

# 2018 Performance Summary

The financial highlights should be read in conjunction with the audited financial statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” all of which is included in our 2018 Form 10-K that was filed with the SEC on March 8, 2019.

## Condensed Statements of Condition

As of December 31 (dollars in millions)

	2018	2017	Change
Cash and due from banks, interest bearing deposits, Federal Funds sold, and securities purchased under agreement to resell	\$ 11,407	\$ 13,378	(15)%
Investment securities	21,305	17,347	23%
Advances	52,628	48,085	9%
MPP® Loans held in portfolio, net of allowance for credit losses	7,103	5,193	37%
Other	414	352	18%
<b>Assets</b>	<b>\$ 92,857</b>	<b>\$ 84,355</b>	<b>10%</b>
Consolidated obligation discount notes	\$ 43,166	\$ 41,191	5%
Consolidated obligation bonds	42,250	37,121	14%
Other	2,152	1,191	81%
<b>Liabilities</b>	<b>87,568</b>	<b>79,503</b>	<b>10%</b>
Capital stock	1,698	1,443	18%
Retained earnings	3,536	3,297	7%
Accumulated other comprehensive income (loss)	55	112	(51)%
<b>Capital</b>	<b>5,289</b>	<b>4,852</b>	<b>9%</b>
<b>Total liabilities and capital</b>	<b>\$ 92,857</b>	<b>\$ 84,355</b>	<b>10%</b>

## Condensed Statements of Income

For the years ended December 31 (dollars in millions)

	2018	2017	2016
Interest income	\$ 2,315	\$ 1,558	\$ 1,259
Interest expense	(1,802)	(1,075)	(803)
Net interest income	513	483	456
Reversal of (provision for) credit losses	—	—	(1)
Net interest income after reversal of (provision for) credit losses	513	483	455
Litigation settlement awards	1	2	38
Other noninterest income	15	42	38
Noninterest income	16	44	76
Noninterest expense	(191)	(174)	(167)
Income before assessments	338	353	364
Affordable Housing Program assessment	(35)	(36)	(37)
<b>Net income</b>	<b>\$ 303</b>	<b>\$ 317</b>	<b>\$ 327</b>

## Selected Data

For the years ended December 31 (dollars in millions)

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Mission Asset Ratio	<b>71.1%</b>	67.3%	66.2%
Letters of Credit	<b>\$24,306</b>	\$19,572	\$10,828
Average interest-earning assets	<b>\$92,136</b>	\$82,469	\$76,879
Net yield (calculated using net interest income / average interest-earning assets, annualized)	<b>0.56%</b>	0.59%	0.59%
Available-for-sale (AFS) prepayment fees	<b>\$ 32</b>	\$ 27	\$ 45
Adjusted net yield (non-GAAP basis, calculated the same as net yield, but excluding AFS prepayment fees from the net interest income) <sup>1</sup>	<b>0.52%</b>	0.55%	0.53%

<sup>1</sup> The prepayment fees on our AFS investments is unpredictable and we cannot be certain of the timing or amount of future prepayments. Accordingly, we believe that the use of adjusted net yield is useful in evaluating our ongoing operational and financial results in a manner that is consistent with our evaluation of business performance.