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FOR IMMEDIATE RELEASE:

All Federal Home Loan Banks Complete the SEC Registration Process

Office of Finance Announces Second Quarter 2006 Combined Operating Highlights

The FHLBanks Office of Finance is pleased to announce that all twelve Federal Home Loan Banks have effective SEC registration statements. Current financial reports for the individual FHLBanks, along with other SEC filings, can be obtained by searching the EDGAR database. It is expected that the increased transparency of SEC registration will ultimately benefit members, investors, and the FHLBank System itself.

Also, we are pleased to provide second quarter 2006 preliminary combined operating highlights for the Federal Home Loan Banks. These highlights have been prepared from unaudited combined 2006 and 2005 financial information not yet reviewed by our independent registered public accounting firm. These highlights are subject to change due to subsequent events, including additional reviews from Office of Finance management and others. Any changes, including those arising from any audit adjustment, could be material.

Balance Sheet Highlights:

Combined total assets increased to \$1.0 trillion at June 30, 2006 compared with \$997 billion at the close of 2005. Advances (secured loans to members) increased 3% to \$638 billion and represented 63% of total assets. Investments rose 2% to \$272 billion, and member mortgage assets, at \$102 billion, were down 3% from year-end. The principal investments of the FHLBanks are mortgage-backed securities, overnight and term Federal funds sold, commercial paper and GSE securities.

Operating and Capital Results:

Combined net income for the three months ended June 30, 2006 increased 136% to \$648 million, compared with \$274 million for the three months ended June 30, 2005. Combined net income for the six months ended June 30, 2006 increased 32% to \$1.3 billion, compared with \$960 million for the six months ended June 30, 2005. Total combined capital rose to \$45 billion at June 30, 2006, a 2% increase from December 31, 2005. Net income increased in 2006 over 2005 primarily due to the impact of Statement of Financial Accounting Standard No. 133, as well as higher interest rates on invested capital. FHLBank Affordable Housing Program contributions were \$73 million in the second quarter of 2006, up from \$31 million in the second quarter of 2005, due to the increase in earnings. FHLBank Affordable Housing Program contributions were \$144 million in the first six months of 2006, up from \$108 million in the first six months of 2005, due to the increase in earnings.

Status of Combined Financial Reporting:

As of August 8, 2006, all twelve FHLBank SEC registrations were effective, marking the successful



completion of a long, complex process. Currently, the Office of Finance is working to prepare the 2005 Combined Financial Report. This report will contain audited combined data from 2003 through 2005, and will be published on the Office of Finance website as soon as practicable. At this time, it is also expected that combined financial reporting will return to its normal publication schedule with the 2006 annual Combined Financial Report, and continuing with subsequent quarterly reports for 2007.

About the FHLBanks

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

The FHLBanks have delivered nearly 75 years of innovation and service to the U.S. housing market, 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 U.S. Virgin Islands. Please contact Mike Ciota at 703-467-3608 (ciota@fhlb-of.com) for additional information.

Statements contained in this release may be "forward-looking statements." By their nature, these forward-looking statements, including those related to the publication of financial reports, are subject to risks and uncertainties related to the operations of the FHLBanks and the business environment, all of which are difficult to predict and many of which are beyond the control of the FHLBanks. These risks and uncertainties could cause actual results to differ materially from those expressed or implied in forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. Such risks and uncertainties include the following: 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 FAS 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 OF website, www.fhlb-of.com, and in reports filed by each FHLBank with the Securities and Exchange Commission.