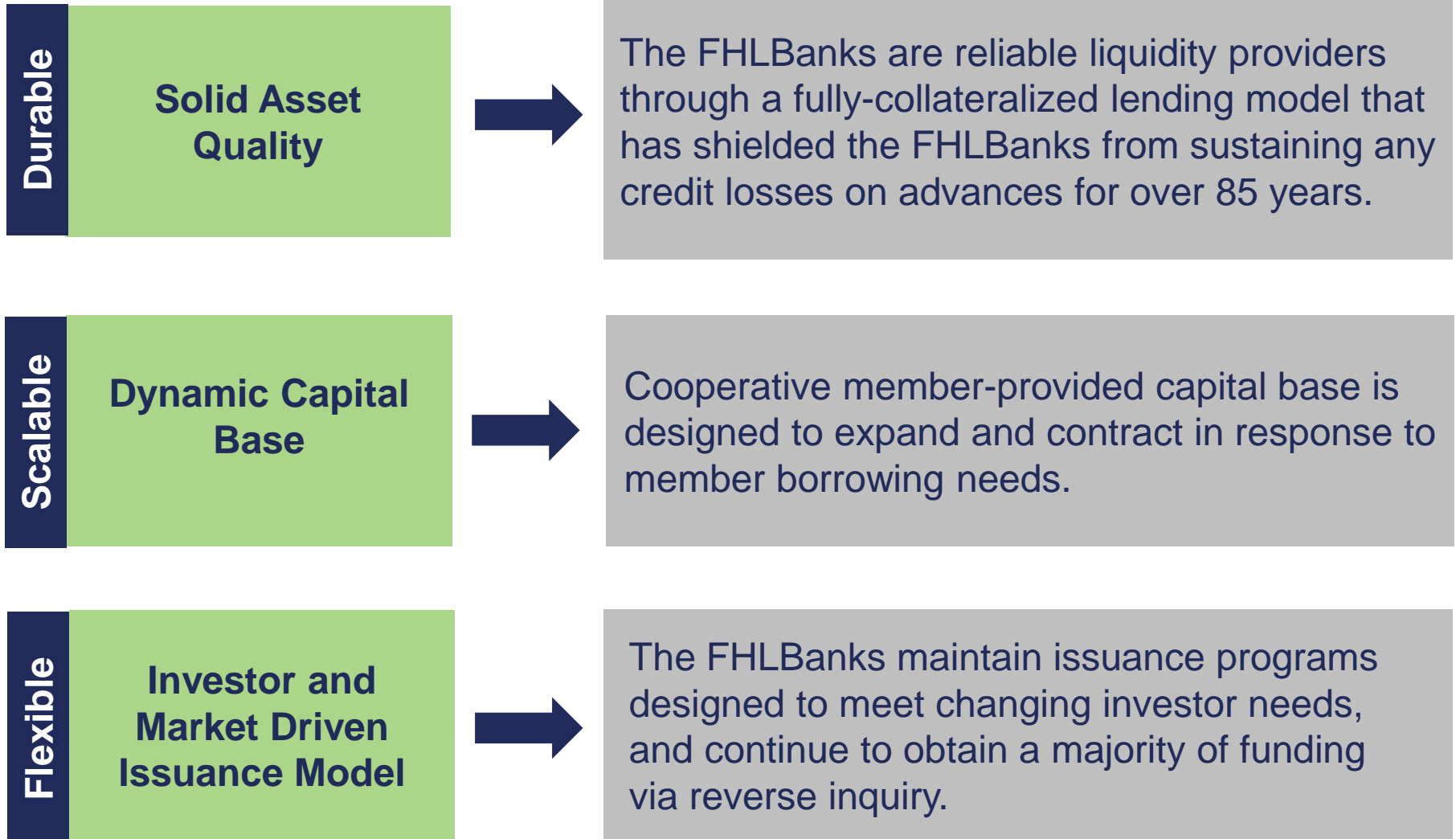




**APT US&C Annual Conference
Oklahoma City**

July 2019

FHLBanks are High-Quality, Low-Risk Housing GSEs

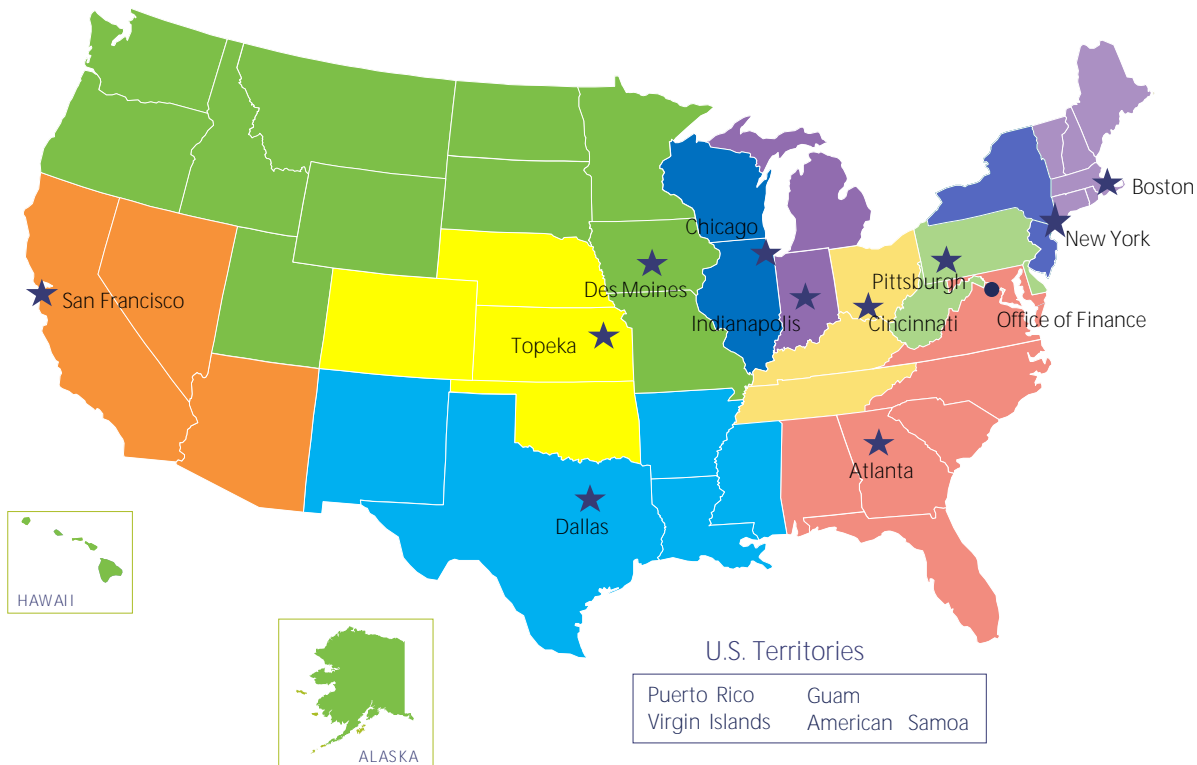


FHLB System Overview

The 11 FHLBanks are government-sponsored enterprises (GSEs) organized as cooperatives under an act of Congress (Federal Home Loan Bank Act of 1932)

FHLBanks serve the general public by providing readily available, low-cost funding to approximately 6,800 members, thereby increasing the availability of credit for residential mortgage lending and investment in housing and community development

FHLBanks fund their operations principally through the sale of debt securities through the Office of Finance



Combined Financial Highlights

(\$ in billions)	2014	2015	2016	2017	2018	1Q2019
Advances (Secured Loans)	571	634	705	732	729	671
Cash & Liquidity	108	107	115	133	120	140
Term Investments	188	181	185	184	187	202
Mortgage Loans Held for Portfolio ⁽¹⁾	44	44	48	54	63	64
Total Assets	913	969	1,056	1,103	1,103	1,082
Retained Earnings	13.2	14.3	16.3	18.1	19.5	19.8
Total Capital (GAAP)	47	48	53	56	58	56
Regulatory Capital ⁽²⁾	50	49	54	57	59	57
Regulatory Capital Ratio ⁽³⁾	5.43%	5.10%	5.14%	5.17%	5.36%	5.24%
Net Income	2.3	2.9	3.4	3.4	3.5	0.9

(1) MPF®/MPP

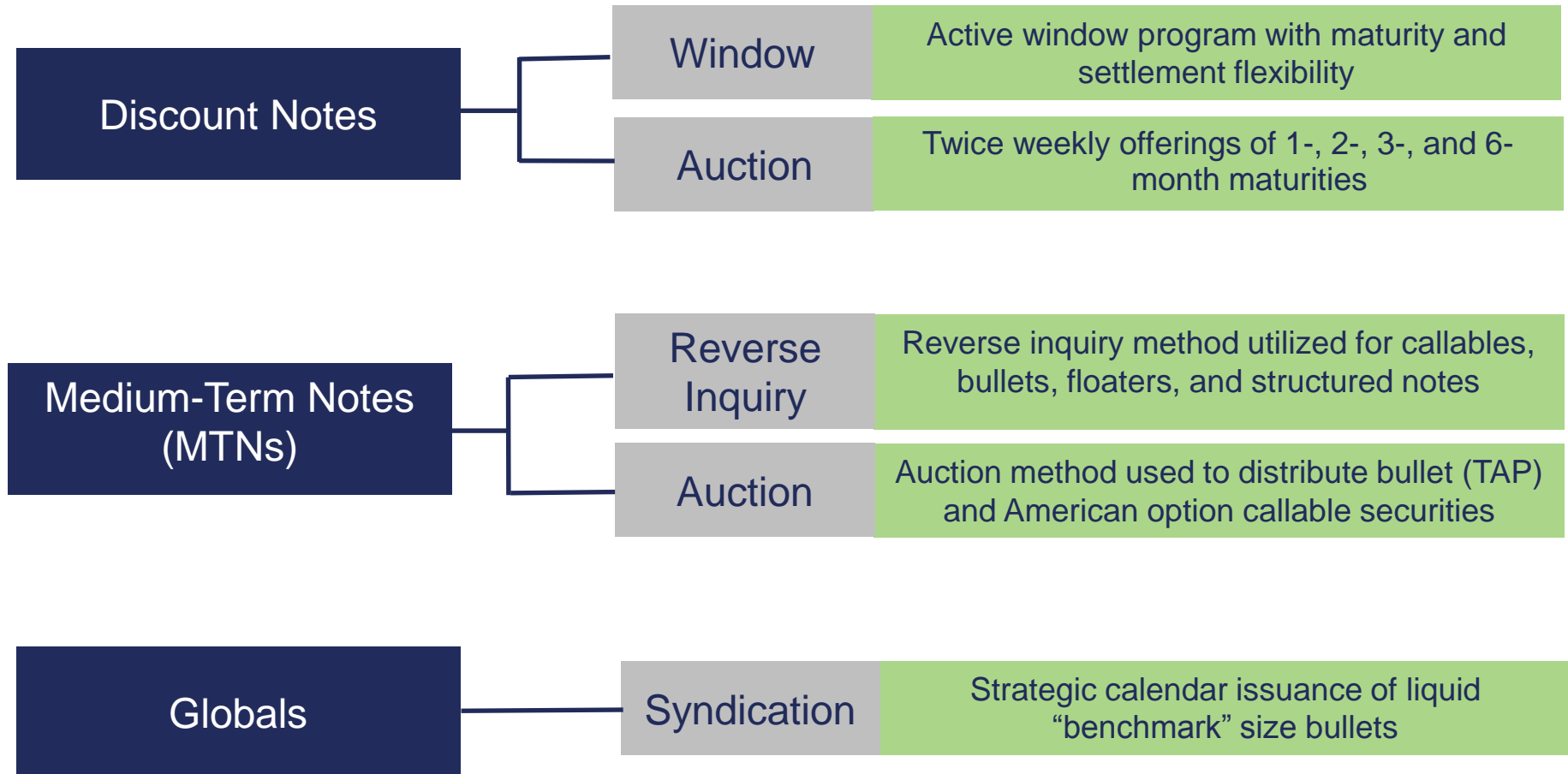
(2) The difference between total capital (GAAP) and regulatory capital relates primarily to accumulated other comprehensive income (loss), which is excluded from regulatory capital, and mandatorily redeemable capital stock, which is included in regulatory capital.

(3) Each FHLBank maintains a minimum 4% regulatory capital-to-asset ratio



Debt Issuance Programs

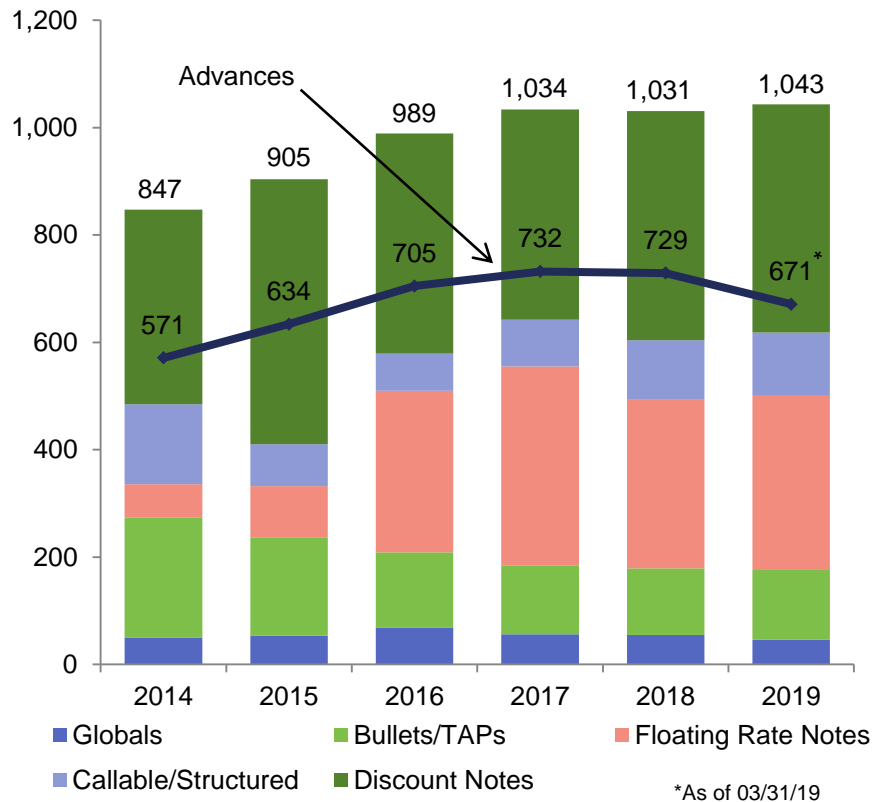
FHLBanks Use Multiple Debt Programs and Issuance Methods



Debt Profile Reflects Member and Investor Demand

Total Debt Outstanding

(\$ in billions)

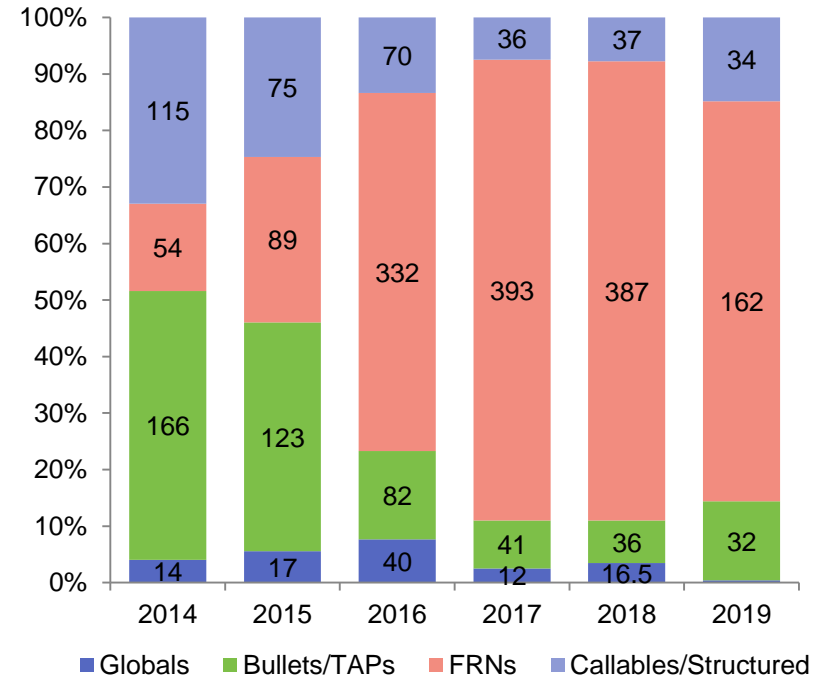


Bond Issuance*

(\$ in billions)

Gross Issuance:

349	304	524	482	477	229
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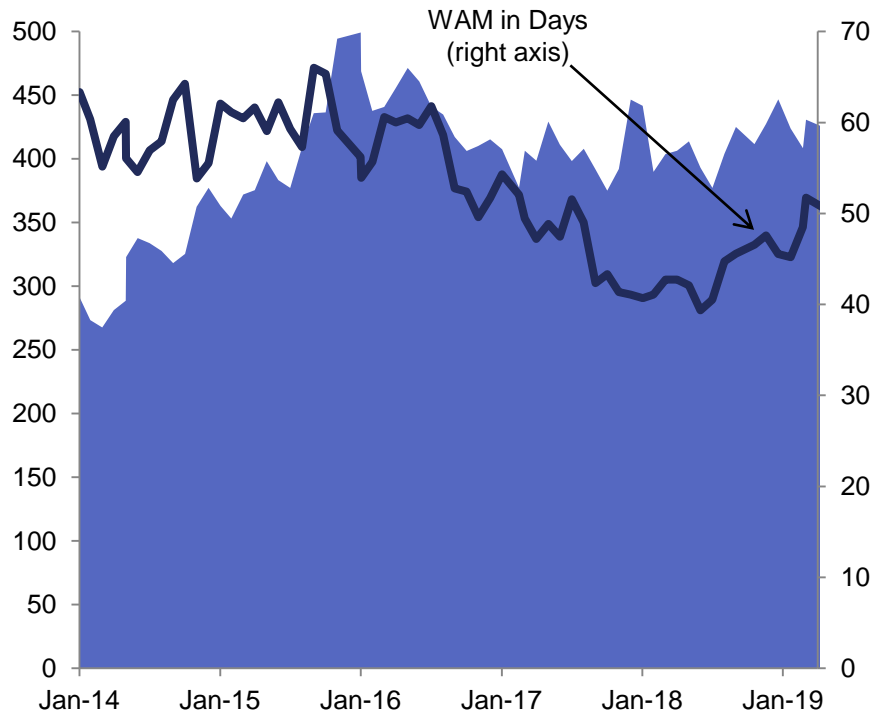


*Coupon debt only – excludes discount notes

Discount Note Program

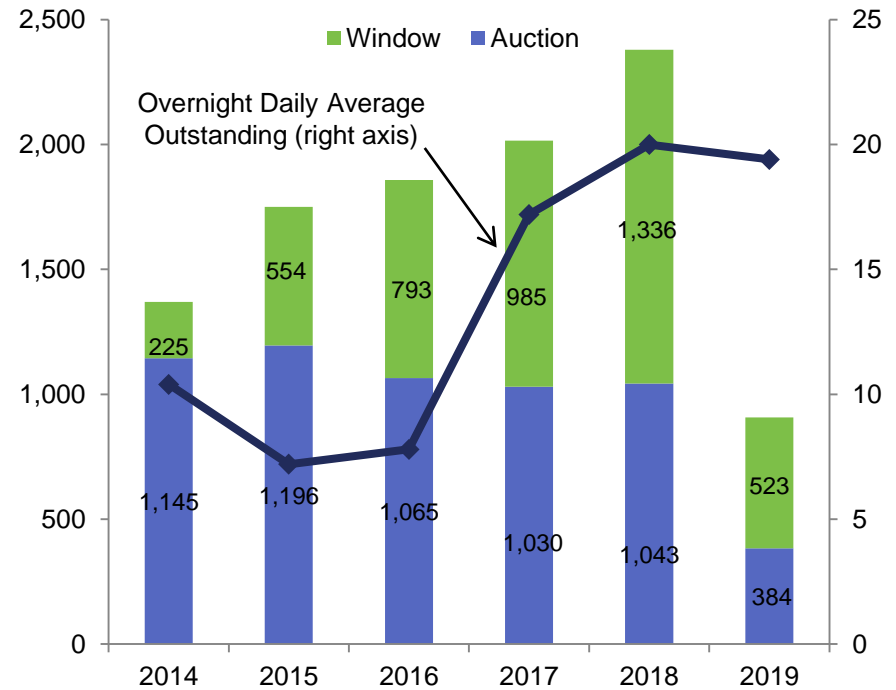
Discount Notes Outstanding

(\$ in billions)



Discount Note Issuance

(\$ in billions)



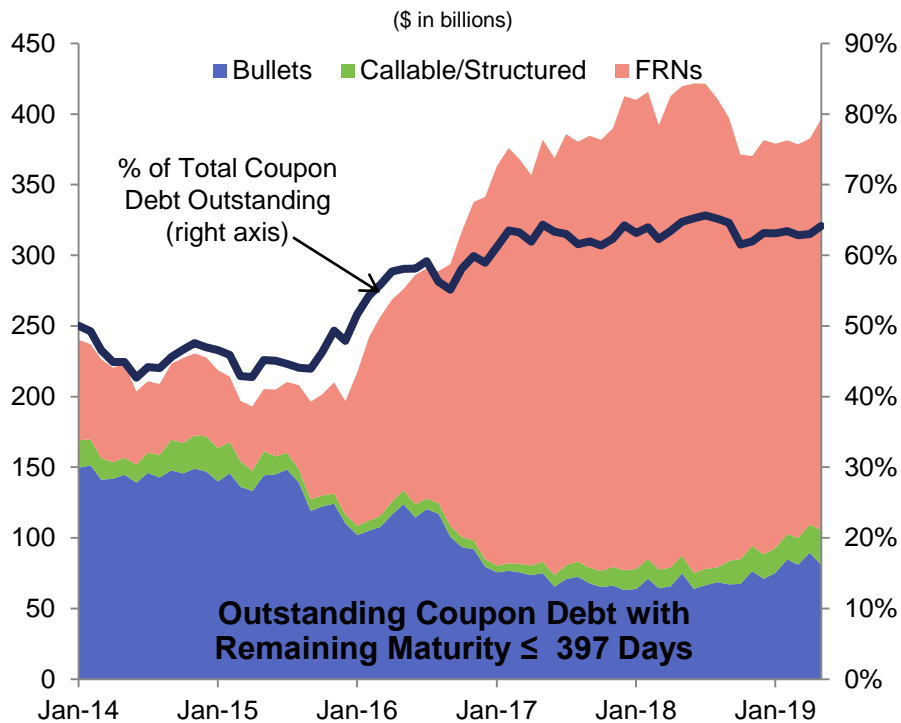
Gross DN Issuance:

1,370	1,750	1,858	2,015	2,379	907
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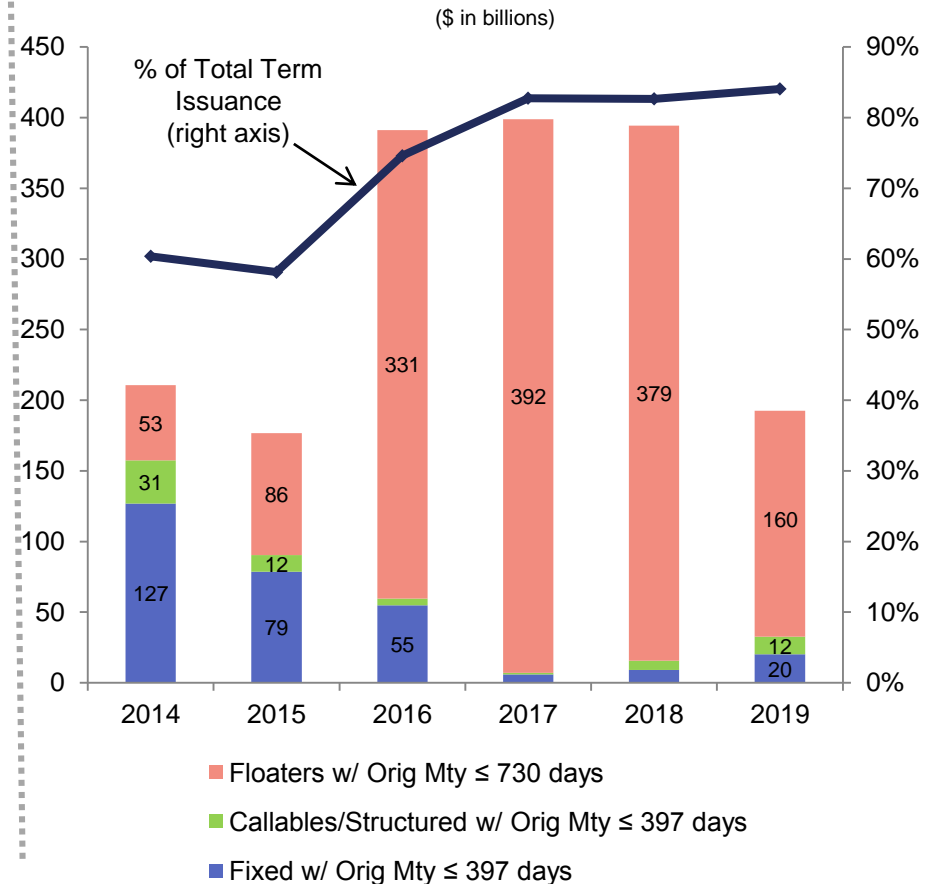
Short-Term Debt

FHLBank Debt has Consistently Met Investors' Needs for Safety and Liquidity

2a-7 Eligible Coupon Debt Outstanding



Short-term Coupon Debt Issuance



FHLBank SOFR Debt Transition

The financial markets are in the early stages of a transition away from LIBOR, with the U.S. markets beginning to move towards the Secured Overnight Financing Rate (SOFR), the recommended alternative to U.S. dollar LIBOR

- The FHLBanks recognize our key role in supporting the continued development of a SOFR-linked debt market
- The FHLBanks expect to support our members' LIBOR transition, including their need for SOFR-linked advances, which is expected to lead to our need to source SOFR-based funding

Beginning in November 2018, the FHLBanks' SOFR issuance program is intended to:

- Support the continued development of SOFR-linked floating-rate note (FRN) market
- Encourage broad investor participation to promote market development and liquidity
- Standardize payment and reset features over time consistent with market participants' expectations

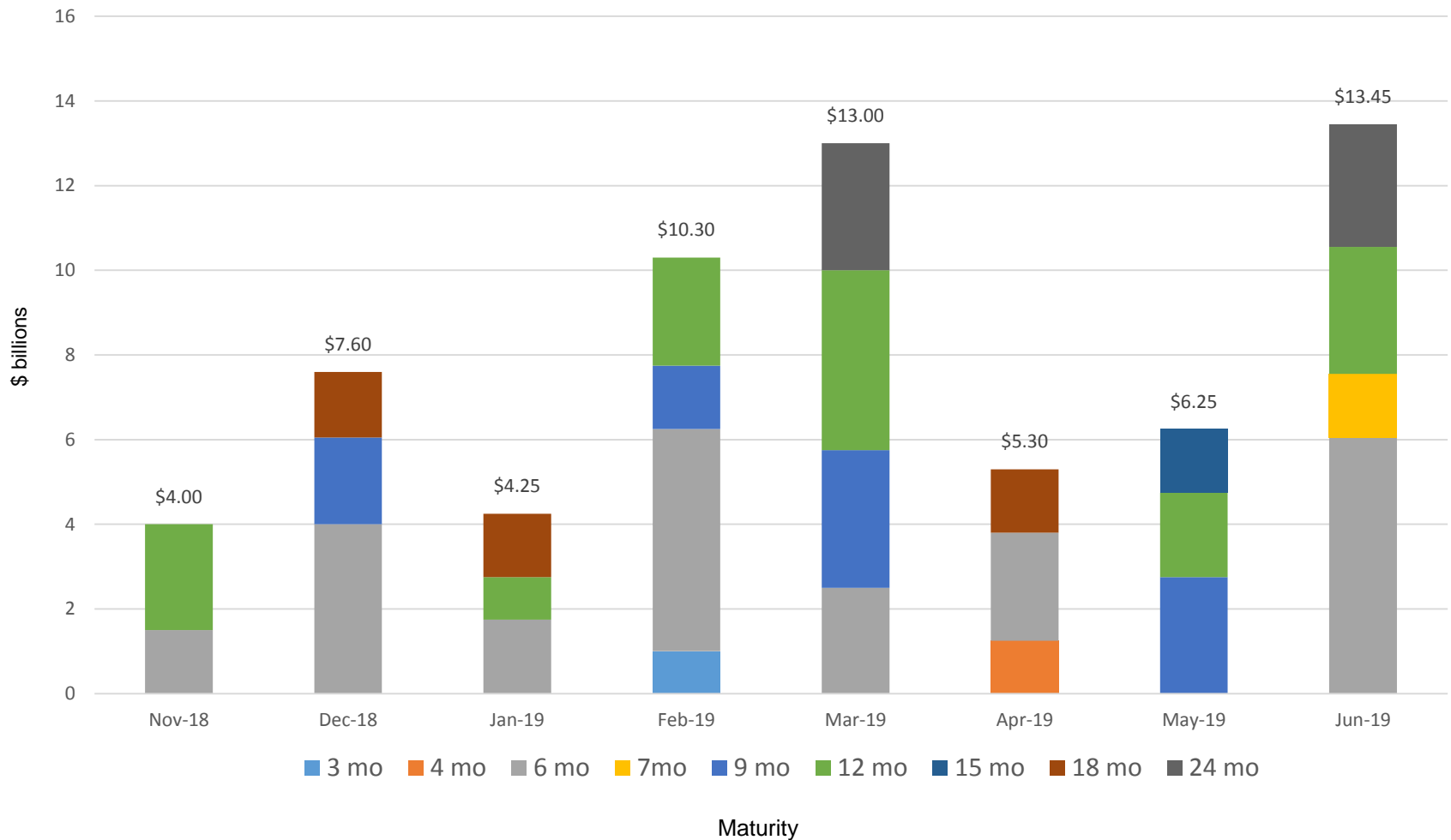
The FHLBanks anticipate a multi-phased approach to developing our SOFR issuance platform

- Initial focus is on multi-dealer syndicated issues to foster transparency and liquidity
- Diverse investor participation, including money market funds, state & local governments, fund managers, insurance companies, pension funds and corporations

We will assess market developments, investor feedback, and FHLBank and member needs to adjust issuance methodology and SOFR-linked FRN terms and features as warranted

FHLBanks have issued \$64.15 billion in SOFR FRNs

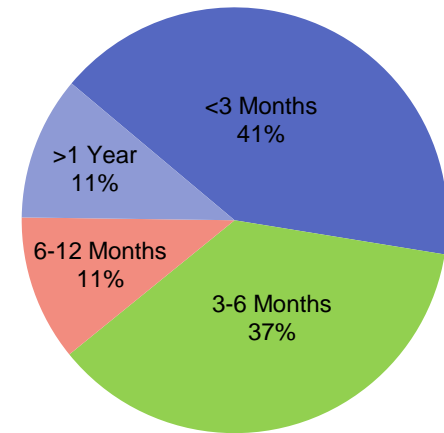
(As of June 21, 2019)



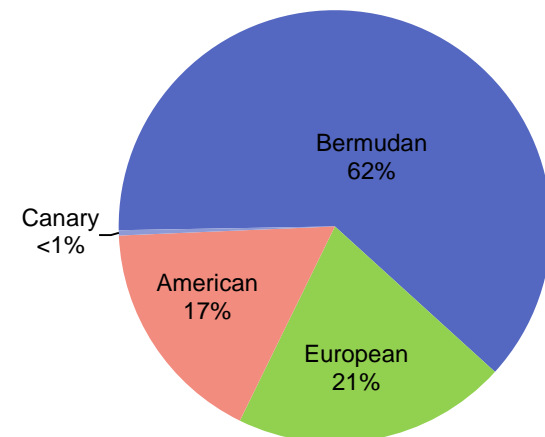
Callable Bond Program

- Essential component of FHLBank funding, supporting both advances and investment portfolios
- Callables offer enhanced yield over comparable bullets and allow investors to express views on volatility and/or the yield curve without sacrificing credit quality or utilizing derivatives
- Flexible reverse inquiry process delivers a high degree of customization
- Callables with American-style calls are auctioned through a 20+ member dealer bidding group

Callable Issuance by Lockout



Callable Issuance by Option Type



Conclusion

Well Capitalized



Self-capitalizing business model and capital preservation authority work together to provide a stable capital base

Fully Collateralized



Fully-collateralized lending model combined with the “super lien” have shielded the FHLBanks from any credit losses on advances in the System’s 85 year operational history

Cooperatively Organized



No public equity - FHLBank customers are also the owners, which fosters conservative management and a long-term view of financial performance

Joint & Several Support



FHLBanks share joint & several liability to repay all senior debt obligations

This is not an offer to sell. FHLBank debt is not an obligation of or guaranteed by the United States and may not be offered or sold in any jurisdiction requiring its registration. No recommendation is made concerning the securities described. Please refer to the offering documents before purchasing these securities.

FORWARD-LOOKING STATEMENTS

Statements contained in this presentation may be “forward-looking statements,” including statements describing the objectives, projections, estimates, or future predictions of the FHLBanks and Office of Finance. These statements may use forward-looking terminology, such as “anticipates,” “believes,” “could,” “estimates,” “may,” “should,” “will,” or their negatives or other variations on these terms. Investors should note that, by their nature, forward-looking statements involve risks or uncertainties. Therefore, the actual results could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized.

These forward-looking statements involve risks and uncertainties including, but not limited to, the following: changes in the general economy, employment rates, housing market activity and housing prices, and the size and volatility of the residential mortgage market; volatility of market prices, interest rates, and indices or other factors that could affect the value of investments or collateral held by the FHLBanks resulting from the effects of, and changes in, various monetary or fiscal policies and regulations, including those determined by the Federal Reserve Board and the FDIC, or a decline in liquidity in the financial markets; political events, including legislative, regulatory, judicial, or other developments that affect the FHLBanks, their members, counterparties or investors in the consolidated obligations of the FHLBanks, including changes in the FHLBank Act, housing GSE reform, Finance Agency actions or regulations that affect FHLBank operations, and regulatory oversight; competitive forces, including other sources of funding available to FHLBank members, and other entities borrowing funds in the capital markets; demand for FHLBank advances resulting from changes in FHLBank members’ deposit flows and credit demands; loss of large members and repayment of advances made to those members due to institutional failures, mergers, consolidations, or withdrawals from membership; changes in domestic and foreign investor demand for consolidated obligations or the terms of interest-rate exchange agreements and similar agreements, including changes in the relative attractiveness of consolidated obligations as compared to other investment opportunities and changes resulting from any modification of credit ratings; the availability, from acceptable counterparties, of derivative financial instruments of the types and in the quantities needed for risk management purposes; the ability to introduce new products and services and successfully manage the risks associated with those products and services, including new types of collateral used to secure advances; and the effect of new accounting guidance, including the development of supporting systems and related internal controls.

Investors are encouraged to consider these and other risks and uncertainties that are discussed in periodic combined financial reports and in reports filed by each FHLBank with the Securities and Exchange Commission. None of the FHLBanks or the Office of Finance undertakes any obligation to publicly update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events, changed circumstances, or any other reason.

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