FEDERAL HOME LOAN BANKS

Quarterly Financial Report
For the Three Months Ended March 31, 2002

This report provides financial information on the Federal Home Loan Banks. You should use this Financial Report, with other information the Federal Home Loan Banks specifically provide, when you consider whether or not to purchase the consolidated bonds and consolidated discount notes (collectively consolidated obligations) of the Federal Home Loan Banks.

The Securities Act of 1933, as amended, does not require the registration of consolidated obligations. Accordingly, no registration statement has been filed with the Securities and Exchange Commission. Neither the Securities and Exchange Commission, the Federal Housing Finance Board, nor any State securities commission has approved or disapproved the consolidated obligations or has passed upon the accuracy or adequacy of any offering material.

The consolidated obligations are not obligations of the United States and are not guaranteed by the United States.

Neither this Financial Report nor any offering material provided by the Office of Finance on behalf of the Federal Home Loan Banks concerning any offering of consolidated obligations describes all the risks of investing in consolidated obligations. Prospective investors should consult their financial and legal advisors about the risks of investing in any particular issue of consolidated obligations.

The financial information is as of and for periods ended March 31, 2002. You should read this Financial Report in conjunction with the 2001 Financial Report dated March 29, 2002. We are incorporating that report by reference. The 2001 Financial Report contains financial and other information about the Federal Home Loan Banks as of December 31, 2001. These documents are available on the Office of Finance website, www.fhlb-of.com.

You should direct questions about this Financial Report to the Federal Home Loan Banks' Office of Finance, Director of Accounting Policy & Financial Reporting. You should direct questions about the Federal Home Loan Banks' consolidated obligations to the Federal Home Loan Banks' Office of Finance, Marketing & Information Services. The address for both is Federal Home Loan Banks' Office of Finance, 11921 Freedom Drive, Suite 1000, Reston, VA 20190, (703) 467-3600, www.fhlb-of.com. The Office of Finance will provide additional copies of this Financial Report upon request. Please contact the Office of Finance if you want to receive subsequent annual and quarterly financial reports.

The delivery of this Financial Report does not imply that there has been no change in the financial condition of the Federal Home Loan Banks since March 31, 2002.

The date of this Quarterly Financial Report is May 9, 2002.

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The Luxembourg Stock Exchange has allocated the number 2306 to the Federal Home Loan Banks' Global Debt Program for listing purposes. Application may be made to list consolidated obligations issued under the program on the Luxembourg Stock Exchange.

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SUMMARY FINANCIAL DATA

(Dollar amounts in millions)
(Unaudited)

	2002	2001
At March 31,		
Advances	$461,994	$450,474
Mortgage loans, net	31,625	16,506
Investments (1)	202,703	200,062
Total assets	702,761	674,271
Deposits and borrowings	30,847	30,057
Consolidated obligations	623,171	600,295
Capital stock	34,007	31,363
Retained earnings	977	749
Average balances for the three months ended March 31,		
Advances	$467,237	$451,587
Mortgage loans, net	29,245	16,299
Investments (1)	194,478	186,457
Total assets	699,898	664,663
Deposits and borrowings	29,464	20,906
Consolidated obligations	619,739	597,836
Capital stock	33,302	30,917
Retained earnings	1,080	1,001
Operating results for the three months ended March 31,		
Net income	$ 449	$ 535
Dividends paid in cash and stock	404	515
Weighted average dividend rate (2)	4.92%	6.76%
Return on average equity	5.30%	6.80%
Return on average assets	0.26%	0.33%
Net interest margin (3)	0.40%	0.49%
At March 31,		
Total capital ratio (4)	5.0%	4.8%
Leverage ratio	20.1:1	21.0:1

(1) Investments also include interest-bearing deposits in banks, securities purchased under resale agreements, and Federal funds sold.
(2) Weighted average dividend rates are dividends paid in cash and stock divided by the average of capital stock eligible for dividends.
(3) Net interest margin is net interest income before loan loss provision as a percentage of average earning assets.
(4) Total capital ratio is capital stock plus retained earnings as a percentage of total assets at period end.

FEDERAL HOME LOAN BANKS

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read this discussion and analysis of financial condition and results of operations with the combined financial statements and the notes beginning on page 27 of this Financial Report. See "Explanatory Statement about FHLBanks Combined Financial Report" on page 25.

Amounts used to calculate percentage variances from March 31, 2002, to the most recent year-end and comparable preceding interim period are based on numbers in the millions. Accordingly, recalculations may not produce the same results when the relevant amounts are disclosed only in billions.

Forward-Looking Information

Statements contained in this report, including statements describing the objectives, projections, estimates, or future predictions of the Federal Home Loan Banks (FHLBanks) and the Office of Finance may be "forward-looking statements." 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. The FHLBanks caution that, by their nature, forward-looking statements involve risk or uncertainty and that 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:

- economic and market conditions;
- demand for FHLBank advances resulting from changes in FHLBank members' deposit flows and credit demands;
- volatility of market prices, rates, and indices that could affect the value of collateral held by the FHLBanks as security for the obligations of FHLBank members and counterparties to interest-rate exchange agreements and similar agreements;
- political events, including legislative, regulatory, judicial, or other developments that affect the FHLBanks, their members, counterparties, and/or investors in the consolidated obligations of the FHLBanks;
- competitive forces, including without limitation other sources of funding available to FHLBank members, other entities borrowing funds in the capital markets, and the ability to attract and retain skilled individuals;
- ability to develop and support technology and information systems, including the Internet, sufficient to manage the risks of the FHLBanks' business effectively;
- changes in investor demand for consolidated obligations and/or the terms of interest-rate exchange agreements and similar agreements;
- timing and volume of market activity;
- ability to introduce new FHLBank products and services, and manage successfully the risks associated with those products and services, including new types of collateral securing advances;
- risk of loss arising from litigation filed against one or more of the FHLBanks; and
- inflation/deflation.

Financial Trends

Conditions in Financial Markets. During the first quarter of 2002, the financial markets continued to exhibit significant volatility as the U.S. economy began to recover from the terrorist attacks of September 11 that adversely affected the stock market, eroded consumer confidence and disrupted commerce. The stock market continues to be affected by reports of poor year-end earnings for 2001, lowered growth expectations by numerous industrial and service companies, and the announcement of substantial employee layoffs by many companies.

In response to economic conditions, the Federal Reserve Board, through its Federal Open Market Committee, cut the discount rate 11 times for a total of 475 basis points during 2001. As a result of lower interest rates, a significant volume of redemptions of callable FHLBank consolidated obligations were triggered, with those bonds being replaced by bonds with lower interest rates. As spreads narrowed, given the overall downward shift in interest rates, the FHLBanks' funding spreads have also compressed as a result of unprecedented U.S. Government-Sponsored Enterprise (GSE) and corporate demand for funding and the increased cost of hedging their market risk using interest-rate exchange agreements. In 2001, the latest period for which data is available, new issue volume in the U.S. bond market reached a new record, totaling $4.6 trillion.

The continued low level of interest rates in the first quarter of 2002 has had a demonstrable impact on the FHLBanks' profitability, particularly because a majority of their investment portfolios have maturities of less than one year. Representative of that phenomenon is the change in the overnight Federal funds effective rate as reported by the Board of Governors of the Federal Reserve System, the rate at which banks sell excess reserves to one another. On average, the overnight Federal funds effective rate during the first quarter of 2001 was 5.61 percent. During the first quarter of 2002, that rate averaged 1.74 percent, a decline of 387 basis points or 69 percent period over period.

The lower level of interest rates also affects all FHLBanks directly through lower earnings on invested capital. In addition, many homeowners took advantage of lower mortgage rates to refinance their homes, resulting in increased prepayments on mortgages, including the member mortgage asset programs established by the FHLBanks, and the resulting income recognition of any associated premiums or discounts. The effective yields on the mortgage assets that replaced those prepaid loans reflect the current lower overall level of interest rates.

For the year ended December 31, 2001, the latest period for which data is available, the FDIC reported that deposit growth exceeded loan growth at commercial banks for the fifth consecutive quarter and that deposit growth of FDIC-insured deposits rose $275 billion since December 31, 2000. This was the ninth consecutive quarter with growth in deposits. These increases have reversed a long period of minimal deposit growth, which may affect the future demand for advances from the FHLBanks.

Statement of Condition. Statement of Financial Accounting Standards No. 133, *Accounting For Derivative Instruments and Hedging Activities* (SFAS 133) requires that, beginning in 2001, the assets and liabilities hedged with derivative instruments designated and effective under fair-value hedging relationships be adjusted for changes in fair value even as other assets and liabilities continue to be carried on a historical cost basis. In discussing changes in the Statement of Condition for the first three months of 2002 compared to the same period in 2001, the SFAS 133 fair value adjustment information for advances, investments and consolidated obligations have been included.

All other fair value adjustments were less than one percent of the book value. The SFAS 133 basis adjustments for advances, investments and consolidated obligations are as follows:

Federal Home Loan Banks

SFAS 133 Basis Adjustments
(Dollar amounts in millions)

	At March 31, 2002	At March 31, 2001
Advances at pre-SFAS 133 value	$455,508	$444,801
SFAS 133 basis adjustments	6,486	5,673
Advances at carrying value	$461,994	$450,474
Investments at pre-SFAS 133 value(1)	$202,594	$199,817
SFAS 133 basis adjustments	109	245
Investments at carrying value	$202,703	$200,062
Consolidated obligations at pre-SFAS 133 value	$622,682	$597,957
SFAS 133 basis adjustments	489	2,338
Consolidated obligations at carrying value	$623,171	$600,295

(1) Investments also include interest-bearing deposits in banks, securities purchased under resale agreements, and Federal funds sold.

Advances totaled $462.0 billion at March 31, 2002. Advances decreased by 2.3 percent from December 31, 2001 and increased by 2.6 percent from March 31, 2001. Advances activity has been affected by improvements in members' liquidity positions due to strong deposit flows.

More than 69.9 percent of the advances outstanding at March 31, 2002, had a remaining maturity greater than one year compared with 67.8 percent at December 31, 2001 and 58.2 percent at March 31, 2001. Advance originations totaled $903.2 billion in the first three months of 2002, down 8.8 percent from originations of $990.4 billion during the first three months of 2001, reflecting lower demand by members for short-term advances.

The principal investments of the FHLBanks are mortgage-backed securities, overnight and term Federal funds sold, commercial paper, agency securities, and U.S. Government securities. At March 31, 2002, investments grew by $12.6 billion, or 6.6 percent from the year-end 2001 balance of $190.1 billion. Investments grew by $2.6 billion, or 1.3 percent from March 31, 2001. The Finance Board's Financial Management Policy limits the mortgage-backed security investments of any FHLBank to 300 percent of that FHLBank's capital. Aggregate mortgage-backed security investments of $88.8 billion at March 31, 2002, were 254 percent of total FHLBank capital. These investments represented 253 percent and 263 percent of total FHLBank capital at December 31, 2001 and March 31, 2001, respectively. The FHLBanks make use of interest-rate exchange agreements to alter the cash flows on certain of their investment securities.

Historically, the FHLBanks have been one of the largest providers of Federal funds. Federal funds sold were $55.2 billion (27.2 percent of total investments) at March 31, 2002, compared with $48.4 billion (25.5 percent of total investments) at year-end 2001 and $65.0 billion (32.5 percent of total investments) at March 31, 2001.

The FHLBanks held commercial paper investments of $5.8 billion (2.9 percent of total investments) at March 31, 2002, compared with $6.7 billion (3.5 percent of total investments) at year-end 2001 and $10.2 billion (5.1 percent of total investments) at March 31, 2001. The FHLBanks also invest in U.S. agency obligations, primarily structured debt issued by other GSEs. The FHLBanks use interest-rate exchange agreements to hedge the interest-rate risk associated with investments in structured debt. U.S. agency obligations rose to $19.6 billion or 9.7 percent of total investments at year-end 2001, up from $15.1 billion or 7.9 percent of total investments at year-end 2001 and $11.5 billion or 5.7 percent at March 31, 2001.

Mortgage loans held increased to $31.6 billion at March 31, 2002 from $27.6 billion at December 31, 2001 and $16.5 billion at March 31, 2001. The increase in mortgage loans relates to the expansion of the member mortgage asset programs established by the FHLBanks, allowing them to purchase mortgages from member financial institutions. Despite lower interest rates leading to homeowners refinancing their mortgage loans, new loan production far outpaced the accelerated prepayments. For the first three months of 2002, repayments and prepayments were approximately $2.4 billion while originations were approximately $6.4 billion. The FHLBank of Chicago, which pioneered the Mortgage Partnership Finance (MPF®) program in which nine of the 12 FHLBanks now participate, and the FHLBank of Des Moines hold the largest mortgage loan balances with 59.4 percent and 11.1 percent, respectively, of the FHLBanks' mortgage loans held at March 31, 2002. MPF® had mortgage loans outstanding of $27.3 billion at March 31, 2002. The FHLBanks of Cincinnati, Indianapolis and Seattle developed the Mortgage Purchase Program (MPP), which had mortgage loans outstanding of $4.3 billion at March 31, 2002.

The principal funding source for FHLBank operations is consolidated obligations, which consist of consolidated bonds and consolidated discount notes. Member deposits, capital, and to the lesser extent, repurchase agreements, are also funding sources. Generally, consolidated discount notes have maturities up to 360 days, and consolidated bonds have maturities of one year or longer. Discount notes are a significant funding source for advances with short-term maturities or short repricing intervals, for convertible advances, and for money-market investments. The FHLBanks make significant use of interest-rate exchange agreements to alter the cash flows on consolidated obligations to better match their funding needs and to reduce funding costs. Consolidated obligations outstanding increased 0.3 percent between March 31, 2002 and year-end 2001, rising to $623.2 billion at March 31, 2002. Consolidated obligations outstanding increased 3.8 percent between March 31, 2002 and March 31, 2001. Consolidated discount notes outstanding decreased 8.2 percent from December 31, 2001 and 30.7 percent from March 31, 2001, reaching $128.0 billion at March 31, 2002, and consolidated bonds outstanding increased by 2.8 percent from December 31, 2001 and 19.2 percent from March 31, 2001 to a balance of $495.2 billion at March 31, 2002.

The FHLBanks' total capital grew by $0.7 billion or 2.0 percent between December 31, 2001 and March 31, 2002, and $2.8 billion or 8.7 percent from March 31, 2001 to March 31, 2002, due to increases in advances, increases in members, the payment of stock dividends by the FHLBanks of Cincinnati, Chicago, Dallas, San Francisco, and Seattle, and the accumulation of retained earnings to absorb temporary earnings volatility resulting from SFAS 133. Over the same periods, total assets grew less than total capital, causing the FHLBanks' capital-to-asset ratio to increase to 5.0 percent at March 31, 2002 from 4.9 percent at year-end 2001 and 4.8 percent at March 31, 2001.

The FHLBank leverage limit is based on a ratio of assets to capital rather than a ratio of liabilities to capital. The amount of each FHLBank's assets is generally limited to no more than 21 times capital. Nevertheless, an FHLBank whose non-mortgage assets, after deducting deposits and capital, do not exceed 11 percent of its assets may have total assets in an amount no greater than 25 times its capital. At March 31, 2002, combined FHLBank asset-based leverage was 20.1 to 1. Combined FHLBank asset-based leverage was 20.4 to 1 at year-end 2001 and 21.0 to 1 at March 31, 2001. At March 31, 2002, five FHLBanks had leverage in excess of 21.0 to 1, but less than 25.0 to 1 in all cases.

Debt Financing Activity. Increases in deposits and borrowings of $4.0 billion or 15.1 percent and consolidated obligations outstanding of $1.9 billion or 0.3 percent from December 31, 2001 financed most of the increase in FHLBank assets. Increases in FHLBank assets from March 31, 2001 were financed primarily by the increase in consolidated obligations of $22.9 billion or 3.8 percent from March 31, 2001 to March 31, 2002. Bonds composed 79.5 percent of consolidated obligations outstanding at March 31, 2002, with the remainder being discount notes. Through December 31, 2000, the Finance Board through the Office of Finance issued consolidated obligations on behalf of the FHLBanks on a daily basis. The Finance Board adopted final rules on June 2, 2000, to govern the issuance of debt directly by the FHLBanks. Beginning January 2, 2001, the FHLBanks issue debt jointly through the Office of Finance as their agent.

The data in the following table is not adjusted for the $2.7 billion of interbank holdings at par value of consolidated bonds at March 31, 2002.

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Composition of Consolidated Bonds Outstanding
(Par amounts in billions)

	At March 31,	
	2002	2001
Fixed-rate, Non-callable	$229.5	$195.0
Fixed-rate, Callable	179.5	168.4
Fixed-rate, Putable	0.6	0.6
Single-index Floating Rate	62.7	39.7
Zero-coupon, Non-callable	0.5	1.4
Zero-coupon, Callable	20.8	20.3
Other	19.8	6.1
Total	$513.4	$431.5

In the first three months of 2002, 80.6 percent of bond sales by par amount were negotiated transactions, 19.2 percent by par amount were competitively bid and 0.2 percent by par amount were direct placements. In the first three months of 2002, 32.6 percent of bonds sold were fixed-rate, fixed-term, non-callable (bullet) bonds; 44.1 percent were callable bonds; and 11.6 percent were simple floating-rate bonds. Bonds issued through the Office of Finance often have investor-determined features. The decision to issue a bond using a particular structure is based upon the funding level to be achieved and the ability of the FHLBank(s) receiving the proceeds of the bonds issued to hedge the risks. The issuance of a bond with an associated interest-rate exchange agreement, which effectively converts the consolidated bond into a simple fixed- or floating-rate bond, usually results in a funding vehicle with a lower cost than the FHLBanks could otherwise achieve. The continued attractiveness of such debt depends on price relationships in both the bond and interest-rate exchange markets. If conditions in these markets change, then the FHLBanks may alter the types or terms of the bonds issued. The increase in funding alternatives available to the FHLBanks through negotiated transactions has diversified the investor base, reduced funding costs, and provided additional asset-liability management tools.

The FHLBanks, through the Office of Finance, issued $90.6 billion of bonds at par in the first three months of 2002. This compares with $77.5 billion issued at par for the first three months of 2001. The increase in bond issuance occurred because of greater call activity attributable to the decline in the level of interest rates throughout 2001 and into the first quarter of 2002.

Discount notes are a significant funding source for the FHLBanks. Discount notes are short-term instruments, and the issuance of discount notes with maturities of one business day influences the aggregate origination volume. Through a 16-member selling group, the FHLBanks, through the Office of Finance, offers discount notes daily in a range of maturities up to 360 days. In addition, the FHLBanks, through the Office of Finance, offers discount notes in four standard maturities in two auctions each week. The FHLBanks primarily use discount notes to fund short-term advances, longer-term advances with short repricing intervals, convertible advances, and money market investments. Discount notes comprised 20.5 percent of outstanding consolidated obligations at March 31, 2002 but accounted for 91.3 percent of the proceeds from the sale of consolidated obligations in the first three months of 2002. Much of the discount note activity reflects the refinancing of overnight discount notes, which averaged $12.3 billion in the first three months of 2002.

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Average Consolidated Obligations Outstanding
(Dollar amounts in billions)

	For the Three Months Ended March 31, 2002	2001
Overnight discount notes	$ 12.3	$ 15.3
Term discount notes	123.8	155.6
Total discount notes	136.1	170.9
Bonds	499.3	446.3
Total consolidated obligations	$635.4	$617.2

The composition of consolidated obligations shifted in the first quarter of 2002 compared to the first quarter of 2001 as total discount notes decreased by 20.4 percent and bonds increased by 11.9 percent. The shift in funding mix represents the relatively more attractive cost of funds available through bond issuance and other financing vehicles compared with discount notes.

The FHLBanks have emphasized diversification of funding sources and channels as the need for funding from the capital markets has grown. In July 1994, the Office of Finance initiated a Global Debt Program. By issuing debt under this program, the FHLBanks can expand and diversify their investor base. In the first three months of 2002, the Global Debt Program provided $16.5 billion in term funds. In mid-1999, the Office of Finance implemented the TAP issue program. This program consolidates domestic bullet bond issuance through daily auctions of common maturities by re-opening previously issued bonds. In this way, the Office of Finance seeks to enhance the liquidity of these issues. In the first three months of 2002, TAP bond issuance was $12.4 billion up $2.5 billion from the same period in 2001.

Results of Operations

Net Income and Net Interest Income. The FHLBanks' net income for the first three months in 2002 was $449 million, which is $86 million or 16.1 percent below the net income for the first three months in 2001. For the first three months in 2002, the decrease in net interest income after mortgage loan loss provision was $104 million, a 13.2 percent decrease from the same period in 2001. The decrease is attributable to lower interest rates.

SFAS 133 was adopted on January 1, 2001. For the three months ended March 31, 2002, the FHLBanks recorded net realized and unrealized gains on derivatives and hedging activities of $130 million and a net unrealized losses on securities held at fair value of $159 million. For the same period during year 2001, the FHLBanks recorded net realized and unrealized losses on derivatives and hedging activities of $43 million, net unrealized gains on securities held at fair value of $76 million, and a $30 million decrease to net income as the cumulative effect of change in accounting principle. Under SFAS 133, all derivatives are recorded at fair value and an FHLBank is required to recognize unrealized losses or gains on derivative positions regardless of whether offsetting gains or losses on the underlying assets or liabilities being hedged are permitted to be recognized in a symmetrical manner. Therefore, SFAS 133 introduces the potential for a considerable timing difference between income recognition on those assets or liabilities not adjusted for market changes and the income effects of hedge instruments entered into to mitigate interest-rate risk and cash-flow variability. Because some of the FHLBanks manage derivatives positions with primary emphasis on economic cost-effectiveness, as opposed to symmetrical accounting results, the adoption of SFAS 133 has led to more volatility in the reported earnings for those FHLBanks following this strategy due to changes in market prices and interest rates.

The following table presents average balances and yields of major earning asset categories and the sources funding those earning assets. It also presents spreads between yields on total earning assets and the cost of interest-bearing liabilities and spreads between yields on total earning assets and the cost of total funding sources (i.e., interest-bearing liabilities plus capital plus other interest-free liabilities funding earning assets.) The primary source of FHLBank earnings is net interest income, which is the interest earned on advances, mortgages, investments and capital less interest paid on consolidated obligations, deposits, and other borrowings. The increase in spread on total interest bearing liabilities from the three months ended March 31, 2001 to March 31, 2002 reflects the somewhat more rate sensitive nature of the FHLBanks' funding relative to assets and a move to a more profitable mix of assets. The decrease in net interest margin is largely attributable to the decline in interest rates and the effect of lower interest rates on invested capital.

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Spread and Yield Analysis
(Dollar amounts in millions)

	For the Three Months Ended March 31,			
	2002 Average		2001 Average	
	Balance	Yield	Balance	Yield
Earning assets:				
Advances	$467,237	2.46%	$451,587	6.04%
Mortgage loans	29,245	6.60%	16,299	7.37%
Investments	194,478	3.69%	186,457	6.31%
Total earning assets	$690,960	2.98%	$654,343	6.15%
Funded by:				
Consolidated obligations	$619,739	2.80%	$597,836	6.00%
Interest-bearing deposits and other borrowings	29,464	1.68%	20,906	5.53%
Total interest-bearing liabilities	649,203	2.75%	618,742	5.98%
Capital and other non-interest-bearing funds	41,757		35,601	
Total funding	$690,960	2.58%	$654,343	5.66%
Spread on:				
Total interest-bearing liabilities		0.23%		0.17%
Total funding (net interest margin)		0.40%		0.49%

In the preceding table, average amounts for the three months ended March 31, 2001 have been restated using daily average balances, rather than the quarter-end average balances, for calculations to be consistent with the 2002 presentation.

A significant portion of net interest income results from earnings on assets funded by non-interest-bearing capital. Average total capital for the three months ended March 31, 2002 was $34.4 billion, which was $2.5 billion or 7.7 percent greater than average total capital of $31.9 billion for the three months ended March 31, 2001. Growth in FHLBank membership, increased advance levels and stock dividends, and the accumulation of retained earnings to compensate for temporary earnings volatility resulting from SFAS 133 contributed to the increase in average total capital.

Changes in both volume and interest rates influence changes in net interest income and net interest margin. The following table summarizes changes in interest income and interest expense between the first three months in 2002 and 2001. Changes in interest income and interest expense not identifiable as either volume-related or rate-related, but rather equally attributable to both volume and rate changes, have been allocated to the volume and rate categories based upon the proportion of the absolute value of the volume and rate changes.

Federal Home Loan Banks

Rate and Volume Analysis
(Dollar amounts in millions)

	For the Three Months Ended March 31, 2002 vs. 2001 Increase (Decrease) Due to		
	Volume	Rate	Total
Interest Income:			
Advances	$226	$(4,111)	$(3,885)
Mortgage loans	214	(34)	180
Investments	120	(1,252)	(1,132)
Total interest income	560	(5,397)	(4,837)
Interest Expense:			
Consolidated obligations	313	(4,883)	(4,570)
Deposits and other borrowings	87	(250)	(163)
Total interest expense	400	(5,133)	(4,733)
Changes in net interest income	$160	$ (264)	$ (104)

Operating Expenses. The following table presents operating expenses for the three months ended March 31, 2002 and 2001:

Federal Home Loan Banks

Operating Expenses
(Dollar amounts in millions)

	For the Three Months Ended March 31,		Percentage Increase/ (Decrease)
	2002	2001	
Salaries and employee benefits	$55	$52	5.8%
Occupancy cost	6	7	(14.3)%
Other	27	26	3.8%
Total operating expenses	$88	$85	3.5%

Total FHLBank operating expenses for the first three months of 2002 were $88 million, which is $3 million or 3.5 percent above total operating expenses for the first three months in 2001. The increase in salaries and benefits in the first three months of 2002 reflects general pay and benefits increases, higher staffing levels, and an increase in pension expense. Operating expenses as a percent of average assets on an annualized basis were 5.0 basis points and 5.5 basis points for the first three months of 2002 and 2001, respectively. Operating expenses include the costs of providing member correspondent services, as well as advance and mortgage purchase operations. The FHLBank of New York's headquarters at 7 World Trade Center were destroyed as a result of the September 11 attacks. The FHLBank of New York is working out of interim locations in New York and New Jersey, while considering options for a new permanent location. The increase in operating expenses relating to the relocation is not expected to materially affect the FHLBank of New York's operations.

Other, net. The FHLBank of New York's receipt of $6 million in proceeds of insurance claims related to the destruction of its headquarters on September 11 was recorded in the other, net expenses in the quarter ended March 31, 2002. These proceeds offset the other, net expense amount during this period. For the three months ended March 31, 2001, the other, net expense amount totaled $5 million. The other, net expenses consist of operating expenses related to MPF®.

Finance Board and Office of Finance Expenses. The FHLBanks are assessed the costs of operating the Finance Board and the Office of Finance. These expenses totaled $13 million for the first three months in 2002, an increase of 30.0 percent from $10 million for the same period in 2001.

Affordable Housing Program. The AHP expense for the first three months in 2002 was $49 million, 15.5 percent less than the $58 million AHP expense for the first three months in 2001. The AHP assessment was 10 percent of net income after the required payment to REFCORP. The AHP assessment change from the first three months in 2002 to 2001 reflects the decline of the FHLBanks net income.

REFCORP Payment

The FHLBanks must pay 20 percent of net earnings (after their AHP obligation) to REFCORP to support the payment of part of the interest on the bonds issued by REFCORP. The FHLBanks must make these payments to REFCORP until the total amount of payments actually made is equivalent to a $300 million annual annuity whose final maturity date is April 15, 2030. The Finance Board will shorten or lengthen the period during which the FHLBanks must make payments to REFCORP depending on actual payments relative to the referenced annuity. In addition, the Finance Board, in consultation with the Secretary of the Treasury, will select the appropriate discounting factors used in this calculation.

The REFCORP assessment of the FHLBanks was $112 million (cash payment of $113.6 million) for the first quarter of 2002 compared to the $134 million assessment for the same period in year 2001. The cash payments are made based on preliminary net income amounts due to the timing requirement of the payment. As specified in the Finance Board regulation that implements section 607 of the Gramm-Leach-Bliley Act (GLB Act), the amount of a quarter's payment in excess of the $75 million benchmark payment is used to simulate the purchase of zero-coupon Treasury bonds to "defease" all or a portion of the most-distant remaining quarterly benchmark payment. The $38.6 million first-quarter REFCORP payment in excess of the $75 million quarterly benchmark will fully defease the remaining $23.7 million portion of the benchmark payment due on April 15, 2023, the benchmark payments due on January 15, 2023, and defease $34.7 million of the $75 million benchmark payment due on October 15, 2022. These benchmark payments or portions of them could be restored if the future actual REFCORP payments of the FHLBanks fall short of $75 million in a quarter.

The following table presents information on the status of the FHLBanks' REFCORP payments.

Federal Home Loan Banks

REFCORP Payment Summary
For First Quarter 2002 Payment
(Dollar amounts in millions)

Payment Due Date	Amount of Benchmark Payment Defeased*	Interest Rate Used to Discount the Future Benchmark Payment	Present Value of Benchmark Payment Defeased**
April 15, 2023 (most distant remaining payment)	$ 23.7	6.03%	$ 6.7
January 15, 2023	75.0	6.02%	21.7
October 15, 2022	34.7	6.03%	10.2
Total	$133.4		$38.6

* Subject to possible subsequent reinstatement.

** Cash payment of $113.6 million made on estimated net income.

Risk Management

The fundamental business of the FHLBanks is to provide member institutions and housing associates with advances and other credit products in a wide range of maturities and terms to meet member demand. The principal sources of funds for these activities are consolidated obligations and, to a lesser extent, capital and deposits from members. Lending and investing funds, and engaging in interest-rate exchange agreements, have the potential for exposing the FHLBanks to a number of risks, including credit and interest-rate risk. The FHLBanks are also subject to operational risk. To control these risks, the FHLBanks have established policies and practices to evaluate and manage their credit, business, operating and interest-rate risk positions. The Finance Board has established regulations governing the FHLBanks' risk management practices. FHLBanks must file periodic compliance reports with the Finance Board. The Finance Board conducts an annual on-site examination of each FHLBank and the Office of Finance as well as off-site analyses.

The FHLBanks do not have any special purpose entities or any other type of off-balance sheet conduits. All derivatives are recorded on the balance sheet at fair value. The Finance Board's Financial Management Policy (Financial Management Policy) prohibits the speculative use of interest-rate exchange agreements. The FHLBanks do not trade derivatives for short-term profit.

Liquidity. The FHLBanks are required to maintain liquidity in accordance with certain regulations, with the Financial Management Policy, and with policies established by their board of directors. The FHLBanks need liquidity to satisfy member demand for short- and long-term funds, repay maturing consolidated obligations, and meet other obligations. In their asset/liability management planning, members may look to the FHLBanks to provide standby liquidity. The FHLBanks seek to be in a position to meet their customers' credit and liquidity needs without maintaining excessive holdings of low-yielding liquid investments or being forced to incur unnecessarily high borrowing costs. The FHLBanks' primary sources of liquidity are short-term investments and the issuance of new consolidated obligation bonds and discount notes. Other short-term borrowings, such as Federal funds purchased, securities sold under agreements to repurchase, and loans from other FHLBanks, also provide liquidity. The FHLBanks maintain contingency liquidity plans designed to enable them to meet their obligations and the liquidity needs of members in the event of operational disruptions at the FHLBanks or the Office of Finance or short-term capital market disruptions.

Managing Interest-Rate Risk. Interest-rate risk is the risk that relative and absolute changes in interest rates may adversely affect an institution's financial condition. The goal of an interest-rate risk management strategy is not necessarily to eliminate interest-rate risk but to manage it by setting appropriate limits. The general approach of the FHLBanks toward managing interest-rate risk is to acquire and maintain a portfolio of assets and liabilities, which, together with their associated interest-rate exchange agreements, limit the expected duration mismatch. The FHLBanks manage interest-rate risk in several different ways as is more fully discussed below.

The FHLBanks measure interest-rate risk exposure by various methods, including calculation of duration of equity. Duration of equity shows the sensitivity of market value of equity to changes in interest rates. Higher duration numbers, whether positive or negative, indicate greater volatility of market value of equity. Under the Finance Board's Financial Management Policy, each FHLBank's duration of equity must stay within a range of +5 to −5 years assuming current interest rates. It must stay within a range of +7 to −7 years assuming an instantaneous parallel increase or decrease in interest rates of 200 basis points. The FHLBanks report the results of their duration of equity calculations to the Finance Board each quarter. The Finance Board's new capital rules ultimately will replace duration of equity-based limits on interest-rate risk with a model-generated market-risk capital requirement. (See Duration of Equity table in the Quantitative Disclosure about Market Risk section on page 18.)

The optionality embedded in certain financial instruments held by the FHLBanks can create interest-rate risk. When a member prepays an advance, the FHLBank could suffer lower future income if the principal portion of the prepaid advance were reinvested in lower-yielding assets that continue to be funded by higher-cost debt. To protect against this risk, each FHLBank generally charges a prepayment fee that makes it financially indifferent to a borrower's decision to prepay an advance. When the FHLBanks offer advances (other than short-term advances) that a member may prepay without a prepayment fee, they usually finance such advances with callable debt or otherwise hedge this option.

The FHLBanks hold mortgage-related investments, including mortgage loans, mortgage-backed securities, and agency obligations. The prepayment options embedded in mortgages can result in extensions or contractions in the expected maturities of these investments, depending on changes in interest rates. The Financial Management Policy limits this source of interest-rate risk by restricting the types of mortgage-backed securities the FHLBanks may own to those with limited average life changes under certain interest-rate shock scenarios. The FHLBanks may hedge against contraction risk by funding some mortgage-related investments with consolidated obligations that have call features. In addition, the FHLBanks may use caps, floors, and other interest-rate exchange agreements to manage the extension and contraction variability of mortgage-related investments. The FHLBanks may also use interest-rate exchange agreements to transform the characteristics of investment securities other than mortgage-backed securities.

Derivatives and Hedging Activities

General. The FHLBanks enter into interest-rate swaps, swaptions, interest-rate cap and floor agreements, calls, puts, and futures and forward contracts (collectively, interest-rate exchange agreements) to manage their exposure to changes in interest rates. They may adjust the effective maturity, repricing frequency, or option characteristics of financial instruments to achieve risk-management objectives. The FHLBanks use interest-rate exchange agreements in three ways: either by designating them as fair-value or cash-flow hedges of underlying financial instruments or forecasted transactions, by acting as an intermediary, or in asset-liability management. For example, the FHLBanks use interest-rate exchange agreements in their overall interest-rate risk management to adjust the interest-rate sensitivity of consolidated obligations to approximate more closely the interest-rate sensitivity of assets (advances, investments and mortgage-related investments), and/or to adjust the interest-rate sensitivity of advances, investments, or mortgage-related investments to approximate more closely the interest-rate sensitivity of liabilities. In addition to using interest-rate exchange agreements to manage mismatches of interest rates between assets and liabilities, the FHLBanks also use interest-rate exchange agreements to manage embedded options in assets and liabilities, to hedge the market value of existing assets and liabilities and anticipated transactions, to hedge the duration risk of prepayable instruments and to reduce funding costs.

Consolidated Obligations. An FHLBank manages the risk arising from changing market prices and volatility of a consolidated obligation by matching the interest received on the interest-rate exchange agreement with the interest paid on the consolidated obligation. In addition, all the FHLBanks require collateral agreements on most interest-rate exchange agreements. While consolidated obligations are the joint-and-several obligations of the FHLBanks, individual FHLBanks serve as counterparties to interest-rate exchange agreements associated with specific debt issues.

In a typical transaction, fixed-rate consolidated obligations are issued for one or more FHLBanks, and each of those FHLBanks simultaneously enters into a matching interest-rate exchange agreement in which the counterparty pays a fixed interest rate to the FHLBank designed to mirror in timing and amount the interest rate paid by the FHLBank on the consolidated obligation. In this typical transaction, the FHLBank pays a variable interest rate that closely matches the interest payments it receives on short-term or variable-rate advances. This intermediation between the capital and swap markets permits the FHLBanks to raise funds at lower costs than would otherwise be available through the issuance of simple fixed- or floating-rate consolidated obligations in the capital markets.

Advances. With issuance of convertible advances, an FHLBank has purchased from the member one or more put option(s) that enables the FHLBank to convert an advance from fixed rate to floating rate if interest rates increase or to terminate the advance and, upon request of the member, extend replacement advances on new terms. An FHLBank may fund a convertible advance by using short-term floating-rate funds and entering into a cancelable interest-rate exchange agreement where the FHLBank pays fixed and receives variable. In this type of hedge, the variable interest received on the interest-rate exchange agreement mirrors in timing and amount the interest paid of the short-term floating-rate funds. If interest rates rise, the swap counterparty can cancel the interest-rate exchange agreement on the call date, and the FHLBank can convert the advance to a floating rate.

The optionality embedded in certain financial instruments held by the FHLBanks can create interest-rate risk. When a member prepays an advance, the FHLBanks could suffer lower future income if the principal portion of the prepaid advance were invested in lower-yielding assets that continue to be funded by higher-cost debt. To protect against this risk, each FHLBank generally charges a prepayment fee that makes it financially indifferent to a borrower's decision to prepay an advance. When an FHLBank offers advances (other than short-term advances) that a member may prepay without a prepayment fee, it usually finances such advances with callable debt or otherwise hedges this option.

Mortgage Loans. The FHLBanks invest in mortgage assets (mortgage-backed securities) and mortgage loans under the member mortgage asset programs. The prepayment options embedded in mortgage assets purchased can result in extensions or contractions in the expected maturities of these assets, depending on changes in interest rates. The FHLBanks may manage against contraction risk by funding some mortgage assets with consolidated obligations that have call features. In addition, the FHLBanks may use interest-rate exchange agreements to manage the extension and contraction variability of mortgage assets. Net income could be reduced if the FHLBank replaces the mortgages with lower-yielding assets and if the FHLBank's higher funding costs are not reduced concomitantly.

The FHLBanks manage the interest-rate and prepayment risk associated with mortgages through a combination of debt issuance and derivatives. The FHLBanks issue both callable and non-callable debt to achieve cash-flow patterns and liability durations similar to those expected on the mortgage loans. The FHLBanks also use derivatives to approximate the expected prepayment characteristics of the mortgages. Interest-rate swaps, to the extent the payments on the mortgages result in simultaneous reduction of the notional amount on the swaps, may receive fair-value hedge accounting under which changes in the fair value of the swaps and changes in the fair value of the mortgages that are attributable to the hedged risk, are recorded in current-period earnings. A portfolio of interest-rate swaps and various options, including futures, may be used to hedge pools of mortgage loans with similar asset characteristics, such as loan type and coupon tranche, in a fair-value hedge relationship. Options may also be used to hedge prepayment risk on the mortgages, many of which are not identified to specific mortgages and, therefore, do not receive fair-value or cash-flow hedge accounting treatment. Changes in fair value of options are recognized in current period earnings. The FHLBanks also purchase interest-rate caps and floors, swaptions, callable swaps, calls, and puts to minimize the prepayment risk embedded in the mortgage assets and mortgage loans. Although these derivatives are valid economic hedges against the prepayment risk of the loans, they are not specifically linked to individual loans and, therefore, do not receive either fair-value or cash-flow hedge accounting. Changes in fair value of derivatives are recognized in current period earnings.

The FHLBanks analyze the risk of the mortgage portfolio on a regular basis and consider the interest-rate environment under various rate scenarios and also perform analyses of the duration and convexity of the portfolio.

Investments. The FHLBanks invest in U.S. agency securities, mortgage-backed securities and the taxable portion of state or local housing finance agency securities. The interest-rate and prepayment risk associated with these investment securities is managed through a combination of debt issuance and derivatives. The FHLBanks may manage against prepayment and duration risk by funding investment securities with consolidated obligations that have call features. The FHLBanks may also manage the risk arising from changing market prices and volatility of investment securities by matching the cash outflow on the interest-rate exchange agreements with the cash inflow on the investment securities. Certain FHLBanks' derivatives currently associated with investment securities are designated as economic hedges with the changes in fair values of the derivatives being recorded in current earnings. The hedged investment securities are classified as securities held at fair value.

Anticipated Debt Issuance. Certain FHLBanks enter into swaps on the anticipated issuance of debt to "lock in" the cost of funding. The swap is terminated upon issuance of the debt instrument, and amounts reported in accumulated other comprehensive income are reclassified as earnings in the periods in which earnings are affected by the variability of the cash flows of the debt that was issued.

Intermediation. To meet the hedging needs of their members, the FHLBanks enter into offsetting interest-rate exchange agreements, acting as an intermediary between members and other counterparties. This intermediation allows smaller members indirect access to the swap market. The derivatives used in intermediary activities do not receive SFAS 133 hedge accounting and are separately marked-to-market through earnings. The net result of the accounting for these derivatives does not significantly affect the operating results of the FHLBanks.

Derivative Notional Amount. At March 31, 2002, the FHLBanks had $612 billion total notional amount of interest-rate exchange agreements outstanding compared with $601 billion at December 31, 2001 and $545 billion at March 31, 2001. The notional amount serves as a factor in determining periodic interest payments or cash flows received and paid, and does not represent actual amounts exchanged or the FHLBanks' exposure to credit and market risk. The amount potentially subject to credit loss is much less. Notional values are not meaningful measures of the risks associated with derivatives. The risk of derivatives can only be measured meaningfully on a portfolio basis, taking into account the derivatives, the item being hedged, and any offsets between them. The FHLBanks adopted SFAS 133, as amended by Statement of Financial Accounting Standard No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities,* on

January 1, 2001. SFAS 133 requires that all derivative instruments be recorded on the Statement of Condition at their fair values. At March 31, 2002, the FHLBanks had derivative assets of $2.2 billion and derivative liabilities of $6.3 billion. At December 31, 2001 and March 31, 2001, the FHLBanks had derivative assets of $2.7 billion and $2.0 billion, and derivative liabilities of $7.8 billion and $4.1 billion, respectively.

Derivative Credit Risk Exposure and Counterparty Ratings. In addition to market risk, each FHLBank is subject to credit risk because of the risk of potential nonperformance by counterparties to the agreements as well as operational risks. The degree of counterparty risk on derivatives depends on the extent to which netting procedures are used to mitigate the risk. Each FHLBank manages counterparty credit risk through credit analysis, collateral management, and other credit enhancements, and by following the requirements set forth in the Financial Management Policy. The FHLBanks require collateral agreements on interest-rate exchange agreements, and maximum net unsecured credit exposure amounts that may exist before collateral requirements are triggered based upon each individual counterparty's rating. For example, a counterparty must deliver collateral to a FHLBank if the total market value of the FHLBank's exposure to that counterparty rises above a specific trigger point. As a result of these risk mitigation initiatives, the management of each FHLBank does not anticipate any credit losses on its interest-rate exchange agreements.

The contractual or notional amount of interest-rate exchange agreements reflects the involvement of an FHLBank in the various classes of financial instruments. The notional amount of interest-rate exchange agreements does not measure the credit-risk exposure of an FHLBank. The maximum credit exposure of an FHLBank is much less than the notional amount. The maximum credit risk is the estimated cost of replacing favorable interest-rate swaps, forward agreements, and purchased caps and floors if the counterparty defaults, net of the value of related collateral.

At March 31, 2002, the FHLBanks' maximum credit risk, before considering collateral, was approximately $1,555 million. In determining maximum credit risk, the FHLBanks consider accrued interest receivables and payables, and the legal right to offset assets and liabilities by counterparty. The FHLBanks' net exposure after collateral was approximately $643 million at March 31, 2002.

Federal Home Loan Banks

Derivative Counterparty Credit Exposure
At March 31, 2002
(Dollar amounts in millions)

Credit Rating	Notional Amount	Total Net Exposure at Fair Value	Collateral Held	Net Exposure After Collateral
AAA	$ 34,079	$ 105	$ 24	$ 81
AA	471,394	1,115	628	487
A	101,890	312	240	72
BBB	733	3	3	
	608,096	1,535	895	640
Intermediaries	3,700	20	17	3
Total Derivatives	$611,796	$1,555	$912	$643

Excluding interest-rate exchange agreements with intermediaries, over 99 percent of the notional amount of the FHLBanks' outstanding interest-rate exchange agreements are with counterparties rated "single-A" or higher. At March 31, 2002, 28 counterparties represented approximately 99 percent of the total notional amount of the FHLBanks' outstanding interest-rate exchange agreements excluding intermediaries, and approximately 80 percent is with 22 counterparties rated "double-A" or higher and approximately 20 percent is with 6 counterparties rated "single-A."

Foreign Currencies. The FHLBanks have issued some consolidated obligations denominated in currencies other than U.S. dollars, and the FHLBanks use forward exchange contracts to hedge currency risk. These contracts are agreements to exchange different currencies at specified future dates and at specified rates. The use of these contracts effectively simulates the conversion of these consolidated obligations denominated in foreign currencies to ones denominated in U.S. dollars. At March 31, 2002, consolidated obligations denominated in foreign currencies represented less than one percent of consolidated obligations outstanding.

Quantitative Disclosure about Market Risk. Duration is the primary means used by the FHLBanks to measure their exposure to changes in interest rates. Duration is the weighted-average maturity (typically measured in months or years) of an instrument's cash flows, weighted by the present value of those cash flows. Duration measures the time required to recapture an investment, reinvesting repaid principal. As duration lengthens, the risk increases. Duration is also a measure of price volatility. The value of an instrument with a duration of 5 years will change by approximately 5 percent with a 1 percentage point change in interest rates.

Duration of equity is the market value-weighted duration of assets minus the market value-weighted duration of liabilities divided by the market value of equity. The Financial Management Policy requires that each FHLBank's duration of equity (at current interest rate levels using the consolidated obligation cost curve or an appropriate discounting methodology) be maintained within a range of +/−5 years. Each FHLBank must maintain its duration of equity, under an assumed instantaneous +/−200 basis points parallel shift in interest rates, within a range of +/−7 years.

Each FHLBank has an internal modeling system for measuring duration of equity. The table below reflects the results of each FHLBank's own measurement of its exposure to interest-rate risk in accordance with the Financial Management Policy. The table summarizes the interest-rate risk associated with all instruments entered into by the FHLBanks.

Federal Home Loan Banks
Duration of Equity
(In Years)

	March 31, 2002			December 31, 2001			March 31, 2001		
FHLBank	**Up**	**Base**	**Down**	**Up**	**Base**	**Down**	**Up**	**Base**	**Down**
Boston	2.9	2.1	0.0	3.0	1.8	(0.3)	2.1	1.3	(0.4)
New York	4.5	3.6	2.8	4.1	3.3	2.0	4.9	4.4	2.9
Pittsburgh	4.3	2.7	(1.5)	1.6	0.3	(3.6)	5.1	2.9	(1.6)
Atlanta	2.7	0.8	(3.7)	2.7	2.6	(4.0)	4.0	0.7	(2.9)
Cincinnati	5.8	3.6	(2.9)	5.9	2.2	(2.4)	4.5	(0.3)	(1.8)
Indianapolis	0.3	0.3	1.4	0.0	0.1	1.3	3.2	3.4	0.3
Chicago	3.7	3.9	(5.4)	1.3	2.5	(3.3)	4.0	4.1	(4.5)
Des Moines	2.1	1.6	(2.6)	(1.6)	(0.1)	2.5	1.1	0.3	(5.0)
Dallas	3.9	2.9	1.7	3.8	3.0	1.8	4.6	1.6	1.6
Topeka	3.5	1.1	(2.9)	2.1	(0.8)	(4.9)	3.1	(0.6)	(4.7)
San Francisco	2.6	1.8	0.4	2.6	2.0	0.9	2.0	1.3	0.6
Seattle	4.1	2.5	(0.9)	3.2	0.8	(4.0)	6.8	2.0	(6.6)

Up = +200 basis points. Down = −200 basis points. The Finance Board regulation restricts the down rate from assuming a negative interest rate.

Growth of mortgage assets with their embedded optionality, partially offset by the related funding/hedging strategy, has the effect of widening the duration of equity range at certain FHLBanks.

Managing Credit Risk. Credit risk is the risk of loss due to default. The FHLBanks protect against credit risk on advances through collateralization of all advances. In addition, each FHLBank can call for additional or substitute collateral during the life of an advance to protect its security interest. No FHLBank has ever experienced a credit loss on an advance to a member.

While the FHLBanks face minimal credit risk on advances, they are subject to credit risk on some investments and on interest-rate exchange agreements. Each FHLBank follows guidelines established by the Finance Board and its board of directors on unsecured extensions of credit, whether on- or off-balance sheet. The Finance Board regulations limit the amounts and terms of unsecured credit exposure to any counterparty other than to the U.S. Government. Unsecured credit exposure to any counterparty is limited by the credit quality and capital level of the counterparty and by the capital level of the FHLBank. (See "Regulatory Developments—Unsecured Credit Limits" for a description of these regulations.)

At March 31, 2002, the FHLBanks had Federal funds sold of $55.2 billion. At the same date, the FHLBanks held $5.8 billion of commercial paper.

At March 31, 2002, the FHLBanks' unsecured credit exposure to counterparties other than the U.S. Government or U.S. Government agencies and instrumentalities was $81.2 billion, much of which was Federal funds sold and commercial paper. This is a $10.0 billion increase from the $71.2 billion unsecured credit exposure to such counterparties at December 31, 2001. About 38.8 percent of this exposure at March 31, 2002 had an overnight maturity, 22.9 percent had a maturity from 2 to 30 days, 29.0 percent had a maturity from 31 to 90 days, and the remainder had a maturity less than 271 days. At March 31, 2002, the FHLBanks had aggregate unsecured credit exposure of more than $1 billion to each of 32 counterparties. The aggregate unsecured credit exposure to these 32 counterparties represented 61.9 percent of the FHLBanks' unsecured credit exposure to non-government counterparties.

Included in the aggregate unsecured credit exposure total is unsecured credit of $2.3 billion to Washington Mutual Bank, FA, and $652.0 million to its affiliated Washington Mutual Bank. As of the same date, Washington Mutual Bank had advances of $5.4 billion from the FHLBank of Seattle, its affiliated Washington Mutual Bank, FA, had advances of $55.8 billion from the FHLBank of San Francisco, its affiliated Washington Mutual Bank, FSB, had advances of $354 million from the FHLBank of Seattle, and its affiliated First Community Industrial Bank had advances of $100 million from the FHLBank of Topeka. All these advances were secured borrowings. An officer of Washington Mutual Bank serves as a director of the FHLBank of Seattle. In February 2001, Washington Mutual Bank, FA, acquired Bank United, Houston, Texas. Before its acquisition, Bank United renegotiated $7.6 billion of its advances from the FHLBank of Dallas, principally to extend the term of these advances. After the merger, Washington Mutual Bank, FA, is responsible for the repayment of these advances to the FHLBank of Dallas. This amount is included in the Washington Mutual, FA, advance amount noted above. An officer of Bank United served on the board of directors of the FHLBank of Dallas until the merger in February 2001.

On January 7, 2002, Washington Mutual, FA, finalized its acquisition of the parent company of Dime Savings Bank of New York, FSB. Before the acquisition in January 2002, Dime Savings Bank of New York, FSB, replaced maturing short-term advances and borrowed new advances, both with intermediate maturities, totaling $7.9 billion from the FHLBank of New York. After the merger, Washington Mutual Bank, FA, is responsible for the repayment of these advances to the FHLBank of New York. This amount is included in the Washington Mutual, FA, advance amount noted above. An officer of Dime Savings Bank of New York, FSB, served on the board of directors of the FHLBank of New York until the acquisition.

Mortgage Loans. All 12 FHLBanks have established member mortgage asset purchase programs as services to their members. The programs all involve the investment by the FHLBank in loans created by members. The Finance Board authorized all of the FHLBanks to hold acquired member assets, such as assets acquired under the Mortgage Partnership Finance®(MPF®) program developed by the FHLBank of Chicago and the Mortgage Purchase Program (MPP) developed by the FHLBanks of Cincinnati, Indianapolis, and Seattle. Under these programs, the FHLBank acquires mortgage assets from or through members or housing associates, and the members or housing associates continue to bear a significant portion of the credit risk. These assets may have more credit risk than advances, even though the member or housing associate provides credit enhancement. At March 31, 2002, the acquired member asset programs had a total outstanding balance of $31.6 billion of mortgage loans, all of which were credit enhanced by members to a level equivalent to at least an investment-grade rating. Outstanding mortgage loan balances were $27.6 billion at December 31, 2001 and $16.5 billion at March 31, 2001. All of the FHLBanks participating in these programs have established appropriate loan loss allowances. Neither the member credit enhancements nor mortgage loans are rated. An FHLBank must hold risk-based capital against acquired member assets or pools of assets that have an implied credit rating less than double-A. All of the FHLBanks except Seattle, Cincinnati and Indianapolis offer the MPF® program to their members, and these three FHLBanks offer an alternative mortgage purchase plan, MPP.

The acquired member asset rule of the Finance Board specifies that assets must be either whole loans eligible to secure advances (excluding mortgages above the conforming loan limit), whole loans secured by manufactured housing, or state and local housing finance agency bonds. In addition, the rule mandates a member or housing associate nexus. All pools of acquired member assets must have a credit-risk-sharing arrangement with a member, housing associate, or third-party mortgage insurance that limits the FHLBank's credit-risk exposure to no less than investment grade, as determined by a formal rating or a comparable methodology.

Operational Risk. Operational risk is the risk of potential loss due to human error, systems malfunctions, man-made or natural disasters, fraud, or circumvention or failure of internal controls. The FHLBanks have established comprehensive financial and operating polices and procedures and appropriate insurance coverage to mitigate the likelihood of, and potential losses from, such occurrences. The FHLBanks' policies and procedures include controls to ensure that system-generated data are reconciled to source documentation on a regular basis. Each FHLBank's internal audit department, which reports directly to the individual FHLBank's audit committee, regularly monitors each FHLBank's compliance with established polices and procedures. In addition, each FHLBank has a business continuity plan that is designed to restore critical business processes and systems in the event of disasters. However, some of the operational risks of the FHLBanks are beyond the control of the FHLBanks, and the failure of other parties to address adequately their operational risk could adversely affect the FHLBanks.

Regulatory Developments

Capital Plans. On January 30, 2001, the Finance Board published a final rule implementing a new capital structure for the FHLBanks, as required by the GLB Act. The rule establishes risk-based and leverage capital requirements for the FHLBanks, addresses different classes of stock that an FHLBank may issue and the rights and preferences that may be associated with each class of stock, and required each FHLBank to submit a capital plan to the Finance Board for approval by October 29, 2001. All FHLBanks submitted their proposed capital plans to the Finance Board by October 29, 2001. The Finance Board has announced a schedule to consider the FHLBanks' proposed capital plans during its meetings from March 13 to July 10, 2002; however, there is no assurance that the capital plans will be approved on the review dates. The capital rule provides a transition period that allows each FHLBank up to three years from the effective date of its capital plan to implement its new capital structure. The existing capital structure of each FHLBank will remain in place until its capital plan has been approved and is effective.

On March 13, 2002 and April 10, 2002, the Finance Board approved the capital structure plan of the FHLBanks of Seattle and Atlanta, respectively.

Unsecured Credit Limits. On December 27, 2001, the Finance Board published a final rule amending its rules governing the amount of unsecured credit that an FHLBank can extend to a particular counterparty. The amendments require an FHLBank to base its credit limit on the long-term credit rating of the counterparty, set the amount of unsecured credit that may be extended to a Government-Sponsored Enterprise at the level allowed under the Financial Management Policy, adjust the limits for sales of overnight Federal funds and limits for unsecured credit extended to groups of affiliated counterparties, address how unsecured credit limits should be applied to certain housing finance agency bonds, and clarify how an FHLBank should calculate its credit exposures from on- and off-balance sheet items and derivative contracts. The rule became effective March 27, 2002.

Multiple Membership Petitions. The Finance Board published a solicitation of comments on the implications for the FHLBanks raised by structural changes occurring in their membership. The solicitation was prompted by the submission of several petitions requesting that the Finance Board permit a single depository institution to become a member of two FHLBanks concurrently. On January 22, 2002, the Finance Board announced that it intends to defer action on multi-district membership petitions until it decides on a course of action to address broader membership issues.

Non-Mortgage Assets Redefinition. The Finance Board published a proposed rule on March 7, 2002, that would amend its regulation of FHLBank consolidated obligations in order to redefine the term "non-mortgage assets" as used in the provision on FHLBank leverage limits. The amendment excludes mortgage loans from the term "non-mortgage assets."

Capital Adequacy

The FHLBank Act prescribes minimum member capital stock requirements. At March 31, 2002, 97.4 percent of the FHLBanks' capital was capital stock, and 2.6 percent was retained earnings. At March 31, 2002, the FHLBanks had an aggregate capital-to-asset ratio of 5.0 percent. This compares with a capital-to-asset ratio of 4.9 percent at December 31, 2001 and 4.8 percent at March 31, 2001.

Transactions with Related Parties

Each FHLBank is a cooperative bank. The consolidated obligations issued by the FHLBanks are the joint-and-several obligation of all FHLBanks. The members own all the stock of the FHLBanks, the majority of the directors of each FHLBank is elected by and from the membership, and the FHLBanks conduct their advances and other business almost exclusively with members. Therefore, in the normal course of business, the FHLBanks extend credit to members whose officers may serve as directors of the FHLBanks. At March 31, 2002, the FHLBanks had $81.6 billion of advances outstanding to members whose officers were serving as directors of the FHLBanks. This amounted to 17.9 percent of total advances at par.

Federal Home Loan Bank Membership Trends

At March 31, 2002, there were 7,896 members of the FHLBanks, a net increase of 19 since December 31, 2001. As of March 31, 2002, the membership in the FHLBanks was comprised of 1,465 thrift institutions (savings and loan associations and savings banks), 5,782 commercial banks, 591 credit unions, and 58 insurance companies.

Federal Home Loan Banks

Membership

	Commercial Banks	Thrifts	Credit Unions	Insurance Companies	Total
December 31, 1998	4,925	1,651	275	33	6,884
December 31, 1999	5,329	1,610	405	39	7,383
December 31, 2000	5,681	1,547	497	52	7,777
December 31, 2001 (1)	5,765	1,481	574	57	7,877
March 31, 2002	5,782	1,465	591	58	7,896

(1) Revised based on member mergers.

Members. Membership is voluntary. A member must give six months notice of its intent to withdraw. Members that withdraw from membership may not be readmitted to membership for five years. Between January 1, 1993, and March 31, 2002, only 47 FHLBank members withdrew from membership for reasons other than merger or acquisition, and two members have given notice to withdraw before October 1, 2002, for reasons other than merger or acquisition.

At March 31, 2002, total capital stock was $34.0 billion, an increase of $0.7 billion since December 31, 2001. Commercial bank members hold 46.2 percent of the capital stock and thrift institution members hold 48.5 percent.

Federal Home Loan Banks

Capital by Member Type (Dollar amounts in billions)

	Commercial Banks	Thrifts	Credit Unions	Insurance Companies	Other (1)	Total
December 31, 1998	$10.0	$11.1	$0.3	$0.2	$0.7	$22.3
December 31, 1999	13.2	14.0	0.5	0.3	0.4	28.4
December 31, 2000	13.8	15.3	0.6	0.4	0.4	30.5
December 31, 2001 (2)	15.2	16.4	0.9	0.3	0.5	33.3
March 31, 2002	15.7	16.5	1.0	0.3	0.5	34.0

(1) Includes capital stock of members involved in mergers other than Bank United and Dime Savings Bank of New York, FSB, which were both acquired by Washington Mutual Bank, FA, in February 2001 and January 2002, respectively. For additional information, see footnotes (1) and (2) in the "Top 10 Capital Stock Holding Members in the FHLBanks" table below. Advances to members involved in mergers must be paid off before or at maturity, if the merger involves a nonmember institution. Until these advances are paid off, the former member must still hold capital stock to support those advances.

(2) Revised based on member mergers.

The following table presents information on the 10 largest holders of FHLBank capital stock at March 31, 2002.

Federal Home Loan Banks

Top 10 Capital Stock Holding Members in the FHLBanks at March 31, 2002

Name	City	State	Capital Stock ($Millions)	Percent of Total Capital Stock
Washington Mutual Bank, FA(1)(2)	Stockton	CA	$3,578.5	10.5%
California Federal Bank, AFSB*	San Francisco	CA	1,368.2	4.0%
World Savings Bank, FSB*	Oakland	CA	683.4	2.0%
Washington Mutual Bank*	Seattle	WA	679.2	2.0%
Charter One Bank, FSB*	Cleveland	OH	574.0	1.7%
BB&T of NC	Winston-Salem	NC	422.0	1.2%
US Bank, NA(3)	Cincinnati	OH	380.8	1.1%
Standard Federal Bank, NA*	Troy	MI	357.7	1.1%
World Savings Bank, FSB	Houston	TX	355.0	1.0%
Fleet National Bank	Providence	RI	331.9	1.0%
			$8,730.7	25.6%

* An asterisk indicates that an officer of the member was an FHLBank director in 2002.

(1) Includes $399 million in capital stock from the acquisition of Bank United, a former member of the FHLBank of Dallas, by Washington Mutual Bank, FA, a member of the FHLBank of San Francisco.

(2) Includes $394 million in capital stock from the acquisition of Dime Savings Bank of New York, FSB, a former member of the FHLBank of New York, by Washington Mutual Bank, FA, a member of the FHLBank of San Francisco.

(3) Includes $22 million in capital stock owned by US Bank, NA, a former member of the FHLBank of Des Moines, which merged with US Bank, NA (Firstar), a member of the FHLBank of Cincinnati.

The information presented on capital stock in the table is for individual FHLBank members. The data are not aggregated to the holding-company level. Some of the institutions listed are affiliates of the same holding company, and some of the institutions listed have affiliates that are members but that are not listed in the tables.

Member Borrowers. The total number of borrowing members decreased from 5,210 at year end 2001 to 5,204 at March 31, 2002. The percent of total members borrowing declined to 65.9 percent at March 31, 2002 from 66.1 percent at December 31, 2001.

Federal Home Loan Banks

Member Borrowers

	Commercial Banks	Thrifts	Credit Unions	Insurance Companies	Total
December 31, 1998	3,056	1,083	87	13	4,239
December 31, 1999	3,683	1,211	179	19	5,092
December 31, 2000	3,843	1,165	177	25	5,210
December 31, 2001(1)	3,927	1,084	168	31	5,210
March 31, 2002	3,939	1,062	170	33	5,204

(1) Revised based on member mergers.

While 65.9 percent of the FHLBanks' members held advances at March 31, 2002, the 72 borrowers with advance holdings of $1 billion or more at March 31, 2002, held 62.8 percent of the FHLBanks' total advances. At year-end 2001, 70 borrowers held advances greater than $1 billion, representing 63.0 percent of total FHLBanks' advances.

Federal Home Loan Banks

Advances
(Dollar amounts in billions)

	Commercial Banks	Thrifts	Credit Unions	Insurance Companies	Other(1)	Total(2)
December 31, 1998	$104.4	$172.9	$1.1	$2.5	$7.3	$288.2
December 31, 1999	147.7	238.0	3.4	3.2	3.4	395.7
December 31, 2000	172.1	254.9	3.4	2.5	5.0	437.9
December 31, 2001(3)	196.3	251.6	4.9	3.1	7.4	463.3
March 31, 2002	198.7	240.2	5.5	3.7	7.4	455.5

(1) Includes advances to housing associates and members involved in mergers other than Bank United and Dime Savings Bank of New York, FSB, which were acquired by Washington Mutual Bank, FA in February 2001 and January 2002, respectively. For additional information, see footnotes (1) and (2) in the "Top 10 Advance Holding Members" table below. Advances to members involved in mergers must be paid off before or at maturity, if the merger involves a nonmember institution.

(2) Total advance amounts for December 31, 2001 and March 31, 2002, are at par value and will not agree to the Statements of Condition. The differences between the par and book value amounts relate to basis adjustments arising from hedges under SFAS 133 for book purposes.

(3) Revised based on member mergers.

The following table presents information on the 10 largest borrowers from the FHLBanks at March 31, 2002.

Federal Home Loan Banks

Top 10 Advance Holding Members
at March 31, 2002

Name	City	State	Advances ($ Millions)	Percent of Total Advances(4)
Washington Mutual Bank, FA(1)(2)	Stockton	CA	$ 55,843.2	12.3%
California Federal Bank, FSB*	San Francisco	CA	20,457.3	4.5%
World Savings Bank, FSB*	Oakland	CA	10,540.7	2.3%
BB&T of NC	Winston-Salem	NC	8,419.7	1.8%
Standard Federal Bank, NA*	Troy	MI	7,154.9	1.6%
US Bank, NA(3)	Cincinnati	OH	7,031.1	1.5%
World Savings Bank, FSB	Houston	TX	7,000.0	1.5%
Charter One Bank, FSB*	Cleveland	OH	6,946.7	1.5%
SunTrust Bank	Atlanta	GA	6,613.0	1.5%
Wells Fargo Bank Minnesota, NA	Minneapolis	MN	6,076.0	1.3%
			$136,082.6	29.8%

* An asterisk indicates that an officer of the member was an FHLBank director in 2002.

(1) Includes $7,557 million in advances from the acquisition of Bank United, a former member of the FHLBank of Dallas, by Washington Mutual Bank, FA, a member of the FHLBank of San Francisco.

(2) Includes $7,884 million in advances from the acquisition of Dime Savings Bank of New York, FSB, a former member of the FHLBank of New York by Washington Mutual Bank, FA, a member of the FHLBank of San Francisco.

(3) Includes $434 million in advances of US Bank, NA, a former member of the FHLBank of Des Moines, which merged with US Bank, NA (Firstar), a member of the FHLBank of Cincinnati.

(4) Member advance amounts and the total advance amounts are at par value, and the total advance amount will not agree to the Statements of Condition. The difference between the par and book value amounts relates to basis adjustments arising from hedges under SFAS 133 for book purposes.

The information presented on advances in the table is for individual FHLBank members. The data are not aggregated to the holding-company level. Some of the institutions listed are affiliates of the same holding company, and some of the institutions listed have affiliates that are members but that are not listed in the tables.

Housing Associates. At March 31, 2002, the FHLBanks had $344.2 million in advances outstanding to 18 housing associates, up from $263.8 million at year-end 2001. Housing associates eligible to borrow include 44 State housing finance agencies, 7 county housing finance agencies, 4 city housing authorities and 1 tribal housing corporation.

Explanatory Statement about FHLBanks Combined Financial Report

The Office of Finance assumed responsibility for the preparation of the FHLBanks' combined Financial Reports, beginning with Financial Reports prepared for fiscal periods commencing after December 31, 2000. Financial Reports prepared and published for fiscal periods ended prior to January 1, 2001, were prepared by the Finance Board. The Office of Finance does not have the same access to information regarding the FHLBanks as the Finance Board has in its capacity as regulator of the FHLBanks. In connection with the Office of Finance's preparation responsibilities, the Office of Finance is responsible for combining the financial information it receives from the FHLBanks, each of which is responsible for the financial information it provides to the Office of Finance.

The FHLBanks' combined Financial Reports are required to be distributed to members, and are intended to be used by investors in the consolidated bonds and consolidated discount notes of the FHLBanks. These consolidated obligations are the joint-and-several obligations of the FHLBanks, which means that each FHLBank is responsible to the registered holders of the consolidated obligations for the payment of all principal of and interest on those obligations.

Each FHLBank is a separately chartered entity, with its own board of directors and management, even though the consolidated obligations are the joint-and-several obligations of all FHLBanks, and even though some financial institutions may have one or more affiliates which are members of one or more FHLBanks. All FHLBanks are subject to regulations issued by the Finance Board, and their operations are examined periodically by the Finance Board.

The Financial Reports are prepared on behalf of the FHLBanks because it is believed that the presentation of the financial information relating to the FHLBanks on a "combined" basis is more meaningful to investors in consolidated obligations than providing financial information relating to each FHLBank on a stand-alone basis only. However, investors should be aware that this combined presentation describes a combination of assets and liabilities only for this purpose, and that these assets and liabilities are not presented on a consolidated basis because the combined assets and liabilities are not under joint management and control. (See Note 1 to the accompanying combined financial statements.)

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FEDERAL HOME LOAN BANKS

COMBINED STATEMENTS OF CONDITION

(Dollar amounts in millions)

	March 31, 2002	December 31, 2001	March 31, 2001
	(Unaudited)		(Unaudited)
ASSETS			
Cash and due from banks	$ 483	$ 319	$ 419
Interest-bearing deposits in banks	21,649	19,141	17,237
Securities purchased under resale agreements	5,565	7,950	6,793
Federal funds sold	55,191	48,394	65,042
Held-to-maturity securities	102,304	97,296	96,366
Available-for-sale securities	8,441	7,403	7,763
Securities held at fair value	9,553	9,880	6,861
Advances	461,994	472,732	450,474
Mortgage loans	31,633	27,650	16,510
Less: allowance for credit losses on mortgage loans	8	7	4
Mortgage loans, net	31,625	27,643	16,506
Accrued interest receivable	3,080	3,106	4,214
Premises and equipment, net	129	132	126
Derivative assets	2,205	2,728	2,047
Other assets	542	552	423
Total assets	$702,761	$697,276	$674,271
LIABILITIES			
Deposits:			
Demand and overnight	$ 26,463	$ 23,720	$ 28,506
Term	1,375	1,115	927
Other	594	826	450
Total deposits	28,432	25,661	29,883
Borrowings:			
Securities sold under repurchase agreements	2,290	800	104
Other borrowings	125	350	70
Total borrowings	2,415	1,150	174
Consolidated obligations:			
Discount notes	128,001	139,502	184,838
Bonds	495,170	481,793	415,457
Total consolidated obligations	623,171	621,295	600,295
Accrued interest payable	5,657	5,751	6,009
Affordable Housing Program	676	696	641
Payable to REFCORP	113	161	134
Derivative liabilities	6,288	7,814	4,148
Other liabilities	1,093	530	879
Total liabilities	667,845	663,058	642,163
CAPITAL			
Capital stock ($100 par value)	34,007	33,289	31,363
Retained earnings	977	932	749
Accumulated other comprehensive income:			
Net unrealized gains (losses) on available-for-sale securities	89	176	(5)
Cumulative effect of accounting change			(2)
Net change during period related to hedging activities	(157)	(179)	3
Total capital	34,916	34,218	32,108
Total liabilities and capital	$702,761	$697,276	$674,271

FEDERAL HOME LOAN BANKS
COMBINED STATEMENTS OF INCOME
(Dollar amounts in millions)
(Unaudited)

	For the Three Months Ended March 31, 2002	2001
INTEREST INCOME		
Advances	$2,838	$6,723
Interest-bearing deposits in banks	92	244
Securities purchased under resale agreements	35	72
Federal funds sold	227	822
Held-to-maturity securities	1,254	1,535
Available-for-sale securities	35	107
Securities held at fair value	126	121
Mortgage loans	476	296
Other	1	1
Total interest income	5,084	9,921
INTEREST EXPENSE		
Consolidated obligations	4,276	8,846
Deposits	109	283
Securities sold under repurchase agreements	11	
Other borrowings	2	2
Total interest expense	4,398	9,131
NET INTEREST INCOME BEFORE MORTGAGE LOAN LOSS PROVISION	686	790
Mortgage loan loss provision	1	1
NET INTEREST INCOME AFTER MORTGAGE LOAN LOSS PROVISION	685	789
OTHER INCOME		
Net unrealized (losses) gains on securities held at fair value	(159)	76
Net realized and unrealized gains (losses) on derivatives and hedging activities	130	(43)
Service fees	10	11
Net gains on sale of securities held at fair value	7	
Net gains from sale of held-to-maturity securities	1	
Other, net	52	24
Total other income	41	68
OTHER EXPENSE		
Operating expenses	88	85
Finance Board and Office of Finance expenses	13	10
Other, net		5
Total other expenses	101	100
INCOME BEFORE ASSESSMENTS	625	757
Affordable Housing Program	49	58
REFCORP	112	134
Total assessments	161	192
INCOME BEFORE EXTRAORDINARY ITEM AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	464	565
Losses on early retirement of debt, net	(15)	
Cumulative effect of change in accounting principle		(30)
NET INCOME	$ 449	$ 535

FEDERAL HOME LOAN BANKS
COMBINED STATEMENTS OF CAPITAL
(Dollar amounts in millions)
(Unaudited)

	Capital Stock		Retained Earnings				
	Shares (In millions)	Par Value	Restricted	Unrestricted	Total Retained Earnings	Accumulated Other Comprehensive Income	Total Capital
BALANCE, DECEMBER 31, 2000	305	$30,537	$	$ 729	$ 729	$ (1)	$31,265
Proceeds from the sale of capital stock	19	1,908					1,908
Redemption of capital stock	(13)	(1,330)					(1,330)
Comprehensive income:							
Net income				535	535		535
Other comprehensive income:							
Net unrealized loss on available-for-sale securities						(4)	(4)
Cumulative effect of accounting change						(2)	(2)
Net unrealized gains related to hedging activities						3	3
Comprehensive income							532
Dividends on capital stock:							
Cash				(267)	(267)		(267)
Stock	2	248		(248)	(248)		
BALANCE, MARCH 31, 2001	313	$31,363	$	$ 749	$ 749	$ (4)	$32,108
BALANCE, DECEMBER 31, 2001	332	$33,289	$	$ 932	$ 932	$ (3)	$34,218
Proceeds from the sale of capital stock	22	2,054					2,054
Redemption of capital stock	(16)	(1,546)					(1,546)
Comprehensive income:							
Net income				449	449		449
Other comprehensive income:							
Net unrealized losses on available-for-sale securities						(86)	(86)
Net unrealized gains related to hedging activities						21	21
Total comprehensive income							384
Dividend on capital stock:							
Cash				(194)	(194)		(194)
Stock	2	210		(210)	(210)		
BALANCE, MARCH 31, 2002	340	$34,007	$	$ 977	$ 977	$(68)	$34,916

FEDERAL HOME LOAN BANKS

COMBINED STATEMENTS OF CASH FLOWS

(Dollar amounts in millions)
(Unaudited)

	For the Three Months Ended March 31, 2002	2001
OPERATING ACTIVITIES		
Net income	$ 449	$ 535
Extraordinary gain on early retirement of debt, net	15	
Cumulative effect of change in accounting principle		30
Income before extraordinary item and cumulative effect of change in accounting principle	464	565
Adjustments to reconcile income before extraordinary item and cumulative effect of change in accounting principle to net cash provided by operating activities:		
Depreciation and amortization:		
Net premiums and discounts on consolidated obligations and investments, and deferred costs and deferred fees received on interest-rate exchange agreements	338	1,312
Concessions on consolidated obligations	37	43
Deferred loss on interest-rate exchange agreements, net	2	10
Premises and equipment	5	3
Net premiums and discounts on mortgage loans	8	15
Other		(2)
Provision for credit losses on mortgage loans	1	1
Net realized gains on held-to-maturity securities	(1)	
(Increase) decrease in securities held at fair value, net transfers and transition adjustments	(1,159)	64
Gains due to change in net fair value adjustment on derivative and hedging activities	(193)	(138)
Decrease in accrued interest receivable	37	5,874
Increase in derivative assets — accrued interest	(29)	(177)
Decrease in derivative liabilities — accrued interest	(190)	(597)
Decrease (increase) in other assets	11	(159)
Increase in Affordable Housing Program (AHP) liability and discount on AHP advances	3	25
Decrease in accrued interest payable	(105)	(4,846)
Decrease in REFCORP liability	(48)	(12)
Increase in other liabilities	111	47
Total adjustments	(1,172)	1,463
Net cash (used in) provided by operating activities	(708)	2,028
INVESTING ACTIVITIES		
Net (increase) decrease in interest-bearing deposits in banks	(2,508)	867
Net increase in Federal funds sold	(6,797)	(9,775)
Net decrease (increase) in securities purchased under resale agreements	2,385	(5,377)
Net decrease in short-term held-to-maturity securities	1,292	925
Proceeds from sales of long-term held-to-maturity securities	44	
Proceeds from maturities of long-term held-to-maturity securities	11,082	5,215
Purchases of long-term held-to-maturity securities	(15,126)	(7,504)
Proceeds from sales of available-for-sale securities		1,098
Proceeds from maturities of available-for-sale securities	14,162	9,903
Purchases of available-for-sale securities	(16,305)	(8,660)
Principal collected on advances	911,000	983,449
Advances made	(903,212)	(990,400)
Principal collected on mortgage loans	2,390	1,092
Mortgage loans purchased	(6,383)	(1,443)
Increase in premises and equipment	(2)	(4)
Net cash used in investing activities	(7,978)	(20,614)

FEDERAL HOME LOAN BANKS

COMBINED STATEMENTS OF CASH FLOWS — (Continued)

(Dollar amounts in millions)
(Unaudited)

	For the Three Months Ended March 31,	
	2002	2001
FINANCING ACTIVITIES		
Net increase in deposits	$ 2,771	$ 12,820
Net increase in securities sold under repurchase agreements	1,090	104
Net increase in other borrowings	175	68
Net proceeds from sale of consolidated obligations:		
Discount notes	981,443	1,204,583
Bonds	93,198	82,710
Payments for maturing and retiring consolidated obligations:		
Discount notes	(993,390)	(1,180,997)
Bonds	(76,742)	(101,342)
Proceeds from issuance of capital stock	2,054	1,908
Payments for redemption of capital stock	(1,546)	(1,330)
Cash dividends paid	(203)	(271)
Net cash provided by financing activities	8,850	18,253
Net increase (decrease) in cash and cash equivalents	164	(333)
Cash and cash equivalents at beginning of period	319	752
Cash and cash equivalents at end of period	$ 483	$ 419
Supplemental Disclosures:		
Interest paid	$ 4,317	$ 10,927
Stock dividends issued	$ 210	$ 248

Notes to Combined Financial Statements (Unaudited)

Note 1 — Basis of Presentation

The accompanying combined interim financial statements for the three months ended March 31, 2002, should be read in conjunction with the audited financial statements for the year ended December 31, 2001, which are contained in the Federal Home Loan Banks 2001 Financial Report.

The results of operations for interim periods are not necessarily indicative of results to be expected for the year ending December 31, 2002.

Each FHLBank prepares its own financial statements and submits them, along with other financial information, to the Office of Finance. The Office of Finance is responsible for combining those financial statements, including the elimination of material transactions between the FHLBanks, and preparing the combined Financial Report that includes the combined financial statements.

Reclassifications. Certain amounts in the 2001 year-end and first quarter 2001 combined financial statements have been reclassified to conform with the March 31, 2002 presentation.

Note 2 — Principles of Combination and Segment Reporting

For the purposes of SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information,* the Finance Board considers each FHLBank to be a segment. The combined financial statements include the financial records of the 12 FHLBanks. Material transactions among the FHLBanks have been eliminated. The principal transactions among segments are purchases of interbank bonds — consolidated obligations issued on behalf of one FHLBank and purchased by one or more other FHLBanks. All these transactions occur at market prices, and the purchasing FHLBanks treat these bonds as investments. No other transactions among the FHLBanks have a material effect on operating results.

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FEDERAL HOME LOAN BANKS
COMBINING SCHEDULES—STATEMENTS OF CONDITION
March 31, 2002
(Dollar amounts in millions)
(Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
ASSETS						
Cash and due from banks	$ 483	$	$ 4	$ 36	$ 121	$ 79
Interest-bearing deposits in banks	21,649		550	5,757	1,088	974
Deposits for mortgage loan programs with other FHLBanks		(14)	1		3	8
Securities purchased under resale agreements	5,565		215			
Federal funds sold	55,191		5,506	2,668	552	11,426
Held-to-maturity securities	102,304	(1,478)	5,965	11,205	7,042	12,349
Available-for-sale securities	8,441	(503)	964		603	
Securities held at fair value	9,553	(698)	702		2,771	2,758
Advances	461,994		23,995	61,079	29,501	70,534
Mortgage loans	31,633		770	411	1,698	575
Less: allowance for credit losses on mortgages loans	8					1
Mortgage loans, net	31,625		770	411	1,698	574
Loans to other FHLBanks		(260)		50		10
Accrued interest receivable	3,080	(21)	160	385	540	439
Premises and equipment, net	129		6	8	10	28
Derivative assets	2,205		59	708	93	218
Other assets	542		21	24	40	46
Total assets	$702,761	$(2,974)	$38,918	$82,331	$44,062	$99,443
LIABILITIES						
Deposits:						
Demand and overnight	$ 26,463	$	$ 2,035	$ 2,348	$ 2,017	$ 5,903
Term	1,375		23	222	9	151
Deposits from other FHLBanks for mortgage loan programs		(14)				
Other	594		5	5	8	138
Total deposits	28,432	(14)	2,063	2,575	2,034	6,192
Borrowings:						
Other FHLBanks		(260)			210	
Securities sold under repurchase agreements	2,290				504	
Other borrowings	125				125	
Total borrowings	2,415	(260)			839	
Consolidated obligations:						
Discount notes	128,001		6,986	19,687	9,381	490
Bonds	495,170	(2,679)	27,104	54,019	28,722	85,663
Total consolidated obligations	623,171	(2,679)	34,090	73,706	38,103	86,153
Accrued interest payable	5,657	(21)	314	629	350	918
Affordable Housing Program	676		34	107	36	98
Payable to REFCORP	113		4	18	1	14
Derivative liabilities	6,288		202	1,334	438	1,614
Other liabilities	1,093		57	45	193	132
Total liabilities	667,845	(2,974)	36,764	78,414	41,994	95,121
CAPITAL						
Capital stock outstanding ($100 par value)	34,007		2,110	3,707	2,004	4,150
Retained earnings	977		45	210	71	172
Accumulated other comprehensive income:						
Net unrealized net gains (losses) on available-for sale securities	89		(13)		(9)	
Net change during period relating to hedging activities	(157)		12		2	
Total capital	34,916		2,154	3,917	2,068	4,322
Total liabilities and capital	$702,761	$(2,974)	$38,918	$82,331	$44,062	$99,443

	Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
	$ 4	$ 48	$ 1	$ 100	$ 63	$ 7	$ 1	$ 19
	4,376	424		64		1,861	5,621	934
					1	1		
			100	3,000			2,200	50
	11,577	2,400	2,804	2,069	2,414	1,455	9,740	2,580
	9,037	5,060	4,889	4,562	4,590	6,563	17,755	14,765
	1,795	1,570		207	3,805			
	27	95	2,466	121	392	155	547	217
	33,477	26,826	23,784	20,352	33,549	22,837	93,776	22,284
	1,083	1,508	18,782	3,508	1,392	114		1,792
			4	3				
	1,083	1,508	18,778	3,505	1,392	114		1,792
			200					
	219	148	249	52	145	111	411	242
	3	11	18	7	29	1	5	3
	73	32	232	202	147	109	271	61
	19	33	19	18	193	62	46	21
	$61,690	$38,155	$53,540	$34,259	$46,720	$33,276	$130,373	$42,968
	$ 1,582	$ 1,714	$ 2,303	$ 2,033	$ 2,592	$ 1,720	$ 474	$ 1,742
	167		221	73	53	277	32	147
			14					
	75	12	195			47	109	
	1,824	1,726	2,733	2,106	2,645	2,044	615	1,889
				50				
			1,200					586
			1,200	50				586
	22,619	10,503	9,637	5,785	10,072	6,661	17,573	8,607
	32,733	23,014	36,401	24,323	30,924	22,322	103,763	28,861
	55,352	33,517	46,038	30,108	40,996	28,983	121,336	37,468
	433	325	477	251	365	300	923	393
	78	34	38	24	15	27	132	53
	11	7	10	1	4	8	28	7
	636	636	264	109	223	390	335	107
	20	103	111	4	133	18	268	9
	58,354	36,348	50,871	32,653	44,381	31,770	123,637	40,512
	3,287	1,771	2,603	1,572	2,269	1,450	6,656	2,428
	49	34	120	35	75	56	82	28
		2		(1)	110			
			(54)		(115)		(2)	
	3,336	1,807	2,669	1,606	2,339	1,506	6,736	2,456
	$61,690	$38,155	$53,540	$34,259	$46,720	$33,276	$130,373	$42,968

FEDERAL HOME LOAN BANKS
COMBINING SCHEDULES—STATEMENTS OF CONDITION
MARCH 31, 2001
(Dollar amounts in millions)
(Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
ASSETS						
Cash and due from banks	$ 419	$	$ 13	$ 19	$ 103	$ 78
Interest-bearing deposits in banks	17,237		155	6,430	149	944
Deposits for mortgage loan programs with other FHLBanks		(25)			14	6
Securities purchased under resale agreements	6,793		1,295			
Federal funds sold	65,042		8,952	6,066	3,777	6,863
Held-to-maturity securities	96,366	(1,578)	6,322	12,127	6,470	12,195
Available-for-sale securities	7,763	(559)	824		183	
Securities held at fair value	6,861	(523)	1,051		1,847	1,812
Advances	450,474		22,240	52,769	25,658	66,898
Mortgage loans	16,510		37	502	1,977	444
Less: allowance for credit losses on mortgage loans	4					
Mortgage loans, net	16,506		37	502	1,977	444
Loans to other FHLBanks		(80)		50		30
Accrued interest receivable	4,214	(31)	176	920	531	518
Premises and equipment, net	126		3	10	13	30
Derivative assets	2,047		82	327	273	108
Other assets	423		16	21	35	34
Total assets	$674,271	$(2,796)	$41,166	$79,241	$41,030	$89,960
LIABILITIES						
Deposits:						
Demand and overnight	$ 28,506	$	$ 3,069	$ 3,152	$ 1,690	$ 6,426
Term	927		42	216	18	59
Deposits from other FHLBanks for mortgage loan programs		(25)				
Other	450		4	7	137	55
Total deposits	29,883	(25)	3,115	3,375	1,845	6,540
Borrowings:						
Other FHLBanks		(80)			30	
Securities sold under repurchase agreements	104					
Other borrowings	70					
Total borrowings	174	(80)			30	
Consolidated obligations:						
Discount notes	184,838		13,756	29,588	4,845	9,169
Bonds	415,457	(2,660)	21,672	40,548	31,608	67,817
Total consolidated obligations	600,295	(2,660)	35,428	70,136	36,453	76,986
Accrued interest payable	6,009	(31)	331	852	485	910
Affordable Housing Program	641		36	92	43	90
Payable to REFCORP	134		9	17	8	17
Derivative liabilities	4,148		154	768	224	1,221
Other liabilities	879		98	44	20	109
Total liabilities	642,163	(2,796)	39,171	75,284	39,108	85,873
CAPITAL						
Capital stock outstanding ($100 par value)	31,363		1,941	3,831	1,812	3,943
Retained earnings	749		48	126	109	144
Accumulated other comprehensive income:						
Net unrealized (losses) gains on available-for-sale securities	(5)		(8)			
Cumulative effect of accounting change	(2)		14		1	
Net change during period relating to hedging activities	3					
Total capital	32,108		1,995	3,957	1,922	4,087
Total liabilities and capital	$674,271	$(2,796)	$41,166	$79,241	$41,030	$89,960

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
$ 25	$ 42	$ 1	$ 74	$ 51	$ 1	$ 6	$ 6
3,147	143		160		1,426	3,850	833
				5			
	45	53	2,750			2,000	650
9,648	2,493	2,324	4,290	2,550	3,085	10,244	4,750
8,706	4,716	4,840	4,216	5,771	5,453	15,068	12,060
2,141	1,399			3,725	50		
44	95	713	197	486	150	648	341
31,814	24,021	19,247	20,976	30,974	18,622	111,365	25,890
68	36	8,419	3,115	1,434	16		462
		2	2				
68	36	8,417	3,113	1,434	16		462
318	142	189	73	209	114	766	289
3	10	14	6	31		4	2
52	45	205	253	135	192	280	95
12	19	12	8	204	20	33	9
$55,978	$33,206	$36,015	$36,116	$45,575	$29,129	$144,264	$45,387
$ 1,580	$ 1,956	$ 1,785	$ 2,068	$ 2,624	$ 1,947	$ 566	$ 1,643
110		160	91	96	17	31	87
		25					
34	12	164			37		
1,724	1,968	2,134	2,159	2,720	2,001	597	1,730
			50				
							104
					70		
			50		70		104
26,219	11,607	7,540	6,108	7,742	5,773	41,507	20,984
24,096	17,319	23,878	25,562	32,220	19,479	93,980	19,938
50,315	28,926	31,418	31,670	39,962	25,252	135,487	40,922
336	304	357	349	371	244	1,187	314
69	30	32	28	36	26	115	44
12	7	7	7	7	7	27	9
348	357	301	33	195	264	265	18
276	12	17	3	148	8	139	5
53,080	31,604	34,266	34,299	43,439	27,872	137,817	43,146
2,849	1,573	1,677	1,777	2,097	1,202	6,435	2,226
48	29	72	40	37	55	26	15
1				2			
						(17)	
						3	
2,898	1,602	1,749	1,817	2,136	1,257	6,447	2,241
$55,978	$33,206	$36,015	$36,116	$45,575	$29,129	$144,264	$45,387

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2002

(Dollar amounts in millions) (Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
INTEREST INCOME						
Advances	$2,838	$	$210	$414	$152	$390
Interest-bearing deposits in banks	92		1	25	6	5
Securities purchased under resale agreements	35		6			
Federal funds sold	227		18	11	5	37
Held-to-maturity securities	1,254	(13)	77	185	65	176
Available-for-sale securities	35	(7)	5		5	
Securities held at fair value	126	(8)	10		36	42
Mortgage loans	476		8	7	28	9
Loans to other FHLBanks		(1)		1		
Other	1					
Total interest income	5,084	(29)	335	643	297	659
INTEREST EXPENSE						
Consolidated obligations	4,276	(28)	300	540	253	535
Deposits	109		8	11	8	24
Borrowings from other FHLBanks		(1)				
Securities sold under resale agreements	11				2	
Other borrowings	2					
Total interest expense	4,398	(29)	308	551	263	559
NET INTEREST INCOME BEFORE MORTGAGE LOAN LOSS PROVISION	686		27	92	34	100
Mortgage loan loss provision	1					
NET INTEREST INCOME AFTER MORTGAGE LOAN LOSS PROVISION	685		27	92	34	100
OTHER INCOME						
Net unrealized (losses) gains on securities held at fair value	(159)		(3)		(35)	(48)
Net realized and unrealized gains (losses) on derivatives and hedging activities	130		1	1	9	36
Service fees	10			1	1	1
Net gains on sale of securities held at fair value	7				7	
Net gains from sale of held-to-maturity securities	1					
Other, net	52		5	26		1
Total other income	41		3	28	(18)	(10)
OTHER EXPENSE						
Operating expenses	88		6	9	8	11
Finance Board and Office of Finance expenses	13		1	1	1	1
Other, net				(5)		2
Total other expenses	101		7	5	9	14
INCOME BEFORE ASSESSMENTS	625		23	115	7	76
Affordable Housing Program	49		2	8	1	6
REFCORP	112		4	18	1	14
Total assessments	161		6	26	2	20
INCOME BEFORE EXTRAORDINARY ITEM	464		17	89	5	56
(Losses) gains on early retirement of debt, net	(15)			(16)		
NET INCOME	$ 449	$	$ 17	$ 73	$ 5	$ 56

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
$220	$165	$129	$144	$202	$134	$504	$174
18	2				10	21	4
			16			12	1
55	12	12	8	12	11	34	12
126	69	38	46	38	72	201	174
8	6		1	17			
	2	33	1	2	1	3	4
13	13	282	63	24	2		27
				1			
440	269	494	279	296	230	775	396
378	221	410	244	247	197	639	340
7	7	11	7	10	7	2	7
			1				
		8					1
				1			1
385	228	429	252	258	204	641	349
55	41	65	27	38	26	134	47
		1					
55	41	64	27	38	26	134	47
	(1)	(60)	(2)	2	(2)	(4)	(6)
	2	60	(15)	(7)	11	32	
	2		1	1		1	2
							1
10		3	1	2	1	2	1
10	3	3	(15)	(2)	10	31	(2)
5	6	10	5	7	4	12	5
1	1	1	1	1	1	2	1
		3					
6	7	14	6	8	5	14	6
59	37	53	6	28	31	151	39
5	3	4	1	2	2	12	3
11	7	10	1	5	6	28	7
16	10	14	2	7	8	40	10
43	27	39	4	21	23	111	29
		1					
$ 43	$ 27	$ 40	$ 4	$ 21	$ 23	$111	$ 29

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2001

(Dollar amounts in millions)
(Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
INTEREST INCOME						
Advances	$6,723	$	$373	$782	$397	$ 967
Interest-bearing deposits in banks	244		2	102	12	12
Securities purchased under resale agreements	72		11			
Federal funds sold	822		58	77	50	89
Held-to-maturity securities	1,535	(27)	101	199	111	189
Available-for-sale securities	107	(7)	13		5	
Securities held at fair value	121	(8)	19		27	35
Mortgage loans	296		1	9	36	8
Loans to other FHLBanks		(1)		1		
Other	1					
Total interest income	9,921	(43)	578	1,170	638	1,300
INTEREST EXPENSE						
Consolidated obligations	8,846	(42)	499	1,032	564	1,130
Deposits	283		28	31	18	57
Borrowings from other FHLBanks		(1)				
Other borrowings	2			1		
Total interest expense	9,131	(43)	527	1,064	582	1,187
NET INTEREST INCOME BEFORE MORTGAGE LOAN LOSS PROVISION	790		51	106	56	113
Mortgage loan loss provision	1					
NET INTEREST INCOME AFTER MORTGAGE LOAN LOSS PROVISION	789		51	106	56	113
OTHER INCOME						
Net unrealized gains on securities held at fair value	76		8		18	20
Net realized and unrealized (losses) gains on derivatives and hedging activities	(43)		(6)	(7)	(14)	(13)
Service fees	11			1	4	1
Other, net	24		3			2
Total other income	68		5	(6)	8	10
OTHER EXPENSE						
Operating expenses	85		6	8	10	10
Finance Board and Office of Finance expenses	10		1	1	1	1
Other, net	5				1	2
Total other expenses	100		7	9	12	13
INCOME BEFORE ASSESSMENTS	757		49	91	52	110
Affordable Housing Program	58		3	8	3	8
REFCORP	134		9	17	8	17
Total assessments	192		12	25	11	25
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	565		37	66	41	85
Cumulative effect of change in accounting principle	(30)		(3)	3	(9)	(16)
NET INCOME	$ 535	$	$ 34	$ 69	$ 32	$ 69

	Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
	$481	$366	$286	$323	$449	$271	$1,646	$382
	46	1		2		15	42	10
		1	1	26			31	2
	170	31	33	50	30	41	138	55
	140	81	85	72	75	89	216	204
	30	21			44	1		
	1	2	10	3	15	3	10	4
	1	1	148	59	25			8
					1			
	869	504	563	535	639	420	2,083	665
	786	448	482	475	575	369	1,935	593
	15	17	28	22	26	20	4	17
				1				
								1
	801	465	510	498	601	389	1,939	611
	68	39	53	37	38	31	144	54
			1					
	68	39	52	37	38	31	144	54
		1	17	1		4	7	
	1	7	(19)	(6)	4	1	9	
		2		1	1			1
	1	1		8		2	2	5
	2	11	(2)	4	5	7	18	6
	5	6	9	5	6	4	11	5
	1			1	1		2	1
			1					1
	6	6	10	6	7	4	13	7
	64	44	40	35	36	34	149	53
	5	3	3	3	3	3	12	4
	12	8	8	6	6	7	27	9
	17	11	11	9	9	10	39	13
	47	33	29	26	27	24	110	40
	(1)	(4)	1	1	(1)	4	(2)	(3)
	$ 46	$ 29	$ 30	$ 27	$ 26	$ 28	$ 108	$ 37

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(Dollar amounts in millions)
(Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
CAPITAL STOCK SHARES (In millions)						
BALANCE, DECEMBER 31, 2000	305		19	36	21	35
Proceeds from sale of capital stock	19			2	4	6
Redemption of capital stock	(13)				(7)	(2)
Capital stock dividends	2					
BALANCE, MARCH 31, 2001	313		19	38	18	39
BALANCE, DECEMBER 31, 2001	332		20	37	19	41
Proceeds from sale of capital stock	22		1	2	7	2
Redemption of capital stock	(16)			(2)	(6)	(2)
Capital stock dividends	2					
BALANCE, MARCH 31, 2002	340		21	37	20	41
CAPITAL STOCK—PAR VALUE						
BALANCE, DECEMBER 31, 2000	$30,537	$	$1,858	$3,626	$ 2,065	$3,506
Proceeds from sale of capital stock	1,908		87	213	480	584
Redemption of capital stock	(1,330)		(4)	(8)	(733)	(147)
Capital stock dividends	248					
BALANCE, MARCH 31, 2001	$31,363	$	$1,941	$3,831	$ 1,812	$3,943
BALANCE, DECEMBER 31, 2001	$33,289	$	$1,985	$3,733	$ 1,889	$4,127
Proceeds from sale of capital stock	2,054		126	242	682	190
Redemption of capital stock	(1,546)		(1)	(268)	(567)	(167)
Capital stock dividends	210					
BALANCE, MARCH 31, 2002	$34,007	$	$2,110	$3,707	$ 2,004	$4,150

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
28	15	16	17	21	12	63	22
	1	1	2	1	1	1	
			(1)	(1)	(1)	(1)	
1						1	
29	16	17	18	21	12	64	22
32	17	24	15	21	14	68	24
1	1	4	1	1	1	1	
		(2)			(1)	(3)	
				1		1	
33	18	26	16	23	14	67	24
$2,789	$1,550	$1,631	$1,744	$2,127	$1,218	$6,268	$2,155
11	23	72	129	99	64	99	47
(1)		(54)	(96)	(158)	(80)	(38)	(11)
50		28		29		106	35
$2,849	$1,573	$1,677	$1,777	$2,097	$1,202	$6,435	$2,226
$3,198	$1,741	$2,395	$1,539	$2,143	$1,396	$6,752	$2,391
54	30	344	37	119	122	103	5
(1)		(166)	(4)	(10)	(68)	(290)	(4)
36		30		17		91	36
$3,287	$1,771	$2,603	$1,572	$2,269	$1,450	$6,656	$2,428

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF CAPITAL—(Continued) FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(Dollar amounts in millions) (Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
UNRESTRICTED RETAINED EARNINGS						
BALANCE, DECEMBER 31, 2000	$ 729	$	$ 47	$121	$110	$143
Net Income	535		34	69	32	69
Dividends on capital stock:						
Cash	(267)		(33)	(64)	(33)	(68)
Stock	(248)					
BALANCE, MARCH 31, 2001	$ 749	$	$ 48	$126	$109	$144
BALANCE, DECEMBER 31, 2001	$ 932	$	$ 47	$177	$ 87	$174
Net Income	449		17	73	5	56
Dividends on capital stock:						
Cash	(194)		(19)	(40)	(21)	(58)
Stock	(210)					
BALANCE, MARCH 31, 2002	$ 977	$	$ 45	$210	$ 71	$172
TOTAL RETAINED EARNINGS						
BALANCE, DECEMBER 31, 2000	$ 729	$	$ 47	$121	$110	$143
Net Income	535		34	69	32	69
Dividends on capital stock:						
Cash	(267)		(33)	(64)	(33)	(68)
Stock	(248)					
BALANCE, MARCH 31, 2001	$ 749	$	$ 48	$126	$109	$144
BALANCE, DECEMBER 31, 2001	$ 932	$	$ 47	$177	$ 87	$174
Net Income	449		17	73	5	56
Dividends on capital stock:						
Cash	(194)		(19)	(40)	(21)	(58)
Stock	(210)					
BALANCE, MARCH 31, 2002	$ 977	$	$ 45	$210	$ 71	$172

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
$ 53	$ 31	$ 70	$ 29	$ 39	$ 49	$ 24	$ 13
46	29	30	27	26	28	108	37
(1)	(31)		(16)	1	(22)		
(50)		(28)		(29)		(106)	(35)
$ 48	$ 29	$ 72	$ 40	$ 37	$ 55	$ 26	$ 15
$ 42	$ 33	$110	$ 43	$ 71	$ 51	$ 62	$ 35
43	27	40	4	21	23	111	29
	(26)		(12)		(18)		
(36)		(30)		(17)		(91)	(36)
$ 49	$ 34	$120	$ 35	$ 75	$ 56	$ 82	$ 28
$ 53	$ 31	$ 70	$ 29	$ 39	$ 49	$ 24	$ 13
46	29	30	27	26	28	108	37
(1)	(31)		(16)	1	(22)		
(50)		(28)		(29)		(106)	(35)
$ 48	$ 29	$ 72	$ 40	$ 37	$ 55	$ 26	$ 15
$ 42	$ 33	$110	$ 43	$ 71	$ 51	$ 62	$ 35
43	27	40	4	21	23	111	29
	(26)		(12)		(18)		
(36)		(30)		(17)		(91)	(36)
$ 49	$ 34	$120	$ 35	$ 75	$ 56	$ 82	$ 28

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF CAPITAL—(Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(Dollar amounts in millions)
(Unaudited)

	Combined	Combining Adjustment	Boston	New York	Pittsburgh	Atlanta
ACCUMULATED OTHER COMPREHENSIVE INCOME						
BALANCE, DECEMBER 31, 2000	$ (1)	$	$ 1	$	$(1)	$
Other Comprehensive Income:						
Net unrealized (losses) gains on available-for-sale securities	(4)		(9)		1	
Cumulative effect of accounting change	(2)		14		1	
Net unrealized gains related to hedging activities	3					
BALANCE, MARCH 31, 2001	$ (4)	$	$ 6	$	$ 1	$
BALANCE, DECEMBER 31, 2001	$ (3)	$	$ 1	$	$ 2	$
Other Comprehensive Income:						
Net unrealized (losses) gains on available-for-sale securities	(86)		(2)		(10)	
Net unrealized gains (losses) related to hedging activities	21				1	
BALANCE, MARCH 31, 2002	$(68)	$	$(1)	$	$(7)	$

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
$(1)	$	$	$	$	$	$	$
2				2			
						(17)	
						3	
$ 1	$	$	$	$ 2	$	$(14)	$
$	$(1)	$ (2)	$	$ 2	$	$ (5)	$
	3		(1)	(76)			
		(52)		69		3	
$	$ 2	$(54)	$(1)	$ (5)	$	$ (2)	$

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF CAPITAL—(Continued) FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(Dollar amounts in millions) (Unaudited)

	Combined	Combining Adjustment	Boston	New York	Pittsburgh	Atlanta
TOTAL CAPITAL						
BALANCE, DECEMBER 31, 2000	$31,265	$	$1,906	$3,747	$2,174	$3,649
Proceeds from sale of capital stock	1,908		87	213	480	584
Redemption of capital stock	(1,330)		(4)	(8)	(733)	(147)
Comprehensive income:						
Net Income	535		34	69	32	69
Other Comprehensive Income:						
Net unrealized (losses) gains on available-for-sale securities	(4)		(9)		1	
Cumulative effect of accounting change	(2)		14		1	
Net unrealized gains related to hedging activities	3					
Total Comprehensive Income	$ 532	$	$ 39	$ 69	$ 34	$ 69
Dividend on Capital Stock:						
Cash	(267)		(33)	(64)	(33)	(68)
BALANCE, MARCH 31, 2001	$32,108	$	$1,995	$3,957	$1,922	$4,087
BALANCE, DECEMBER 31, 2001	$34,218	$	$2,033	$3,910	$1,978	$4,301
Proceeds from sale of capital stock	2,054		126	242	682	190
Redemption of capital stock	(1,546)		(1)	(268)	(567)	(167)
Comprehensive income:						
Net Income	449		17	73	5	56
Other Comprehensive Income:						
Net unrealized (losses) gains on available-for-sale securities	(86)		(2)		(10)	
Net unrealized gains (losses) related to hedging activities	21				1	
Total Comprehensive Income	$ 384	$	$ 15	$ 73	$ (4)	$ 56
Dividend on Capital Stock:						
Cash	(194)		(19)	(40)	(21)	(58)
BALANCE, MARCH 31, 2002	$34,916	$	$2,154	$3,917	$2,068	$4,322

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
$2,841	$1,581	$1,701	$1,773	$2,166	$1,267	$6,292	$2,168
11	23	72	129	99	64	99	47
(1)		(54)	(96)	(158)	(80)	(38)	(11)
46	29	30	27	26	28	108	37
2				2			
						(17)	
						3	
$ 48	$ 29	$ 30	$ 27	$ 28	$ 28	$ 94	$ 37
(1)	(31)		(16)	1	(22)		
$2,898	$1,602	$1,749	$1,817	$2,136	$1,257	$6,447	$2,241
$3,240	$1,773	$2,503	$1,582	$2,216	$1,447	$6,809	$2,426
54	30	344	37	119	122	103	5
(1)		(166)	(4)	(10)	(68)	(290)	(4)
43	27	40	4	21	23	111	29
	3		(1)	(76)			
		(52)		69		3	
$ 43	$ 30	$ (12)	$ 3	$ 14	$ 23	$ 114	$ 29
	(26)		(12)		(18)		
$3,336	$1,807	$2,669	$1,606	$2,339	$1,506	$6,736	$2,456

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2002

(Dollar amounts in millions) (Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
OPERATING ACTIVITIES						
Net income	$ 449	$	$ 17	$ 73	$ 5	$ 56
Extraordinary losses (gains) on early retirement of debt	15			16		
Income before extraordinary item	464		17	89	5	56
Adjustments to reconcile income before extraordinary item to net cash provided by operating activities:						
Depreciation and amortization:						
Net premiums and discounts on consolidated obligations, investments, and deferred costs and fees received on interest-rate exchange agreements	338		45	91	91	21
Concessions on consolidated obligations	37		1	3	3	
Deferred losses on interest-rate exchange agreements, net	2					
Premises and equipment	5			1	1	
Net premiums and discounts on mortgage loans	8				1	
Provision for credit losses on mortgage loans	1					
Net realized gains on held-to-maturity securities	(1)					
(Increase) decrease in securities held at fair value, net of transfers and transition adjustments	(1,159)	(619)	67		(643)	(139)
(Gains) losses due to change in net fair value adjustment on derivative and hedging activities	(193)		(2)	(1)	2	(37)
Decrease (increase) in accrued interest receivable	37	(14)	5	(7)	(8)	47
(Increase) decrease in derivative asset-accrued interest	(29)		(73)	(4)	12	
(Decrease) increase in derivative liability-accrued interest	(190)		45	5	10	(85)
Decrease (increase) in other assets	11		(5)	14	2	41
Increase (decrease) in Affordable Housing Program (AHP) liability and discount on AHP advances	3		(3)	3	(5)	(1)
(Decrease) increase in accrued interest payable	(105)	14	(11)	(3)	10	(42)
(Decrease) decrease in REFCORP liability	(48)			(3)	(5)	(6)
Increase (decrease) in other liabilities	111		(3)	(3)	(5)	(7)
Total adjustments	(1,172)	(619)	66	96	(534)	(208)
Net cash (used in) provided by operating activities	(708)	(619)	83	185	(529)	(152)
INVESTING ACTIVITIES						
Net (increase) decrease in interest-bearing deposits in banks	(2,508)		(475)	158	93	203
Net (increase) decrease in Federal funds sold	(6,797)		(1,726)	(1,234)	575	(3,934)
Net decrease (increase) decrease in securities purchased under resale agreements	2,385		1,335			
Net decrease (increase) in short-term held-to maturity securities	1,292				249	100
Proceeds from sales of long-term held-to-maturity securities	44					
Proceeds from maturities of long-term held-to-maturity securities	11,082	(1,150)	421	921	656	2,181
Purchases of long-term held-to-maturity securities	(15,126)	1,000	(339)	(325)	(287)	(2,013)
Proceeds from maturities of available-for-sale securities	14,162		46		13	
Purchases of available-for-sale securities	(16,305)				(1,480)	
Principal collected on advances	911,000		33,181	174,264	226,145	11,947
Advances made	(903,212)		(32,947)	(174,786)	(226,582)	(11,248)
Principal collected on mortgage loans	2,390		13	59	256	47
Mortgage loans purchased	(6,383)		(453)	(45)	(117)	(111)
Net (increase) decrease in deposits to other FHLBanks for mortgage loan programs		(7)	(1)	1	4	(3)
Net (increase) decrease in loans to other FHLBanks		85				(10)
(Increase) decrease in premises and equipment	(2)		1	(1)		
Net cash (used in) provided by investing activities	(7,978)	(72)	(944)	(988)	(475)	(2,841)

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
$ 43	$ 27	$ 40	$ 4	$ 21	$ 23	$ 111	$ 29
		(1)					
43	27	39	4	21	23	111	29
83	38	41	42	(148)	33	(12)	13
3	3	1	4	6	4	8	1
		1				1	
		2		1			
		6					1
		1					
							(1)
3	1	60	27	42	15	4	23
	(2)	(171)	27	69	(17)	(33)	(28)
3	(23)	(7)	4	12	(1)	8	18
(31)	2	(31)	(8)		37	65	2
9	(20)	9	(7)		(45)	(99)	(12)
2	22	(3)	(4)	3	(42)	1	(20)
3	1	2	(2)	(1)		5	1
54	64	30	(43)	(106)	5	(157)	80
(1)	(1)	(8)	(6)	(4)	2	(9)	(7)
4	89	89	(1)	(46)	1	(6)	(1)
132	174	22	33	(172)	(8)	(224)	70
175	201	61	37	(151)	15	(113)	99
(1,230)	(128)		71		149	(1,134)	(215)
(267)	696	361	(599)	(233)	266	(1,295)	593
		(50)	1,000			(50)	150
		682	(146)	600	(279)	35	51
							44
1,337	751	521	396	398	754	1,611	2,285
(1,374)	(982)	(1,537)	(796)	(323)	(1,086)	(2,627)	(4,437)
14,057	38			8			
(14,245)	(493)			(87)			
90,422	8,332	4,882	7,491	171,778	66,004	102,481	14,073
(88,934)	(8,967)	(6,940)	(7,210)	(172,908)	(66,181)	(94,363)	(12,146)
34	12	1,237	436	210	4		82
(552)	(1,125)	(3,452)	(200)	(164)	(18)		(146)
				7	(1)		
100		(200)				25	
		(1)		(1)			
(652)	(1,866)	(4,497)	443	(715)	(388)	4,683	334

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF CASH FLOWS—(Continued) FOR THE THREE MONTHS ENDED MARCH 31, 2002

(Dollar amounts in millions) (Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
FINANCING ACTIVITIES						
Net increase (decrease) in deposits	$ 2,771	$	$ (481)	$ (287)	$ 316	$ 1,185
Net increase in securities sold under repurchase agreements	1,090				504	
Net increase (decrease) in other borrowings	175				125	
Net decrease in deposits to other FHLBanks for mortgage loan programs		7				
Net increase (decrease) in loans from other FHLBanks		(85)			210	
Net proceeds from sale of consolidated obligations:						
Discount notes	981,443		48,047	111,016	125,912	57
Bonds	93,198	(1,000)	4,401	11,410	5,100	14,704
Payments for maturing and retiring consolidated obligations:						
Discount notes	(993,390)		(49,159)	(114,215)	(127,645)	(363)
Bonds	(76,742)	1,769	(2,056)	(7,032)	(3,535)	(12,547)
Proceeds from issuance of capital stock	2,054		126	242	682	190
Payments for redemption of capital stock	(1,546)		(1)	(268)	(567)	(167)
Cash dividends paid	(203)		(22)	(40)	(21)	(64)
Net cash provided by (used in) financing activities	8,850	691	855	826	1,081	2,995
Net increase (decrease) in cash and cash equivalents	164		(6)	23	77	2
Cash and cash equivalents at beginning of period	319		10	13	44	77
Cash and cash equivalents at end of period	$ 483	$	$ 4	$ 36	$ 121	$ 79
Supplemental Disclosures:						
Interest paid	$ 4,317		$ 330	$ 460	$ 196	$ 560
Stock dividends issued	$ 210					

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
$ 189	$ 182	$ 980	$ 128	$ 138	$ 678	$ (137)	$ (120)
							586
		400				(200)	(150)
		(7)					
					(125)		
173,189	98,681	85,534	100,012	53,503	88,411	40,395	56,686
6,072	4,289	9,984	5,772	4,641	2,728	19,654	5,443
(175,445)	(97,641)	(84,933)	(101,572)	(50,016)	(88,424)	(44,100)	(59,877)
(3,587)	(3,839)	(7,701)	(4,805)	(7,493)	(2,926)	(19,996)	(2,994)
54	30	344	37	119	122	103	5
(1)		(166)	(4)	(10)	(68)	(290)	(4)
	(26)		(12)		(18)		
471	1,676	4,435	(444)	882	378	(4,571)	(425)
(6)	11	(1)	36	16	5	(1)	8
10	37	2	64	47	2	2	11
$ 4	$ 48	$ 1	$ 100	$ 63	$ 7	$ 1	$ 19
$ 274	$ 172	$ 353	$ 283	$ 85	$ 206	$ 1,132	$ 266
$ 36		$ 30		$ 17		$ 91	$ 36

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2001

(Dollar amounts in millions) (Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
OPERATING ACTIVITIES						
Net income	$ 535	$	$ 34	$ 69	$ 32	$ 69
Cumulative effect of change in accounting principle	30		3	(3)	9	16
Income before cumulative effect of change in accounting principle	565		37	66	41	85
Adjustments to reconcile income before cumulative effect of change in accounting principle to net cash provided by operating activities:						
Depreciation and amortization:						
Net premiums and discounts on consolidated obligations and investments, and deferred costs and deferred fees received on interest-rate exchange agreements	1,312		206	9	1	120
Concessions on consolidated obligations	43		1	2	2	7
Deferred loss on interest-rate exchange agreements, net	10			7		
Premises and equipment	3				1	
Net premiums and discounts on mortgage loans	15				3	
Other	(2)					(2)
Provision for credit losses on mortgage loans	1					
Decrease (increase) in securities held at fair value, net of transfers and transition adjustments	64	(130)	52		(380)	759
(Gains) losses due to change in net fair value adjustment on derivative and hedging activities	(138)		(2)	(1)	(190)	13
Decrease (increase) in accrued interest receivable	5,874	(23)	311	145	346	(36)
(Increase) decrease in derivative assets—accrued interest	(177)		(29)	163	485	50
(Decrease) increase in derivative liabilities—accrued interest	(597)		(31)	(38)	(270)	(65)
(Increase) decrease in other assets	(159)		(1)	(5)	2	8
Increase in Affordable Housing Program (AHP) liability and discount on AHP advances	25		1	4		5
Decrease in accrued interest payable	(4,846)	23	(165)	(92)	(190)	(80)
(Decrease) increase in REFCORP liability	(12)		(1)	(2)	(2)	(3)
Increase (decrease) in other liabilities	47		(15)	(2)		(10)
Total adjustments	1,463	(130)	327	190	(192)	766
Net cash provided by (used in) operating activities	2,028	(130)	364	256	(151)	851
INVESTING ACTIVITIES						
Net decrease (increase) in interest-bearing deposits in banks	867		(55)	1,590	1,013	(332)
Net (increase) decrease in Federal funds sold	(9,775)		(1,850)	(3,038)	1,690	(787)
Net increase in securities purchased under resale agreements	(5,377)		(1,195)			
Net decrease (increase) in short-term held-to-maturity securities	925		724		246	
Proceeds from maturities of long-term held-to-maturity securities	5,215	(612)	239	472	744	527
Purchases of long-term held-to-maturity securities	(7,504)	450	(359)	(1,291)	(600)	(1,856)
Proceeds from sales of available-for-sale securities	1,098					
Proceeds from maturities of available-for-sale securities	9,903	(160)			188	
Purchases of available-for-sale securities	(8,660)		(39)			
Principal collected on advances	983,449		217,042	248,211	96,237	17,929
Advances made	(990,400)		(217,464)	(247,896)	(95,448)	(25,045)
Principal collected on mortgage loans	1,092		1	38	129	49
Mortgage loans purchased	(1,443)		(20)	(12)	(184)	(69)
Net decrease (increase) in deposits to other FHLBanks for mortgage loan programs		(11)			16	
Net increase in loans to other FHLBanks		30				(30)
Increase in premises and equipment	(4)					
Net cash (used in) provided by investing activities	(20,614)	(303)	(2,976)	(1,926)	4,031	(9,614)

	Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
	$ 46	$ 29	$ 30	$ 27	$ 26	$ 28	$ 108	$ 37
	1	4	(1)	(1)	1	(4)	2	3
	47	33	29	26	27	24	110	40
	340	135	83	113	(2)	89	(32)	250
	1	10	2	2	2	3	9	2
			1				2	
			1		1			
			8	4				
			1					
	4	(2)	(16)	3	(13)	103	(7)	(309)
		(7)	3	(19)	13	31	21	
	160	425	390	612	575	285	2,370	314
	(41)	(17)	(98)	(315)	(108)	(72)	(116)	(79)
	(56)	(75)	(42)	(53)	(22)	(26)	101	(20)
	1	9	1	26	(96)		(104)	
	4	3				1	5	2
	(48)	(357)	(307)	(80)	(465)	(183)	(2,701)	(201)
	(2)	(1)	(2)	(1)	(1)		2	1
	(1)	(3)	(54)	(10)	96	(1)	104	(57)
	362	120	(29)	282	(20)	230	(346)	(97)
	409	153		308	7	254	(236)	(57)
	155	(144)		110		(284)	(1,152)	(34)
	(1,403)	(83)	73	(335)	55	(1,466)	(1,868)	(763)
			(7)	(1,950)			(1,600)	(625)
			351	(250)	(954)	41	488	279
	497	217	306		203	240	610	1,772
	(457)	(268)	(413)	(1)	(645)	(124)	(1,124)	(816)
				1,098				
	9,493	79			298	5		
	(8,621)							
	118,429	13,570	7,674	15,157	116,376	57,755	62,183	12,886
	(117,762)	(13,043)	(8,162)	(14,792)	(117,046)	(58,421)	(62,874)	(12,447)
		1	529	239	91			15
	(38)		(846)	(60)	(144)	(11)		(59)
					(5)			
			(2)		(1)			(1)
	293	329	(497)	(784)	(1,772)	(2,265)	(5,337)	207

FEDERAL HOME LOAN BANKS

COMBINING SCHEDULES—STATEMENTS OF CASH FLOWS—(Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2001

(Dollar amounts in millions)
(Unaudited)

	Combined	Combining Adjustments	Boston	New York	Pittsburgh	Atlanta
FINANCING ACTIVITIES						
Net increase in deposits	$ 12,820	$	$ 1,806	$ 1,213	$ 399	$ 3,248
Net increase in securities sold under agreements to repurchase	104					
Net increase in other borrowings	68	(2)				
Net decrease in deposits from other FHLBanks for mortgage loan programs		13				
Net increase in loans from other FHLBanks		(30)			30	
Net proceeds from sale of consolidated obligations:						
Discount notes	1,204,583		89,055	223,317	123,473	31,209
Bonds	82,710	(450)	3,331	7,258	1,687	19,243
Payments for maturing and retiring consolidated obligations:						
Discount notes	(1,180,997)		(89,050)	(222,160)	(120,355)	(28,207)
Bonds	(101,342)	902	(2,573)	(8,105)	(9,166)	(17,067)
Proceeds from issuance of capital stock	1,908		87	213	480	584
Payments for redemption of capital stock	(1,330)		(4)	(8)	(733)	(147)
Cash dividends paid	(271)		(37)	(64)	(33)	(68)
Net cash provided by (used in) financing activities	18,253	433	2,615	1,664	(4,218)	8,795
Net (decrease) increase in cash and cash equivalents	(333)		3	(6)	(338)	32
Cash and cash equivalents at beginning of period	752		10	25	441	46
Cash and cash equivalents at end of period	$ 419	$	$ 13	$ 19	$ 103	$ 78
Supplemental Disclosures:						
Interest paid	$ 10,927		$ 692	$ 1,185	$ 726	$ 1,215
Stock dividends issued	$ 248					

Cincinnati	Indianapolis	Chicago	Des Moines	Dallas	Topeka	San Francisco	Seattle
$ 588	$ 1,212	$ 137	$ 1,023	$ 1,262	$ 929	$ 220	$ 783
							104
					70		
		(13)					
312,139	92,856	88,040	11,029	42,777	57,706	49,290	83,692
3,645	2,159	3,735	6,532	11,020	4,172	17,367	3,011
(313,385)	(87,414)	(85,533)	(13,100)	(42,649)	(57,507)	(39,940)	(81,697)
(3,685)	(9,281)	(5,890)	(5,023)	(10,631)	(3,321)	(21,424)	(6,078)
11	23	72	129	99	64	99	47
(1)		(54)	(96)	(158)	(80)	(38)	(11)
(1)	(31)		(16)	1	(22)		
(689)	(476)	494	478	1,721	2,011	5,574	(149)
13	6	(3)	2	(44)		1	1
12	36	4	72	95	1	5	5
$ 25	$ 42	$ 1	$ 74	$ 51	$ 1	$ 6	$ 6
$ 448	$ 513	$ 734	$ 480	$ 829	$ 455	$ 2,935	$ 715
$ 50		$ 28		$ 29		$ 106	$ 35