

2019 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 2019 Form 10-K that was filed with the SEC on March 11, 2020.

Condensed Statements of Condition

As of December 31 (dollars in millions)

| | 2019 | 2018 | Change |
|--|------------------|------------------|-----------|
| Cash and due from banks, interest bearing deposits, Federal Funds sold, and securities purchased under agreement to resell | \$ 15,815 | \$ 11,407 | 39% |
| Investment securities | 23,096 | 21,305 | 8% |
| Advances | 50,508 | 52,628 | (4)% |
| MPP® Loans held in portfolio, net of allowance for credit losses | 10,000 | 7,103 | 41% |
| Other | 408 | 414 | (1)% |
| Assets | \$ 99,827 | \$ 92,857 | 8% |
| Consolidated obligation discount notes | \$ 41,675 | \$ 43,166 | (3)% |
| Consolidated obligation bonds | 50,474 | 42,250 | 19% |
| Other | 2,224 | 2,152 | 3% |
| Liabilities | 94,373 | 87,568 | 8% |
| Capital stock | 1,713 | 1,698 | 1% |
| Retained earnings | 3,770 | 3,536 | 7% |
| Accumulated other comprehensive income (loss) | (29) | 55 | (153)% |
| Capital | 5,454 | 5,289 | 3% |
| Total liabilities and capital | \$ 99,827 | \$ 92,857 | 8% |

Condensed Statements of Income

For the years ended December 31 (dollars in millions)

| | 2019 | 2018 | 2017 |
|---------------------------------------|---------------|---------------|---------------|
| Interest income | \$ 2,635 | \$ 2,315 | \$ 1,558 |
| Interest expense | (2,177) | (1,802) | (1,075) |
| Net interest income | 458 | 513 | 483 |
| Noninterest income | 100 | 16 | 44 |
| Noninterest expense | (223) | (191) | (174) |
| Income before assessments | 335 | 338 | 353 |
| Affordable Housing Program assessment | (35) | (35) | (36) |
| Net income | \$ 300 | \$ 303 | \$ 317 |

Selected Data

For the years ended December 31 (dollars in millions)

| | 2019 | 2018 | 2017 |
|--|-----------------|-------------|-------------|
| Primary Mission Asset Ratio | 72.3% | 71.1% | 67.3% |
| Letters of Credit | \$23,851 | \$24,306 | \$19,572 |
| Average interest-bearing assets | \$97,087 | \$92,136 | \$82,469 |
| Net yield (calculated using net interest income / average interest-earning assets, annualized) | 0.47% | 0.56% | 0.59% |
| Available-for-sale (AFS) prepayment fees | \$ 3 | \$ 32 | \$ 27 |
| Adjusted net yield (non-GAAP basis, calculated the same as net yield, but excluding AFS prepayment fees from the net interest income) ¹ | 0.47% | 0.52% | 0.55% |

¹ The prepayment fees on our AFS investments are 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.