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601 Grant Street
Pittsburgh, PA 15219
www.fhlp-pgh.com

Summary Annual Report

FHLBank Pittsburgh

Financial Results

Annual Data (dollars in millions)

	2017	2016	2015	2014
Balances at Year-end				
Advances	\$74,280	\$76,809	\$74,505	\$63,408
Mortgage loans held for portfolio, net	3,923	3,391	3,087	3,123
Total assets	99,663	101,260	96,330	85,671
Total capital	4,928	4,794	4,502	4,003
For the Year				
Net income	\$339.6	\$260.0	\$256.5	\$255.8
Weighted average dividend rate	4.70	4.71	5.22	3.65
Performance Ratios				
Return on average equity	7.17%	5.96%	6.16%	6.83%
Return on average assets	0.35%	0.28%	0.29%	0.36%
Net interest margin	0.46%	0.38%	0.36%	0.40%

2018 Executive Committee

Winthrop Watson
President and Chief
Executive Officer

John P. Cassidy
Chief Information Officer

David Paulson
Chief Financial Officer

Kristina K. Williams
Chief Operating Officer

Carolyn McKinney
Chief Human Resources
Officer

Michael A. Rizzo
Chief Risk Officer

We will note 2017 as a high-water mark for FHLBank Pittsburgh: record financial performance, enhanced quarterly and community dividends, and success in key mission products. Our performance reflects the relevance of our products and services to our members' strategic business needs. It vitalizes the communities that we and our members are pleased to serve together. And, importantly, it affirms the power of our mission.

This summary annual report provides selected financial information for 2017. To review the full annual report on Form 10-K, please visit the Financials & Capital area of our website at www.fhlp-pgh.com

Dana A. Yealy
Managing Director,
General Counsel and
Corporate Secretary



To our Membership

We will remember 2017 as a year of stability and strength, planning and progress, success and optimism.

With stocks and interest rates up, taxes down, and recent economic reports generally favorable, we, like most of our industry, share a sense of confidence for our business.

Our attitude is punctuated by record earnings, record average advances and record contributions to affordable housing programs. We celebrate these mileposts, yet are gratified more by the stability and strength that underlie these results and allow us to achieve the Bank's mission each and every day.

FINANCIAL HIGHLIGHTS

Net income for 2017, \$339.6 million, marked the fourth consecutive year of record earnings and substantially outpaced 2016's record of \$260.0 million. Advances at year-end totaled \$74.3 billion, down from \$76.8 billion for 2016; however, average advances for the full year were \$72.5 billion, the highest full-year average ever and a major driver of our success. Total retained earnings reached a record of \$1.2 billion.

QUARTERLY DIVIDENDS

Based on this robust performance, we have been able to increase returns to our membership. In February 2018, the Board of Directors declared dividends of 6.75 percent annualized on activity stock and 3.50 percent annualized on membership stock, and we anticipate maintaining similar rates for dividends paid throughout 2018.

COMMUNITY DIVIDENDS

In addition to quarterly dividends on capital stock, members have access to "community dividends," which offer returns to members, communities and individuals.

In 2017, community dividends were significant. The Affordable Housing Program committed \$23.4 million in our largest funding round ever, funding 52 projects that support more than 1,500 households. First Front Door committed \$9.5 million to help



1,913 first-time homebuyers with down payment and closing cost assistance. Banking On Business provided \$6 million to help 73 small businesses secure financing and create or retain 891 jobs. These products, along with Blueprint Communities® and our Community Lending Program's \$1.25 billion revolving loan pool, provide business advantages to our members and offer support – in the form of housing, community development, jobs and dreams – in the communities they serve.

As a result of our continued success, we are bolstering our commitment to communities. For 2018, the Board has committed \$4.8 million for Home4Good, a new grant initiative to support individuals and families who are homeless or at risk of becoming homeless. The initiative will be offered in partnership with the housing finance agencies in each of our three states with participation from our members. We are truly pleased to be in a position to help combat the devastating problem of homelessness with this newest community dividend.

MISSION AND MEMBERS

Our mission states: we assure the flow of credit to our members to support housing finance and community lending, and we provide related services that enhance their businesses and vitalize their communities. Three key words define this mission and our focus in managing the Bank: liquidity, housing, community. Achieving this mission safely and reliably, day in and day out, is the purpose of the co-op.

We enjoyed significant success in three products that are key mission assets for us and important drivers of business for you: advances, letters of credit and the Mortgage Partnership Finance® (MPF®) Program. Record average advances demonstrate that readily available, affordable liquidity is crucial to our membership. Letters of credit continued a trend of new users in 2017 when 83 members used the product. The third key mission asset, MPF, ended the year 16 percent ahead of year-end 2016. These numbers reflect the relevance of our products to your business.

Fulfilling our mission requires more than offering attractively priced products that meet member needs. We must also safeguard those assets and your capital. Our risk management programs, governed by Board-level risk governance policies, underlie every aspect of our business: asset/liability management, operations, credit and collateral practices, modeling, fraud protection, cybersecurity and business continuity planning. We remain focused on managing these risks every day.

LOOKING AHEAD

As we look to 2018 and beyond, we understand that we are faced with political, regulatory, economic and technological uncertainties. Our strategic plan, "Expecting the Unexpected," considers the array of uncertain issues as much as we can envision them.

We have confidence that our financial strength and flexibility provide a platform for us to withstand the challenges and to optimize the positive possibilities of the uncertainty ahead. We also believe that a broad range of perspectives, experiences and ideas is crucial to our ongoing success in an uncertain, ever-changing world. We promote diversity and inclusion among our Board, our staff and our consultants and vendors in order to make the Bank stronger – better able to fulfill our mission, serve our membership and achieve success.

We are prepared to expect the unexpected, and we look to the future with optimism.

As it has in the past, our future success will include many partners. We are indebted to our Board of Directors, your representatives, for their leadership and guidance. Especially, we thank Pam Godwin, Brian Hudson, Gerald Plush and Jim Reske for their contributions during their terms on the Board. We also appreciate the dedication and sound advice of the Affordable Housing Advisory Council and are grateful to the many associates – housing advocates, community leaders, government officials and friends – who support our mission. Our industry is stronger and our communities are better for the work we do together. Most of all, we thank you, our members. There is no FHLBank without you, and we are privileged to work on your behalf every day.


Patrick A. Bond
Chairman of the Board of Directors


Winthrop Watson
President and CEO

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2018 Board of Directors

