

**Condensed Statements of Condition**

(Dollars in millions)

(Preliminary and Unaudited)

	March 31, 2017	December 31, 2016	Change
Cash and due from banks, interest bearing deposits, Federal Funds sold, and securities purchased under agreement to resell	\$ 9,551	\$ 7,376	29 %
Investment securities	19,030	21,035	(10)%
Advances	42,328	45,067	(6)%
MPF Loans held in portfolio, net of allowance for credit losses	4,940	4,967	(1)%
Other	260	247	5 %
<b>Assets</b>	<b>\$ 76,109</b>	<b>\$ 78,692</b>	<b>(3)%</b>
Consolidated obligation discount notes	\$ 32,806	\$ 35,949	(9)%
Consolidated obligation bonds	37,662	36,903	2 %
Other	1,223	1,145	7 %
<b>Liabilities</b>	<b>71,691</b>	<b>73,997</b>	<b>(3)%</b>
Capital stock	1,282	1,711	(25)%
Retained earnings	3,083	3,020	2 %
Accumulated other comprehensive income (loss)	53	(36)	247 %
<b>Capital</b>	<b>4,418</b>	<b>4,695</b>	<b>(6)%</b>
<b>Total liabilities and capital</b>	<b>\$ 76,109</b>	<b>\$ 78,692</b>	<b>(3)%</b>

**Condensed Statements of Income**

(Dollars in millions)

(Preliminary and Unaudited)

	For the three months ended March 31,		
	2017	2016	Change
Interest income	\$ 337	\$ 318	6 %
Interest expense	(224)	(198)	13 %
Net interest income	113	120	(6)%
Noninterest income	10	(3)	433 %
Noninterest expense	(42)	(40)	5 %
Income before assessments	81	77	5 %
Affordable Housing Program assessment	(8)	(8)	— %
Net income	\$ 73	\$ 69	6 %
Average interest-earning assets	\$ 79,888	\$ 72,185	11 %
Net yield (calculated using net interest income / average interest-earning assets, annualized)	0.57%	0.66%	(0.09)%
Prepayment fee income on advances	\$ 1	\$ 1	— %
Prepayment fee income on investments	\$ 4	\$ 21	(81)%
Adjusted net yield (non-GAAP basis, calculated the same as net yield, but excluding prepayment fee income on advances and investments from the net interest income) <sup>1</sup>	0.54%	0.54%	— %

<sup>1</sup> The prepayment of our investments and advances 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 to members and others in evaluating our ongoing operational and financial results in a manner that is consistent with our evaluation of business performance. Additionally, we believe excluding prepayment fee income on investments and advances assists members in developing expectations of future performance.