trade organizations. Attending meetings where he can meet other leaders also dedicated to improving their communities, receiving updates on key banking and housing issues, and interacting with members of Congress directly are all reasons Young finds value in the PPN. "I like being involved, but I also consider it a responsibility. If we want our representatives in Congress to understand the issues that are important to us, then we need to help them gain that understanding."

Bill Miller, of the Government Relations department, works with member financial institutions as well as affordable housing advocates, builders, real estate professionals and local governments. His focus is to ensure that elected officials understand and appreciate the value that the entire network brings in making the region's communities better places to live and work. "The PPN provides information and activities that are valuable and free, and that help our members become better advocates. Becoming a member doesn't involve a big commitment of time," said Miller. "Together, we can be a powerful voice in shaping public policy and ensuring FHLBank's ability to remain a strong partner in our members' success."

Having been interested in legislative affairs prior to his tenure at WesBanco, Young echoes the importance of strength in numbers. He noted that the banking trades do an excellent job in keeping members informed and involved, and that the PPN is one more avenue to make a difference. "Dialogue is critically important. As bankers, we need to be engaged, and we need to be heard." The PPN offers an opportunity for both.

Board of Directors and their Consultants

Marvin N. Schoenhals – Chairman

*Chairman, President and
Chief Executive Officer*

Wilmington Savings Fund Society, FSB
Wilmington, Delaware

Dennis M. Marlo – Vice Chairman

*Retired Chief Risk Management Officer
and Executive Vice President*

Sovereign Bancorp, Inc.
Reading, Pennsylvania

Basil R. Battaglia

President and Chief Executive Officer

Beckwith Title Company and
Beckwith Consulting
Wilmington, Delaware

David W. Curtis

Executive Vice President

Leon N. Weiner & Associates, Inc.
Wilmington, Delaware

H. Charles Maddy III

President and Chief Executive Officer

Summit Financial Group, Inc.
Moorefield, West Virginia

Frederick A. Marcell Jr.

*President, Chief Executive Officer
and Director*

Willow Grove Bank
Maple Glen, Pennsylvania

Edwin R. Maus

*President, Chief Executive Officer
and Director*

Laurel Savings Bank
Allison Park, Pennsylvania

Edward J. Molnar

Chairman and Chief Executive Officer

Harleysville Savings Bank
Harleysville, Pennsylvania

Paul E. Reichart

Chairman of the Board

Columbia County Farmers National Bank
Bloomsburg, Pennsylvania

Gerard M. Thomchick

President and Chief Executive Officer

First Commonwealth Bank
Chief Operating Officer
First Commonwealth Financial Corporation
Indiana, Pennsylvania

Cecil H. Underwood

Chief Executive Officer

Cecil H. Underwood Institute
Charleston, West Virginia

Advisory Board Consultants

The Reverend Luis Antonio Cortés Jr.

President

Nueva Esperanza, Inc.
Philadelphia, Pennsylvania

J. Ardie Dillen

President

JAD Advisory Services, LLC
Gibsonia, Pennsylvania

Sarah E. Peck

President

Progressive Housing Ventures, LLC
Malvern, Pennsylvania

Board Committees

Audit Committee

The Audit Committee serves the Board of Directors by providing general oversight of FHLBank Pittsburgh's financial reporting processes and the audit of FHLBank's financial statements, including the integrity of FHLBank's financial statements; FHLBank's administrative, operating and internal accounting controls; FHLBank's compliance with legal and regulatory requirements; the independent auditors' qualifications and independence; and the performance of FHLBank's internal audit function and independent auditors.

Chairman: C. Maddy III

Members: B. Battaglia, D. Curtis, D. Marlo, G. Thomchick, W. Eayre (secretary)

Advisory Board Consultant: A. Dillen

Community Investment and Public Policy Committee

The Community Investment and Public Policy Committee serves the Board of Directors by providing guidance and oversight of FHLBank Pittsburgh's fulfillment of its affordable housing and community investment mission; the relationship between the Board and the Affordable Housing Advisory Council; actions to enhance public awareness of FHLBank and its contributions in both the private and public sector; and legislative and regulatory developments which affect FHLBank's mission or influence its definition.

Chairman: P. Reichart

Members: B. Battaglia, F. Marcell Jr., E. Molnar, C. Underwood, J. Bendel (secretary)

Advisory Board Consultants: L. Cortés Jr., S. Peck

Executive Committee

The Executive Committee exercises all of the powers of the Board of Directors in the management and direction of the affairs of FHLBank Pittsburgh during the intervals between the regular meetings of the Board of Directors in all cases in which specific directions were not provided for by the Board of Directors.

Chairman: M. Schoenhals

Members: C. Maddy III, D. Marlo, E. Maus, P. Reichart

Finance and Risk Management Committee

The Finance and Risk Management Committee serves the Board of Directors by providing guidance and oversight of the integration of risk management in FHLBank through the enterprise risk management (risk) process as well as financial management and member product policies and practices. The committee monitors the risk framework, promotes effective management of all risk categories, and fosters the establishment and maintenance of a risk culture throughout FHLBank.

Chairman: D. Marlo

Members: D. Curtis, C. Maddy III, E. Maus, G. Thomchick, M. Hemphill (secretary)

Advisory Board Consultant: A. Dillen

Governance Committee

The Governance Committee serves the Board of Directors by developing and maintaining best practices in governing FHLBank Pittsburgh. In this role, the Governance Committee monitors a process to assess Board effectiveness and develops and implements the Bank's corporate governance guidelines. The committee assists the Board by overseeing the election of directors process and also by serving as the nominating committee for the appointment of members to committees and for the election of chair and vice chair of the Board of Directors.

Chairman: G. Thomchick

Members: B. Battaglia, D. Curtis, F. Marcell Jr., E. Molnar, D. Yealy (secretary)

Advisory Board Consultant: A. Dillen

Human Resources Committee

The Human Resources Committee serves the Board of Directors by providing oversight and guidance with respect to Human Resources policies and practices; assuring that FHLBank creates and maintains competitive programs which attract, develop, motivate, reward and retain employees committed to superior performance and the highest professional and ethical standards; that the Human Resources policies support FHLBank's strategic mission and comply with all applicable legal and regulatory requirements; that a senior leadership succession plan is in place; and for the review of FHLBank officer appointments and executive compensation and benefits.

Chairman: E. Maus

Members: F. Marcell Jr., E. Molnar, P. Reichart, C. Underwood, J. Heidelberg (secretary)

Advisory Board Consultants: L. Cortés Jr., S. Peck

Affordable Housing Advisory Council

Christopher Gulotta – Chairman

Executive Director

Redevelopment & Housing Authorities
of Cumberland County
Carlisle, Pennsylvania

Glenn Brooks – Vice Chairman

Senior Vice President

Leon N. Weiner & Associates, Inc.
Wilmington, Delaware

Daniel Betancourt

President and CEO

Community First Fund
Lancaster, Pennsylvania

Patrick A. Bond

General Partner

Mountaineer Capital
Charleston, West Virginia

Paul F. Calistro Jr.

Executive Director

West End Neighborhood House
Wilmington, Delaware

Tamara Cansler

President and Owner

Cansler Investment Group
Coatesville, Pennsylvania

Beverly Coleman

Program Director

Philadelphia Neighborhood Development
Collaborative
Philadelphia, Pennsylvania

Gloria Guard

President

People's Emergency Center
Philadelphia, Pennsylvania

Lamont McClure

Executive Director

Carbon County Housing Authority
Lehighton, Pennsylvania

Ronald Miller

Executive Director

Neighborhood Housing Services of Reading, Inc.
Reading, Pennsylvania

Charles G. Scalise

Executive Director

Housing and Neighborhood Development Service
(HANDS)
Erie, Pennsylvania

Larry Segal

Executive Director

Governor's Office of Affordable Housing
& Community Revitalization
Harrisburg, Pennsylvania

Brenda Wells

Director, Western PA Region

Pennsylvania Housing Finance Agency
Pittsburgh, Pennsylvania

Robert Yoder

President

Yoder Builders, Inc.
Turbotville, Pennsylvania

Management Committee

John R. Price

President

Chief Executive Officer

Joined the Bank in January 2006

William G. Batz

Chief Operating Officer

Joined the Bank in November 1988

Paul H. Dimmick

Managing Director, Capital Markets

Joined the Bank in August 2003

Teresa M. Donatelli

Chief Information Officer

Joined the Bank in November 1992

J. Michael Hemphill

Chief Risk Officer

Joined the Bank in April 2000

Craig C. Howie

Group Director, Member Market Access

Joined the Bank in December 1990

Kristina K. Williams

Chief Financial Officer

Joined the Bank in December 2004

Dana A. Yealy

General Counsel

Joined the Bank in May 1986

Products and Services

FHLBank Pittsburgh offers a wide range of products and services to help members meet local credit needs, manage interest rate risk, serve their communities and enhance profits.

Bank4Banks®

Financial institutions with access to Bank4Banks, FHLBank Pittsburgh's private transactional Web site, benefit from the ease, control and convenience of electronic delivery. The members-only secure site allows authorized users to view and print reports, execute transactions and access information such as loan rates and weekly financial summaries. Members can also use Bank4Banks to submit Affordable Housing Program applications electronically.

Mortgage Partnership Finance® (MPF®) Program

FHLBank Pittsburgh offers members the MPF Program as an alternative for selling long-term fixed-rate mortgages, with options that include closed-loan purchases and actual/actual or scheduled/scheduled remittance. The program will fund conforming fixed-rate mortgages with terms up to 30 years. Through the program, members are paid a fee for assuming a portion of the credit risk while FHLBank takes on the interest rate risk of the mortgage.

Credit Products

The credit resources of FHLBank Pittsburgh provide funding to help members manage liquidity, improve interest rate risk profiles, manage the mix of assets and liabilities, improve margins and enhance profitability. Products available through FHLBank's Member Money Desk include RepoPlus, Open RepoPlus and Mid-Term Repo advances, adjustable- and fixed-rate loans, amortizing loans, Convertible Select, Hedge Select, and returnable loans, interest rate exchange products and Letters of Credit.

Correspondent Banking Services

FHLBank Pittsburgh offers customers an array of financial services through the Correspondent Banking Services Department. Within the department are units that provide Depository Services, Electronic Funds Transfer Services and Safekeeping Services. Complementing these units is the Compliance, Analysis and Quality Assurance Center.

Community Investment

FHLBank Pittsburgh works to foster affordable housing and community development opportunities in very-low-, low- and moderate-income areas through advocacy, creative financing and technical assistance. FHLBank offers the Affordable Housing Program (AHP), the Banking On Business (BOB) program, the Community Lending Program (CLP) and First Front Door (FFD). The district-wide Pillars of the Community awards honor community investment development projects each year.

"Bank4Banks" is a registered trademark of the Federal Home Loan Bank of Pittsburgh.

"Mortgage Partnership Finance" and "MPF" are registered trademarks of the Federal Home Loan Bank of Chicago.

Corporate Information

Contact Information

Phone: 412-288-3400
Toll-Free: 1-800-288-3400
Fax: 412-288-0117
E-mail: pr@fhlb-pgh.com

Independent Accountants

PriceWaterhouseCoopers, LLP

Internet Access

www.fhlab-pgh.com
www.bank4banks.com

(private transactional Web site for members only)

Investor Information and Publications

Submit requests for copies of communications to stockholders via:

Phone: 412-288-3400
Toll-free: 1-800-288-3400
Fax: 412-288-2899
E-mail: pr@fhlab-pgh.com
Internet: www.fhlab-pgh.com/contact_fhlab.html

Profile

The Federal Home Loan Bank of Pittsburgh is one of twelve Federal Home Loan Banks created by Congress in 1932 to promote housing finance. Each FHLBank, named for the city in which it resides, serves its own geographic region. FHLBank Pittsburgh currently serves 334 member financial institutions in Delaware, Pennsylvania and West Virginia. The Bank's 250 employees work with members as strategic business partners to provide tailored solutions to customers' business challenges, helping them meet the specialized credit needs of the communities they serve.

The Federal Home Loan Bank of Pittsburgh is an Equal Opportunity Employer and takes employment action without regard to race, religion, color, sex, national origin, age, disability, veteran's status, ancestry or sexual preference.



Federal Home Loan Bank Building

601 Grant Street

Pittsburgh, PA 15219-4455

412.288.3400

Public: www.fhlp-pgh.com

Members: www.bank4banks.com