

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File No. 000-51399

## FEDERAL HOME LOAN BANK OF CINCINNATI

*(Exact name of registrant as specified in its charter)*

Federally chartered corporation of the United States

*(State or other jurisdiction of incorporation or organization)*

600 Atrium Two, P.O. Box 598, Cincinnati, Ohio

*(Address of principal executive offices)*

31-6000228

*(I.R.S. Employer Identification No.)*

45201-0598

*(Zip Code)*

**(513) 852-7500**

*Registrant's telephone number, including area code*

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Shares outstanding as of  
April 30, 2026

Class B Stock, par value \$100 per share, including stock classified as mandatorily redeemable

58,791,473

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**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**FEDERAL HOME LOAN BANK OF CINCINNATI  
STATEMENTS OF CONDITION  
(Unaudited)**

(In thousands, except par value)

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Cash and due from banks	\$ 4,954	\$ 5,475
Interest-bearing deposits	2,415,015	2,400,058
Securities purchased under agreements to resell	4,450,000	6,450,000
Federal funds sold	12,407,000	12,537,000
Investment securities:		
Trading securities (includes \$330,001 and \$0 pledged as collateral that may be repledged)	2,704,313	2,762,546
Available-for-sale securities (amortized cost of \$11,430,979 and \$10,923,707 and includes \$586,148 and \$882,240 pledged as collateral that may be repledged)	11,439,051	10,931,017
Held-to-maturity securities (fair value of \$14,566,740 and \$14,890,555)	14,695,354	14,997,943
Total investment securities	28,838,718	28,691,506
Advances (includes \$302,569 and \$306,308 at fair value under fair value option)	78,587,557	70,143,012
Mortgage loans held for portfolio, net of allowance for credit losses of \$338 and \$349	9,045,556	8,679,903
Accrued interest receivable	424,379	417,602
Derivative assets	6,802	33,080
Other assets, net	49,284	47,414
<b>TOTAL ASSETS</b>	<b>\$ 136,229,265</b>	<b>\$ 129,405,050</b>
<b>LIABILITIES</b>		
Deposits	\$ 1,101,627	\$ 1,060,511
Consolidated Obligations:		
Discount Notes (includes \$23,728,993 and \$16,735,705 at fair value under fair value option)	36,972,331	31,145,280
Bonds (includes \$12,132,815 and \$13,271,087 at fair value under fair value option)	89,914,036	89,629,438
Total Consolidated Obligations	126,886,367	120,774,718
Mandatorily redeemable capital stock	99,551	20,044
Accrued interest payable	401,289	406,216
Affordable Housing Program payable	198,791	191,384
Derivative liabilities	23,017	119
Other liabilities	521,189	411,993
Total liabilities	129,231,831	122,864,985
Commitments and contingencies (Note 11)		
<b>CAPITAL</b>		
Capital stock Class B putable (\$100 par value); issued and outstanding shares: 49,837 and 45,388	4,983,694	4,538,796
Retained earnings:		
Unrestricted	1,055,865	1,064,388
Restricted	950,433	930,341
Total retained earnings	2,006,298	1,994,729
Accumulated other comprehensive income (loss)	7,442	6,540
Total capital	6,997,434	6,540,065
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 136,229,265</b>	<b>\$ 129,405,050</b>

The accompanying notes are an integral part of these financial statements.

**FEDERAL HOME LOAN BANK OF CINCINNATI**  
**STATEMENTS OF INCOME**  
**(Unaudited)**

**(In thousands)**

Three Months Ended March 31,

	2026	2025
<b>INTEREST INCOME:</b>		
Advances	\$ 736,493	\$ 931,011
Prepayment fees on Advances, net	1,766	119
Interest-bearing deposits	22,071	27,034
Securities purchased under agreements to resell	33,642	32,304
Federal funds sold	142,162	137,934
Investment securities:		
Trading securities	28,547	28,914
Available-for-sale securities	115,363	113,111
Held-to-maturity securities	156,495	180,976
Total investment securities	300,405	323,001
Mortgage loans held for portfolio	85,561	63,597
Loans to other FHLBanks	—	30
<b>Total interest income</b>	<b>1,322,100</b>	<b>1,515,030</b>
<b>INTEREST EXPENSE:</b>		
Consolidated Obligations:		
Discount Notes	300,110	229,838
Bonds	854,187	1,087,204
Total Consolidated Obligations	1,154,297	1,317,042
Deposits	8,319	9,494
Loans from other FHLBanks	—	126
Mandatorily redeemable capital stock	1,612	525
<b>Total interest expense</b>	<b>1,164,228</b>	<b>1,327,187</b>
<b>NET INTEREST INCOME</b>	<b>157,872</b>	<b>187,843</b>
<b>NON-INTEREST INCOME (LOSS):</b>		
Net gains (losses) on trading securities	(23,233)	47,524
Net gains (losses) on sales of available-for-sale securities	1,094	—
Net gains (losses) on financial instruments held under fair value option	11,286	4,708
Net gains (losses) on derivatives	2,985	(43,072)
Other, net	8,263	7,929
<b>Total non-interest income (loss)</b>	<b>395</b>	<b>17,089</b>
<b>NON-INTEREST EXPENSE:</b>		
Compensation and benefits	15,812	15,639
Other operating expenses	10,443	10,590
Voluntary housing and community investment	13,164	11,498
Finance Agency	2,392	2,817
Office of Finance	2,560	1,874
Other	2,099	1,230
<b>Total non-interest expense</b>	<b>46,470</b>	<b>43,648</b>
<b>INCOME BEFORE ASSESSMENTS</b>	<b>111,797</b>	<b>161,284</b>
Affordable Housing Program assessments	11,341	16,181
<b>NET INCOME</b>	<b>\$ 100,456</b>	<b>\$ 145,103</b>

The accompanying notes are an integral part of these financial statements.

**FEDERAL HOME LOAN BANK OF CINCINNATI**  
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(Unaudited)**

<b>(In thousands)</b>	Three Months Ended March 31,	
	2026	2025
<b>Net income</b>	\$ 100,456	\$ 145,103
<b>Other comprehensive income (loss) adjustments:</b>		
Net unrealized gains (losses) on available-for-sale securities	1,856	(238)
Reclassification adjustment for net realized (gains) losses on sale of available-for-sale securities included in net income	(1,094)	—
Pension and postretirement benefits	140	77
Total other comprehensive income (loss) adjustments	902	(161)
<b>Comprehensive income (loss)</b>	<b>\$ 101,358</b>	<b>\$ 144,942</b>

The accompanying notes are an integral part of these financial statements.

**FEDERAL HOME LOAN BANK OF CINCINNATI**  
**STATEMENTS OF CAPITAL**  
**(Unaudited)**

<b>(In thousands)</b>	Capital Stock Class B - Putable		Retained Earnings			Accumulated Other Comprehensive Income (Loss)	Total Capital
	Shares	Par Value	Unrestricted	Restricted	Total		
<b>BALANCE, DECEMBER 31, 2024</b>	49,358	\$ 4,935,775	\$ 1,023,841	\$ 815,335	\$ 1,839,176	\$ (38,206)	\$ 6,736,745
Comprehensive income (loss)			116,083	29,020	145,103	(161)	144,942
Proceeds from issuance of capital stock	10,648	1,064,771					1,064,771
Repurchase of capital stock	(9,283)	(928,242)					(928,242)
Net stock reclassified to mandatorily redeemable capital stock	(373)	(37,255)					(37,255)
Cash dividends on capital stock			(104,604)		(104,604)		(104,604)
<b>BALANCE, MARCH 31, 2025</b>	<u>50,350</u>	<u>\$ 5,035,049</u>	<u>\$ 1,035,320</u>	<u>\$ 844,355</u>	<u>\$ 1,879,675</u>	<u>\$ (38,367)</u>	<u>\$ 6,876,357</u>
<b>BALANCE, DECEMBER 31, 2025</b>	45,388	\$ 4,538,796	\$ 1,064,388	\$ 930,341	\$ 1,994,729	\$ 6,540	\$ 6,540,065
Comprehensive income (loss)			80,364	20,092	100,456	902	101,358
Proceeds from issuance of capital stock	20,934	2,093,430					2,093,430
Repurchase of capital stock	(15,467)	(1,546,709)					(1,546,709)
Net stock reclassified to mandatorily redeemable capital stock	(1,018)	(101,823)					(101,823)
Cash dividends on capital stock			(88,887)		(88,887)		(88,887)
<b>BALANCE, MARCH 31, 2026</b>	<u>49,837</u>	<u>\$ 4,983,694</u>	<u>\$ 1,055,865</u>	<u>\$ 950,433</u>	<u>\$ 2,006,298</u>	<u>\$ 7,442</u>	<u>\$ 6,997,434</u>

The accompanying notes are an integral part of these financial statements.

**FEDERAL HOME LOAN BANK OF CINCINNATI**  
**STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

**(In thousands)**

	Three Months Ended March 31,	
	2026	2025
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 100,456	\$ 145,103
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization/(accretion)	(15,518)	(68,622)
Net change in derivative and hedging activities	221,347	(308,706)
Net change in fair value adjustments on trading securities	23,233	(47,524)
Net realized (gains) losses from sales of available-for-sale securities	(1,094)	—
Net change in fair value adjustments on financial instruments held under fair value option	(11,286)	(4,708)
Other adjustments, net	230	(915)
Net change in:		
Accrued interest receivable	(6,780)	(13,131)
Other assets	(164)	3,671
Accrued interest payable	(19,321)	(36,172)
Other liabilities	15,834	19,887
Total adjustments	206,481	(456,220)
Net cash provided by (used in) operating activities	306,937	(311,117)
<b>INVESTING ACTIVITIES:</b>		
Net change in:		
Interest-bearing deposits	(16,547)	(89,498)
Securities purchased under agreements to resell	2,000,000	3,467,912
Federal funds sold	130,000	(4,655,000)
Trading securities:		
Proceeds from maturities and paydowns	35,000	1
Available-for-sale securities:		
Proceeds from maturities and paydowns	67,000	—
Proceeds from sales	855,658	—
Purchases	(1,442,559)	(548,498)
Held-to-maturity securities:		
Proceeds from maturities and paydowns	664,998	603,796
Purchases	(300,441)	(795,767)
Advances, net	(8,559,687)	1,371,743
Mortgage loans held for portfolio:		
Principal collected	285,663	144,888
Purchases	(659,970)	(201,544)
Premises, software, and equipment, net	(2,958)	(986)
Net cash provided by (used in) investing activities	(6,943,843)	(702,953)

The accompanying notes are an integral part of these financial statements.

(continued from previous page)

**FEDERAL HOME LOAN BANK OF CINCINNATI**  
**STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

<b>(In thousands)</b>	Three Months Ended March 31,	
	2026	2025
<b>FINANCING ACTIVITIES:</b>		
Net change in deposits	\$ 25,537	\$ (141,297)
Net proceeds from issuance of Consolidated Obligations:		
Discount Notes	51,129,167	33,715,662
Bonds	32,718,193	38,229,356
Payments for maturing and retiring Consolidated Obligations:		
Discount Notes	(45,270,780)	(36,175,442)
Bonds	(32,401,250)	(34,638,500)
Proceeds from issuance of capital stock	2,093,430	1,064,771
Payments for repurchase of capital stock	(1,546,709)	(928,242)
Payments for repurchase/redemption of mandatorily redeemable capital stock	(22,316)	(15,506)
Cash dividends paid	(88,887)	(104,604)
Net cash provided by (used in) financing activities	6,636,385	1,006,198
Net increase (decrease) in cash and due from banks	(521)	(7,872)
Cash and due from banks at beginning of the period	5,475	28,276
Cash and due from banks at end of the period	\$ 4,954	\$ 20,404
<b>Supplemental Disclosures:</b>		
Interest paid	\$ 1,194,824	\$ 1,414,854

The accompanying notes are an integral part of these financial statements.

**FEDERAL HOME LOAN BANK OF CINCINNATI**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**

**Background Information**

The Federal Home Loan Bank of Cincinnati (the FHLB), a federally chartered corporation, is one of 11 District Federal Home Loan Banks (FHLBanks). The FHLBanks are government-sponsored enterprises (GSEs) that were organized under the Federal Home Loan Bank Act of 1932, as amended (FHLBank Act), to serve the public by enhancing the availability of credit for residential mortgages and targeted community development. The FHLB is regulated by the Federal Housing Finance Agency (Finance Agency). The FHLBanks are financial cooperatives that provide a readily available, competitively-priced source of funds to their member institutions.

**Note 1 - Basis of Presentation**

The accompanying interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The interim financial statements presented are unaudited, but they include all adjustments (consisting of only normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial condition, results of operations, and cash flows for such periods. These financial statements do not include all disclosures associated with annual financial statements and accordingly should be read in conjunction with the audited financial statements and notes included in the FHLB's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission (SEC) on March 19, 2026. Results for the three months ended March 31, 2026 are not necessarily indicative of operating results for the full year.

*Subsequent Events.* The FHLB has evaluated subsequent events for potential recognition or disclosure through the issuance of these financial statements and believes there have been no material subsequent events requiring additional disclosure or recognition in these financial statements.

**Note 2 - Recently Issued and Adopted Accounting Guidance**

There have been no material changes to the recently issued and adopted accounting guidance from those discussed in the FHLB's 2025 Annual Report on Form 10-K.

**Note 3 - Investment Securities**

*Trading Securities*

**Table 3.1 - Trading Securities by Major Security Types (in thousands)**

<b>Fair Value</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Non-mortgage-backed securities (non-MBS):		
U.S. Treasury obligations	\$ 1,274,977	\$ 1,287,474
GSE obligations	1,429,336	1,475,072
Total non-MBS	<u>2,704,313</u>	<u>2,762,546</u>
Total	<u>\$ 2,704,313</u>	<u>\$ 2,762,546</u>

**Table 3.2 - Net Gains (Losses) on Trading Securities (in thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Net unrealized gains (losses) on trading securities held at period end	\$ (23,239)	\$ 47,524
Net gains (losses) on trading securities sold/matured during the period	6	—
Net gains (losses) on trading securities	<u>\$ (23,233)</u>	<u>\$ 47,524</u>

Available-for-Sale Securities

**Table 3.3 - Available-for-Sale Securities by Major Security Types (in thousands)**

	<b>March 31, 2026</b>			
	<b>Amortized Cost <sup>(1)</sup></b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
<b>Non-MBS:</b>				
U.S. Treasury obligations	\$ 5,887,344	\$ 5,656	\$ (686)	\$ 5,892,314
GSE obligations	45,413	466	—	45,879
Total non-MBS	<u>5,932,757</u>	<u>6,122</u>	<u>(686)</u>	<u>5,938,193</u>
<b>MBS:</b>				
GSE multifamily	5,498,222	22,370	(19,734)	5,500,858
Total MBS	<u>5,498,222</u>	<u>22,370</u>	<u>(19,734)</u>	<u>5,500,858</u>
Total	<u>\$ 11,430,979</u>	<u>\$ 28,492</u>	<u>\$ (20,420)</u>	<u>\$ 11,439,051</u>
<b>December 31, 2025</b>				
	<b>Amortized Cost <sup>(1)</sup></b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
<b>Non-MBS:</b>				
U.S. Treasury obligations	\$ 5,742,622	\$ 8,704	\$ —	\$ 5,751,326
GSE obligations	112,452	648	—	113,100
Total non-MBS	<u>5,855,074</u>	<u>9,352</u>	<u>—</u>	<u>5,864,426</u>
<b>MBS:</b>				
GSE multifamily	5,068,633	18,514	(20,556)	5,066,591
Total MBS	<u>5,068,633</u>	<u>18,514</u>	<u>(20,556)</u>	<u>5,066,591</u>
Total	<u>\$ 10,923,707</u>	<u>\$ 27,866</u>	<u>\$ (20,556)</u>	<u>\$ 10,931,017</u>

(1) Amortized cost of available-for-sale securities includes adjustments made to the cost basis of an investment for accretion, amortization, and/or fair value hedge accounting adjustments, and excludes accrued interest receivable of (in thousands) \$50,262 and \$34,274 at March 31, 2026 and December 31, 2025, respectively.

**Table 3.4 - Available-for-Sale Securities in a Continuous Gross Unrealized Loss Position (in thousands)**

	March 31, 2026					
	Less than 12 Months		12 Months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Non-MBS:						
U.S. Treasury obligations	\$ 755,309	\$ (686)	\$ —	\$ —	\$ 755,309	\$ (686)
Total non-MBS	755,309	(686)	—	—	755,309	(686)
MBS:						
GSE multifamily MBS	916,357	(3,248)	950,242	(16,486)	1,866,599	(19,734)
Total MBS	916,357	(3,248)	950,242	(16,486)	1,866,599	(19,734)
Total	<u>\$1,671,666</u>	<u>\$ (3,934)</u>	<u>\$ 950,242</u>	<u>\$ (16,486)</u>	<u>\$2,621,908</u>	<u>\$ (20,420)</u>

  

	December 31, 2025					
	Less than 12 Months		12 Months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
MBS:						
GSE multifamily MBS	\$ 370,313	\$ (1,239)	\$1,481,983	\$ (19,317)	\$1,852,296	\$ (20,556)
Total MBS	370,313	(1,239)	1,481,983	(19,317)	1,852,296	(20,556)
Total	<u>\$ 370,313</u>	<u>\$ (1,239)</u>	<u>\$1,481,983</u>	<u>\$ (19,317)</u>	<u>\$1,852,296</u>	<u>\$ (20,556)</u>

**Table 3.5 - Available-for-Sale Securities by Contractual Maturity (in thousands)**

Year of Maturity	March 31, 2026		December 31, 2025	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Non-MBS:				
Due in 1 year or less	\$ —	\$ —	\$ 66,846	\$ 66,896
Due after 1 year through 5 years	5,417,648	5,422,464	5,777,936	5,786,982
Due after 5 years through 10 years	515,109	515,729	10,292	10,548
Total non-MBS	5,932,757	5,938,193	5,855,074	5,864,426
MBS <sup>(1)</sup>	5,498,222	5,500,858	5,068,633	5,066,591
Total	<u>\$ 11,430,979</u>	<u>\$ 11,439,051</u>	<u>\$ 10,923,707</u>	<u>\$ 10,931,017</u>

(1) MBS are not presented by contractual maturity because their expected maturities will likely differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment fees.

**Table 3.6 - Interest Rate Payment Terms of Available-for-Sale Securities (in thousands)**

	March 31, 2026	December 31, 2025
Amortized cost of non-MBS:		
Fixed-rate	\$ 5,932,757	\$ 5,855,074
Total amortized cost of non-MBS	5,932,757	5,855,074
Amortized cost of MBS:		
Fixed-rate	5,498,222	5,068,633
Total amortized cost of MBS	5,498,222	5,068,633
Total	<u>\$ 11,430,979</u>	<u>\$ 10,923,707</u>

*Realized Gains and Losses.* During the three months ended March 31, 2026, for strategic and economic reasons, the FHLB sold a portion of available-for-sale securities. These securities had an amortized cost (determined by the specific identification

method) of (in thousands) \$854,564. During the three months ended March 31, 2026, proceeds from the sales totaled (in thousands) \$855,658, resulting in realized gains (losses) of (in thousands) \$1,094. The FHLB had no sales of securities out of its available-for-sale portfolio during the three months ended March 31, 2025.

*Held-to-Maturity Securities*

**Table 3.7 - Held-to-Maturity Securities by Major Security Types (in thousands)**

	March 31, 2026			
	Amortized Cost <sup>(1)</sup>	Gross Unrecognized Holding Gains	Gross Unrecognized Holding Losses	Fair Value
Non-MBS:				
U.S. Treasury obligations	\$ 50,438	\$ —	\$ (16)	\$ 50,422
Total non-MBS	50,438	—	(16)	50,422
MBS:				
U.S. obligation single-family	867,875	—	(108,312)	759,563
GSE single-family	3,716,334	42,612	(38,598)	3,720,348
GSE multifamily	10,060,707	1,232	(25,532)	10,036,407
Total MBS	14,644,916	43,844	(172,442)	14,516,318
Total	\$ 14,695,354	\$ 43,844	\$ (172,458)	\$ 14,566,740

  

	December 31, 2025			
	Amortized Cost <sup>(1)</sup>	Gross Unrecognized Holding Gains	Gross Unrecognized Holding Losses	Fair Value
Non-MBS:				
U.S. Treasury obligations	\$ 50,877	\$ 12	\$ —	\$ 50,889
Total non-MBS	50,877	12	—	50,889
MBS:				
U.S. obligation single-family	891,971	—	(102,484)	789,487
GSE single-family	3,883,201	55,263	(35,791)	3,902,673
GSE multifamily	10,171,894	1,904	(26,292)	10,147,506
Total MBS	14,947,066	57,167	(164,567)	14,839,666
Total	\$ 14,997,943	\$ 57,179	\$ (164,567)	\$ 14,890,555

(1) Carrying value equals amortized cost. Amortized cost of held-to-maturity securities includes adjustments made to the cost basis of an investment for accretion and amortization and excludes accrued interest receivable of (in thousands) \$44,166 and \$48,266 at March 31, 2026 and December 31, 2025, respectively.

**Table 3.8 - Held-to-Maturity Securities by Contractual Maturity (in thousands)**

<u>Year of Maturity</u>	March 31, 2026		December 31, 2025	
	Amortized Cost <sup>(1)</sup>	Fair Value	Amortized Cost <sup>(1)</sup>	Fair Value
Non-MBS:				
Due in 1 year or less	\$ 50,438	\$ 50,422	\$ 50,877	\$ 50,889
Total non-MBS	50,438	50,422	50,877	50,889
MBS <sup>(2)</sup>	14,644,916	14,516,318	14,947,066	14,839,666
Total	\$ 14,695,354	\$ 14,566,740	\$ 14,997,943	\$ 14,890,555

(1) Carrying value equals amortized cost.

(2) MBS are not presented by contractual maturity because their expected maturities will likely differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment fees.

**Table 3.9 - Interest Rate Payment Terms of Held-to-Maturity Securities (in thousands)**

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Amortized cost of non-MBS:		
Fixed-rate	\$ 50,438	\$ 50,877
Total amortized cost of non-MBS	<u>50,438</u>	<u>50,877</u>
Amortized cost of MBS:		
Fixed-rate	4,477,865	4,665,615
Variable-rate	10,167,051	10,281,451
Total amortized cost of MBS	<u>14,644,916</u>	<u>14,947,066</u>
Total	<u>\$ 14,695,354</u>	<u>\$ 14,997,943</u>

For the three months ended March 31, 2026, and 2025, the FHLB did not sell any held-to-maturity securities.

*Allowance for Credit Losses on Available-for-Sale and Held-to-Maturity Securities*

The FHLB's available-for-sale and held-to-maturity securities are U.S. Treasury obligations, GSE obligations, and MBS issued by Fannie Mae, Freddie Mac and Ginnie Mae that are backed by single-family or multifamily mortgage loans. As of March 31, 2026 and December 31, 2025, the FHLB had no allowance for credit loss on any available-for-sale or held-to-maturity securities. For information on the FHLB's methodology and evaluation of credit losses on its available-for-sale and held-to-maturity investment securities, see Note 4 - Investments in the FHLB's 2025 Annual Report on Form 10-K.

**Note 4 - Advances**

The following table presents Advance redemptions by contractual maturity, including index-amortizing Advances, which are presented according to their predetermined amortization schedules.

**Table 4.1 - Advances by Redemption Term (dollars in thousands)**

<u>Redemption Term</u>	<u>March 31, 2026</u>		<u>December 31, 2025</u>	
	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Overdrawn demand deposit accounts	\$ 30,250	3.83 %	\$ —	— %
Due in 1 year or less	44,874,886	4.12	35,994,143	4.30
Due after 1 year through 2 years	24,519,178	3.89	23,683,097	4.00
Due after 2 years through 3 years	7,052,388	4.08	8,138,697	4.17
Due after 3 years through 4 years	1,162,415	2.75	671,141	3.59
Due after 4 years through 5 years	342,264	3.06	913,893	2.33
Thereafter	<u>682,336</u>	3.16	<u>703,059</u>	3.14
Total principal amount	78,663,717	4.01	70,104,030	4.14
Commitment fees	(59)		(60)	
Discounts	(6,580)		(6,979)	
Fair value hedging adjustments	(72,548)		42,255	
Fair value option valuation adjustments and accrued interest	3,027		3,766	
Total <sup>(1)</sup>	<u>\$ 78,587,557</u>		<u>\$ 70,143,012</u>	

(1) Carrying values exclude accrued interest receivable of (in thousands) \$255,333 and \$263,741 at March 31, 2026 and December 31, 2025, respectively.

The FHLB offers certain fixed- and variable-rate Advances to members that may be prepaid on specified dates (call dates) without incurring prepayment or termination fees (callable Advances). Other Advances may only be prepaid subject to a prepayment fee paid to the FHLB that makes the FHLB financially indifferent to the prepayment of the Advance.

**Table 4.2 - Advances by Redemption Term or Next Call Date (in thousands)**

<b>Redemption Term or Next Call Date</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Overdrawn demand deposit accounts	\$ 30,250	\$ —
Due in 1 year or less	47,929,111	42,551,368
Due after 1 year through 2 years	25,504,254	21,173,673
Due after 2 years through 3 years	3,043,718	4,121,527
Due after 3 years through 4 years	1,142,234	650,960
Due after 4 years through 5 years	331,814	903,443
Thereafter	682,336	703,059
Total principal amount	<u>\$ 78,663,717</u>	<u>\$ 70,104,030</u>

The FHLB also offers puttable Advances. With a puttable Advance, the FHLB effectively purchases put options from the member that allows the FHLB to terminate the Advance at predetermined dates. The FHLB normally would exercise its put option when interest rates increase relative to contractual rates.

**Table 4.3 - Advances by Redemption Term or Next Put Date for Puttable Advances (in thousands)**

<b>Redemption Term or Next Put Date</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Overdrawn demand deposit accounts	\$ 30,250	\$ —
Due in 1 year or less	45,422,886	36,552,143
Due after 1 year through 2 years	24,453,178	23,612,097
Due after 2 years through 3 years	6,972,388	8,058,697
Due after 3 years through 4 years	1,147,415	656,141
Due after 4 years through 5 years	325,264	896,893
Thereafter	312,336	328,059
Total principal amount	<u>\$ 78,663,717</u>	<u>\$ 70,104,030</u>

**Table 4.4 - Advances by Interest Rate Payment Terms (in thousands)**

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Total fixed-rate <sup>(1)</sup>	\$ 45,430,306	\$ 42,339,322
Total variable-rate <sup>(1)</sup>	33,233,411	27,764,708
Total principal amount	<u>\$ 78,663,717</u>	<u>\$ 70,104,030</u>

(1) Payment terms based on current interest rate terms, which reflect any option exercises or rate conversions that have occurred subsequent to the related Advance issuance.

*Credit Risk Exposure*

The FHLB considers each borrower's ability to repay, payment status, as well as the types and amount of collateral pledged to be the primary indicators of credit quality for its credit products. At March 31, 2026 and December 31, 2025, the FHLB did not have any Advances that were past due, in non-accrual status or considered impaired.

Based upon the collateral held as security, its credit extension and collateral policies and the repayment history on Advances, the FHLB did not expect any credit losses on Advances as of March 31, 2026 and, therefore, no allowance for credit losses on Advances was recorded. For the same reasons, the FHLB did not record any allowance for credit losses on Advances at December 31, 2025. For additional information on the FHLB's credit risk management practices, borrower eligibility, and collateral requirements for Advances, see Note 5 - Advances in the FHLB's 2025 Annual Report on Form 10-K.

*Advance Concentrations*

**Table 4.5 - Borrowers Holding Five Percent or more of Total Advances, Including Any Known Subsidiaries that are Members of the FHLB (dollars in millions)**

March 31, 2026			December 31, 2025		
	Principal	% of Total Principal Amount of Advances		Principal	% of Total Principal Amount of Advances
JPMorgan Chase Bank, N.A.	\$ 16,500	21 %	JPMorgan Chase Bank, N.A.	\$ 16,500	24 %
U.S. Bank, N.A.	10,500	13	U.S. Bank, N.A.	13,000	19
The Huntington National Bank	8,656	11	The Huntington National Bank	5,506	8
Keybank, N.A.	6,058	8	Third Federal Savings and Loan Association	4,774	7
Third Federal Savings and Loan Association	5,128	7	Total	\$ 39,780	58 %
Western-Southern Life Assurance Co.	3,958	5			
Total	\$ 50,800	65 %			

**Note 5 - Mortgage Loans**

Total mortgage loans held for portfolio represent single-family mortgage loans (secured by four or fewer residential units) under the Mortgage Purchase Program (MPP) that the FHLB's members originate, credit enhance, and then sell to the FHLB. The FHLB does not service any of these loans.

**Table 5.1 - Mortgage Loans Held for Portfolio (in thousands)**

	March 31, 2026	December 31, 2025
Fixed rate medium-term single-family mortgage loans <sup>(1)</sup>	\$ 907,580	\$ 825,729
Fixed rate long-term single-family mortgage loans <sup>(2)</sup>	7,940,098	7,664,597
Total unpaid principal balance	8,847,678	8,490,326
Premiums	200,185	190,618
Discounts	(9,620)	(9,826)
Hedging basis adjustments <sup>(3)</sup>	7,651	9,134
Total mortgage loans held for portfolio <sup>(4)</sup>	9,045,894	8,680,252
Allowance for credit losses on mortgage loans	(338)	(349)
Mortgage loans held for portfolio, net	\$ 9,045,556	\$ 8,679,903

(1) Medium-term is defined as an original term of 15 years or less.

(2) Long-term is defined as an original term of greater than 15 years up to 30 years.

(3) Represents the unamortized balance of the mortgage purchase commitments' market values at the time of settlement. The market value of the commitment is included in the basis of the mortgage loan and amortized accordingly.

(4) Excludes accrued interest receivable of (in thousands) \$37,258 and \$35,174 at March 31, 2026 and December 31, 2025, respectively.

**Table 5.2 - Mortgage Loans Held for Portfolio by Collateral/Guarantee Type (in thousands)**

	March 31, 2026	December 31, 2025
Conventional mortgage loans	\$ 8,780,289	\$ 8,419,761
Federal Housing Administration (FHA) mortgage loans	67,389	70,565
Total unpaid principal balance	\$ 8,847,678	\$ 8,490,326

**Table 5.3 - Members, Including Any Known Subsidiaries that are Members of the FHLB, and Former Members Selling Five Percent or more of Total Unpaid Principal (dollars in millions)**

	March 31, 2026			December 31, 2025	
	Principal	% of Total		Principal	% of Total
Union Savings Bank	\$ 1,832	21 %	Union Savings Bank	\$ 1,762	21 %
FirstBank	690	8	FirstBank	676	8
Guardian Savings Bank FSB	505	6	Guardian Savings Bank FSB	477	6
First Financial Bank	492	6	First Financial Bank	465	5
Fifth Third Bank	488	6	LCNB National Bank	439	5

*Credit Risk Exposure*

The FHLB manages credit risk exposure for conventional mortgage loans primarily through conservative underwriting and purchasing loans with characteristics consistent with favorable expected credit performance and by applying various credit enhancements. The conventional mortgage loans under the MPP are primarily supported by some combination of credit enhancements (primary mortgage insurance (PMI) and the Lender Risk Account (LRA), including pooled LRA for those members participating in an aggregated MPP pool). These credit enhancements apply after a homeowner's equity is exhausted.

*Payment Status of Mortgage Loans.* The key credit quality indicator for conventional mortgage loans is payment status, which allows the FHLB to monitor borrower performance. Past due loans are those where the borrower has failed to make a full payment of principal and interest within one month of its due date. The following table presents the payment status of conventional mortgage loans.

**Table 5.4 - Credit Quality Indicator of Conventional Mortgage Loans (in thousands)**

	March 31, 2026		
	Origination Year		Total
	Prior to 2022	2022 to March 31, 2026	
Payment status, at amortized cost:			
Past due 30-59 days	\$ 19,863	\$ 12,177	\$ 32,040
Past due 60-89 days	6,262	1,998	8,260
Past due 90 days or more	8,447	2,188	10,635
Total past due mortgage loans	34,572	16,363	50,935
Current mortgage loans	4,869,909	4,057,243	8,927,152
Total conventional mortgage loans	\$ 4,904,481	\$ 4,073,606	\$ 8,978,087
	December 31, 2025		
	Origination Year		Total
	Prior to 2021	2021 to 2025	
Payment status, at amortized cost:			
Past due 30-59 days	\$ 20,156	\$ 17,284	\$ 37,440
Past due 60-89 days	3,158	3,245	6,403
Past due 90 days or more	6,506	3,157	9,663
Total past due mortgage loans	29,820	23,686	53,506
Current mortgage loans	3,559,569	4,996,168	8,555,737
Total conventional mortgage loans	\$ 3,589,389	\$ 5,019,854	\$ 8,609,243

Seriously delinquent loans comprise all loans that are 90 days or more past due or in the process of foreclosure. The percentages of seriously delinquent conventional mortgage loans to total conventional mortgage loans were 0.12% and 0.11% at March 31, 2026 and December 31, 2025, respectively.

*Allowance for Credit Losses.* At March 31, 2026 and December 31, 2025 the FHLB's allowance for credit losses on its conventional mortgage loans held for portfolio was (in thousands) \$338 and \$349, respectively. For additional information on the FHLB's methodology to determine current expected credit losses, see Note 6 - Mortgage Loans in the FHLB's 2025 Annual Report on Form 10-K.

**Note 6 - Derivatives and Hedging Activities**

The following table summarizes the notional amount and fair value of derivative instruments and total derivative assets and liabilities. For purposes of this disclosure, the derivative values include the fair value of derivatives and the related accrued interest.

**Table 6.1 - Fair Value of Derivative Instruments (in thousands)**

	<b>March 31, 2026</b>		
	<b>Notional Amount of Derivatives</b>	<b>Derivative Assets</b>	<b>Derivative Liabilities</b>
Derivatives designated as fair value hedging instruments:			
Interest rate swaps	\$ 42,123,782	\$ 10,280	\$ 40,411
Derivatives not designated as hedging instruments:			
Interest rate swaps	38,975,484	56,383	11,125
Interest rate swaptions	1,135,000	8,669	—
Forward rate agreements	55,000	—	88
Mortgage delivery commitments	154,728	114	744
Total derivatives not designated as hedging instruments	<u>40,320,212</u>	<u>65,166</u>	<u>11,957</u>
Total derivatives before adjustments	<u>\$ 82,443,994</u>	<u>75,446</u>	<u>52,368</u>
Netting adjustments and cash collateral <sup>(1)</sup>		(68,644)	(29,351)
Total derivative assets and total derivative liabilities		<u>\$ 6,802</u>	<u>\$ 23,017</u>
		<b>December 31, 2025</b>	
	<b>Notional Amount of Derivatives</b>	<b>Derivative Assets</b>	<b>Derivative Liabilities</b>
Derivatives designated as fair value hedging instruments:			
Interest rate swaps	\$ 42,152,501	\$ 34,472	\$ 5,140
Derivatives not designated as hedging instruments:			
Interest rate swaps	32,963,956	56,532	5,032
Interest rate swaptions	1,055,000	8,198	—
Forward rate agreements	64,000	—	75
Mortgage delivery commitments	158,828	445	4
Total derivatives not designated as hedging instruments	<u>34,241,784</u>	<u>65,175</u>	<u>5,111</u>
Total derivatives before adjustments	<u>\$ 76,394,285</u>	<u>99,647</u>	<u>10,251</u>
Netting adjustments and cash collateral <sup>(1)</sup>		(66,567)	(10,132)
Total derivative assets and total derivative liabilities		<u>\$ 33,080</u>	<u>\$ 119</u>

(1) Amounts represent the application of the netting requirements that allow the FHLB to settle positive and negative positions, and also cash collateral, including accrued interest, held or placed by the FHLB with the same clearing agent and/or counterparty. Cash collateral posted, including accrued interest, was (in thousands) \$4,884 and \$3,301 at March 31, 2026 and December 31, 2025, respectively. Cash collateral received, including accrued interest, was (in thousands) \$44,177 and \$59,736 at March 31, 2026 and December 31, 2025, respectively.

**Table 6.2 - Impact of Fair Value Hedging Relationships on Net Interest Income (in thousands)**

	<b>Three Months Ended March 31, 2026</b>		
	<b>Advances</b>	<b>Available-for-Sale Securities</b>	<b>Consolidated Bonds</b>
Total interest income (expense) recorded in the Statements of Income	\$ 736,493	\$ 115,363	\$ (854,187)
<b>Impact of Fair Value Hedging Relationships</b>			
Interest rate swaps:			
Net interest settlements	\$ (8,852)	\$ 39,960	\$ 2,794
Gain (loss) on derivatives	112,359	48,007	(10,719)
Gain (loss) on hedged items	(113,210)	(49,374)	10,425
Price alignment amount <sup>(1)</sup>	64	(3,801)	(76)
Effect on net interest income	<u>\$ (9,639)</u>	<u>\$ 34,792</u>	<u>\$ 2,424</u>
	<b>Three Months Ended March 31, 2025</b>		
	<b>Advances</b>	<b>Available-for-Sale Securities</b>	<b>Consolidated Bonds</b>
Total interest income (expense) recorded in the Statements of Income	\$ 931,011	\$ 113,111	\$ (1,087,204)
<b>Impact of Fair Value Hedging Relationships</b>			
Interest rate swaps:			
Net interest settlements	\$ 37,472	\$ 59,724	\$ (1,904)
Gain (loss) on derivatives	(169,788)	(185,879)	12,107
Gain (loss) on hedged items	170,134	188,042	(12,443)
Price alignment amount <sup>(1)</sup>	(1,826)	(8,416)	(62)
Effect on net interest income	<u>\$ 35,992</u>	<u>\$ 53,471</u>	<u>\$ (2,302)</u>

(1) This amount is for derivatives for which variation margin is characterized as a daily settled contract.

**Table 6.3 - Cumulative Basis Adjustments for Fair Value Hedges (in thousands)**

	<b>March 31, 2026</b>		
	<b>Advances</b>	<b>Available-for-Sale Securities</b>	<b>Consolidated Bonds</b>
Amortized cost of hedged asset or liability <sup>(1)</sup>	\$ 27,573,838	\$ 11,395,505	\$ 2,738,697
<b>Fair value hedging adjustments</b>			
Basis adjustments for active hedging relationships included in amortized cost	\$ (72,742)	\$ (363,877)	\$ 1,398
Basis adjustments for discontinued hedging relationships included in amortized cost	194	(9,185)	—
Total amount of fair value hedging basis adjustments	\$ (72,548)	\$ (373,062)	\$ 1,398

  

	<b>December 31, 2025</b>		
	<b>Advances</b>	<b>Available-for-Sale Securities</b>	<b>Consolidated Bonds</b>
Amortized cost of hedged asset or liability <sup>(1)</sup>	\$ 28,290,525	\$ 10,889,338	\$ 2,665,107
<b>Fair value hedging adjustments</b>			
Basis adjustments for active hedging relationships included in amortized cost	\$ 42,044	\$ (354,395)	\$ 11,823
Basis adjustments for discontinued hedging relationships included in amortized cost	211	(8,745)	—
Total amount of fair value hedging basis adjustments	\$ 42,255	\$ (363,140)	\$ 11,823

(1) Includes only the portion of amortized cost representing the hedged items in active or discontinued fair value hedging relationships. Amortized cost includes fair value hedging adjustments.

**Table 6.4 - Net Gains (Losses) Recorded in Non-interest Income (Loss) on Derivatives Not Designated as Hedging Instruments (in thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Derivatives not designated as hedging instruments:		
Economic hedges:		
Interest rate swaps	\$ (474)	\$ (50,051)
Interest rate swaptions	(561)	(3,990)
Forward rate agreements	1,121	—
Net interest settlements	5,236	10,995
Mortgage delivery commitments	(2,100)	924
Total net gains (losses) related to derivatives not designated as hedging instruments	3,222	(42,122)
Price alignment amount <sup>(1)</sup>	(237)	(950)
Net gains (losses) on derivatives	\$ 2,985	\$ (43,072)

(1) This amount is for derivatives for which variation margin is characterized as a daily settled contract.

#### *Credit Risk on Derivatives*

The FHLB is subject to credit risk given the risk of non-performance by counterparties to its derivative transactions and manages credit risk through use of clearing agents and central counterparties, credit analyses of derivative counterparties, collateral requirements and adherence to the requirements set forth in its policies, U.S. Commodity Futures Trading Commission regulations, and Finance Agency regulations.

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For uncleared derivatives, the degree of credit risk depends on the extent to which master netting arrangements are included in these contracts to mitigate this risk. The FHLB requires collateral agreements on its uncleared derivatives with the collateral delivery threshold set to zero.

The use of cleared derivatives is intended to mitigate credit risk exposure because a central counterparty is substituted for individual counterparties and collateral/payments for changes in the value of cleared derivatives is posted daily through a clearing agent.

### *Offsetting of Derivative Assets and Derivative Liabilities*

The FHLB presents derivative instruments, related cash collateral received or pledged, and associated accrued interest, on a net basis by clearing agent and/or by counterparty when it has met the netting requirements.

**Table 6.5 - Offsetting of Derivative Assets and Derivative Liabilities (in thousands)**

<b>March 31, 2026</b>						
	<b>Derivative Instruments Meeting Netting Requirements</b>			<b>Derivative Instruments Not Meeting Netting Requirements <sup>(1)</sup></b>	<b>Non-cash Collateral Not Offset</b>	
	<b>Gross Recognized Amount</b>	<b>Gross Amount of Netting Adjustments and Cash Collateral</b>	<b>Total Derivative Assets and Total Derivative Liabilities</b>		<b>Can Be Sold or Repledged</b>	<b>Net Amount <sup>(2)</sup></b>
<b>Derivative Assets:</b>						
Uncleared	\$ 56,527	\$ (49,839)	\$ 114	\$ 6,802	\$ —	\$ 6,802
Cleared	18,805	(18,805)	—	—	—	—
Total				<u>\$ 6,802</u>		<u>\$ 6,802</u>
<b>Derivative Liabilities:</b>						
Uncleared	\$ 12,856	\$ (10,546)	\$ 744	\$ 3,054	\$ —	\$ 3,054
Cleared	38,768	(18,805)	—	19,963	19,963	—
Total				<u>\$ 23,017</u>		<u>\$ 3,054</u>

<b>December 31, 2025</b>						
	<b>Derivative Instruments Meeting Netting Requirements</b>			<b>Derivative Instruments Not Meeting Netting Requirements <sup>(1)</sup></b>	<b>Non-cash Collateral Not Offset</b>	
	<b>Gross Recognized Amount</b>	<b>Gross Amount of Netting Adjustments and Cash Collateral</b>	<b>Total Derivative Assets and Total Derivative Liabilities</b>		<b>Can Be Sold or Repledged</b>	<b>Net Amount <sup>(2)(3)</sup></b>
<b>Derivative Assets:</b>						
Uncleared	\$ 72,774	\$ (65,454)	\$ 445	\$ 7,765	\$ 287	\$ 7,478
Cleared	26,428	(1,113)	—	25,315	—	25,315
Total				<u>\$ 33,080</u>		<u>\$ 32,793</u>
<b>Derivative Liabilities:</b>						
Uncleared	\$ 9,134	\$ (9,019)	\$ 4	\$ 119	\$ —	\$ 119
Cleared	1,113	(1,113)	—	—	—	—
Total				<u>\$ 119</u>		<u>\$ 119</u>

(1) Includes mortgage delivery commitments that are not subject to an enforceable netting agreement.

(2) Any over-collateralization at the individual clearing agent and/or counterparty level is not included in the determination of the net amount. At March 31, 2026 and December 31, 2025, the FHLB had additional net credit exposure of (in thousands) \$896,186 and \$882,240, respectively, due to instances where the FHLB's non-cash collateral to a counterparty exceeded the FHLB's net derivative position.

(3) The amount of non-cash collateral for uncleared derivatives included in the determination of the net amount is limited to the amount needed to secure the FHLB's or counterparties' uncleared exposure. In addition to the additional net credit exposure included in footnote 2 to this table, the FHLB received excess non-cash collateral with a fair value of (in thousands) \$30 at December 31, 2025.

**Note 7- Consolidated Obligations**

Consolidated Obligations consist of Consolidated Bonds and Discount Notes. The 11 FHLBanks have joint and several liability for the par amount of all Consolidated Obligations issued on their behalves. The par amount of the outstanding Consolidated Obligations for all of the FHLBanks was (in billions) \$1,204.4 and \$1,151.8 at March 31, 2026 and December 31, 2025, respectively.

**Table 7.1 - Consolidated Discount Notes Outstanding (dollars in thousands)**

	<u>Carrying Value</u>	<u>Principal Amount</u>	<u>Weighted Average Interest Rate <sup>(1)</sup></u>
March 31, 2026	\$ 36,972,331	\$ 37,222,539	3.59 %
December 31, 2025	\$ 31,145,280	\$ 31,316,867	3.74 %

(1) Represents an implied rate without consideration of concessions.

**Table 7.2 - Consolidated Bonds Outstanding by Original Contractual Maturity (dollars in thousands)**

<u>Year of Original Contractual Maturity</u>	<u>March 31, 2026</u>		<u>December 31, 2025</u>	
	<u>Amount</u>	<u>Weighted Average Interest Rate</u>	<u>Amount</u>	<u>Weighted Average Interest Rate</u>
Due in 1 year or less	\$ 60,920,000	3.63 %	\$ 61,028,000	3.72 %
Due after 1 year through 2 years	16,947,500	3.61	16,778,250	3.64
Due after 2 years through 3 years	1,731,500	3.75	1,770,000	3.50
Due after 3 years through 4 years	1,503,500	3.97	1,215,500	4.01
Due after 4 years through 5 years	2,519,000	3.83	2,254,000	3.88
Thereafter	6,203,640	4.47	6,461,140	4.47
Total principal amount	89,825,140	3.70	89,506,890	3.77
Premiums	40,165		41,195	
Discounts	(30,482)		(31,557)	
Fair value hedging adjustments	1,398		11,823	
Fair value option valuation adjustment and accrued interest	77,815		101,087	
Total	\$ 89,914,036		\$ 89,629,438	

**Table 7.3 - Consolidated Bonds Outstanding by Call Features (in thousands)**

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Principal Amount of Consolidated Bonds:		
Non-callable	\$ 65,683,140	\$ 63,340,640
Callable	24,142,000	26,166,250
Total principal amount	\$ 89,825,140	\$ 89,506,890

**Table 7.4 - Consolidated Bonds Outstanding by Original Contractual Maturity or Next Call Date (in thousands)**

<u>Year of Original Contractual Maturity or Next Call Date</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Due in 1 year or less	\$ 75,912,000	\$ 75,696,250
Due after 1 year through 2 years	7,053,000	7,086,000
Due after 2 years through 3 years	1,982,500	1,845,500
Due after 3 years through 4 years	1,003,000	931,500
Due after 4 years through 5 years	1,128,500	936,500
Thereafter	2,746,140	3,011,140
Total principal amount	<u>\$ 89,825,140</u>	<u>\$ 89,506,890</u>

**Table 7.5 - Consolidated Bonds by Interest-rate Payment Type (in thousands)**

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Principal Amount of Consolidated Bonds:		
Fixed-rate	\$ 28,252,140	\$ 29,068,390
Variable-rate	61,573,000	60,438,500
Total principal amount	<u>\$ 89,825,140</u>	<u>\$ 89,506,890</u>

**Note 8 - Capital**

**Table 8.1 - Capital Requirements (dollars in thousands)**

	<u>March 31, 2026</u>		<u>December 31, 2025</u>	
	<u>Minimum Requirement</u>	<u>Actual</u>	<u>Minimum Requirement</u>	<u>Actual</u>
Risk-based capital	\$ 1,059,842	\$ 7,089,543	\$ 1,014,502	\$ 6,553,569
Capital-to-assets ratio (regulatory)	4.00 %	5.20 %	4.00 %	5.06 %
Regulatory capital	\$ 5,449,171	\$ 7,089,543	\$ 5,176,202	\$ 6,553,569
Leverage capital-to-assets ratio (regulatory)	5.00 %	7.81 %	5.00 %	7.60 %
Leverage capital	\$ 6,811,463	\$ 10,634,315	\$ 6,470,253	\$ 9,830,354

**Table 8.2 - Rollforward of Mandatorily Redeemable Capital Stock (in thousands)**

Balance, December 31, 2025	\$ 20,044
Capital stock subject to mandatory redemption reclassified from equity	101,823
Repurchase/redemption of mandatorily redeemable capital stock	(22,316)
Balance, March 31, 2026	<u>\$ 99,551</u>

**Table 8.3 - Mandatorily Redeemable Capital Stock by Contractual Year of Redemption (in thousands)**

<u>Contractual Year of Redemption</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Year 1	\$ 3,959	\$ 3,765
Year 2	429	485
Year 3	841	1,263
Year 4	6,738	37
Year 5	83,269	9,946
Past contractual redemption date due to remaining activity <sup>(1)</sup>	4,315	4,548
Total	<u>\$ 99,551</u>	<u>\$ 20,044</u>

(1) Represents mandatorily redeemable capital stock that is past the end of the contractual redemption period because there is activity outstanding to which the mandatorily redeemable capital stock relates.

**Note 9 - Accumulated Other Comprehensive Income (Loss)**

**Table 9.1 - Accumulated Other Comprehensive Income (Loss) (in thousands)**

	Net unrealized gains (losses) on available-for-sale securities	Pension and postretirement benefits	Total accumulated other comprehensive income (loss)
<b>BALANCE, DECEMBER 31, 2024</b>	\$ (39,174)	\$ 968	\$ (38,206)
Other comprehensive income before reclassification:			
Net unrealized gains (losses)	(238)	—	(238)
Net actuarial gains (losses)	—	174	174
Reclassifications from other comprehensive income (loss) to net income:			
Amortization - pension and postretirement benefits <sup>(1)</sup>	—	(97)	(97)
Net current period other comprehensive income (loss)	(238)	77	(161)
<b>BALANCE, MARCH 31, 2025</b>	<u>\$ (39,412)</u>	<u>\$ 1,045</u>	<u>\$ (38,367)</u>
<b>BALANCE, DECEMBER 31, 2025</b>	\$ 7,310	\$ (770)	\$ 6,540
Other comprehensive income before reclassification:			
Net unrealized gains (losses)	1,856	—	1,856
Net actuarial gains (losses)	—	230	230
Reclassifications from other comprehensive income (loss) to net income:			
Net realized (gains) losses from sale of available-for-sale securities	(1,094)	—	(1,094)
Amortization - pension and postretirement benefits <sup>(1)</sup>	—	(90)	(90)
Net current period other comprehensive income (loss)	762	140	902
<b>BALANCE, MARCH 31, 2026</b>	<u>\$ 8,072</u>	<u>\$ (630)</u>	<u>\$ 7,442</u>

(1) Included in Non-Interest Expense - Other in the Statements of Income.

**Note 10 - Fair Value Disclosures**

*Fair Value Summary.*

The fair value amounts recorded on the Statements of Condition and presented in the related note disclosures have been determined by the FHLB using available market information and the FHLB's best judgment of appropriate valuation methods.

The FHLB records trading securities, available-for-sale securities, derivative assets, derivative liabilities, certain Advances and certain Consolidated Obligations at fair value on a recurring basis, and on occasion, certain mortgage loans held for portfolio on a nonrecurring basis. The FHLB records all other financial assets and liabilities at amortized cost.

**Table 10.1 - Fair Value Summary of Financial Instruments (in thousands)**

<b>Financial Instruments</b>	<b>March 31, 2026</b>					
	<b>Carrying Value <sup>(1)</sup></b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Netting Adjustments and Cash Collateral <sup>(2)</sup></b>
<b>Assets:</b>						
Cash and due from banks	\$ 4,954	\$ 4,954	\$ 4,954	\$ —	\$ —	\$ —
Interest-bearing deposits	2,415,015	2,415,015	—	2,415,015	—	—
Securities purchased under agreements to resell	4,450,000	4,450,000	—	4,450,000	—	—
Federal funds sold	12,407,000	12,407,000	—	12,407,000	—	—
Trading securities	2,704,313	2,704,313	—	2,704,313	—	—
Available-for-sale securities	11,439,051	11,439,051	—	11,439,051	—	—
Held-to-maturity securities	14,695,354	14,566,740	—	14,566,740	—	—
Advances <sup>(3)</sup>	78,587,557	78,661,990	—	78,661,990	—	—
Mortgage loans held for portfolio	9,045,556	8,494,153	—	8,483,245	10,908	—
Accrued interest receivable	424,379	424,379	—	424,379	—	—
Derivative assets	6,802	6,802	—	75,446	—	(68,644)
<b>Liabilities:</b>						
Deposits	1,101,627	1,101,626	—	1,101,626	—	—
<b>Consolidated Obligations:</b>						
Discount Notes <sup>(4)</sup>	36,972,331	36,970,417	—	36,970,417	—	—
Bonds <sup>(5)</sup>	89,914,036	89,582,705	—	89,582,705	—	—
Mandatorily redeemable capital stock	99,551	99,551	99,551	—	—	—
Accrued interest payable	401,289	401,289	—	401,289	—	—
Derivative liabilities	23,017	23,017	—	52,368	—	(29,351)

- (1) For certain financial instruments, the amounts represent net carrying value, which include an allowance for credit losses.
- (2) Amounts represent the application of the netting requirements that allow the FHLB to settle positive and negative positions and also cash collateral and related accrued interest held or placed by the FHLB with the same counterparty.
- (3) Includes (in thousands) \$302,569 of Advances recorded under the fair value option at March 31, 2026.
- (4) Includes (in thousands) \$23,728,993 of Consolidated Obligation Discount Notes recorded under the fair value option at March 31, 2026.
- (5) Includes (in thousands) \$12,132,815 of Consolidated Obligation Bonds recorded under the fair value option at March 31, 2026.

<b>Financial Instruments</b>	<b>December 31, 2025</b>					
	<b>Carrying Value <sup>(1)</sup></b>	<b>Fair Value</b>				<b>Netting Adjustments and Cash Collateral <sup>(2)</sup></b>
		<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Assets:</b>						
Cash and due from banks	\$ 5,475	\$ 5,475	\$ 5,475	\$ —	\$ —	\$ —
Interest-bearing deposits	2,400,058	2,400,058	—	2,400,058	—	—
Securities purchased under agreements to resell	6,450,000	6,450,000	—	6,450,000	—	—
Federal funds sold	12,537,000	12,537,000	—	12,537,000	—	—
Trading securities	2,762,546	2,762,546	—	2,762,546	—	—
Available-for-sale securities	10,931,017	10,931,017	—	10,931,017	—	—
Held-to-maturity securities	14,997,943	14,890,555	—	14,890,555	—	—
Advances <sup>(3)</sup>	70,143,012	70,220,386	—	70,220,386	—	—
Mortgage loans held for portfolio	8,679,903	8,151,260	—	8,141,659	9,601	—
Accrued interest receivable	417,602	417,602	—	417,602	—	—
Derivative assets	33,080	33,080	—	99,647	—	(66,567)
<b>Liabilities:</b>						
Deposits	1,060,511	1,060,554	—	1,060,554	—	—
<b>Consolidated Obligations:</b>						
Discount Notes <sup>(4)</sup>	31,145,280	31,147,611	—	31,147,611	—	—
Bonds <sup>(5)</sup>	89,629,438	89,379,792	—	89,379,792	—	—
Mandatorily redeemable capital stock	20,044	20,044	20,044	—	—	—
Accrued interest payable	406,216	406,216	—	406,216	—	—
Derivative liabilities	119	119	—	10,251	—	(10,132)

- (1) For certain financial instruments, the amounts represent net carrying value, which include an allowance for credit losses.
- (2) Amounts represent the application of the netting requirements that allow the FHLB to settle positive and negative positions and also cash collateral and related accrued interest held or placed by the FHLB with the same counterparty.
- (3) Includes (in thousands) \$306,308 of Advances recorded under the fair value option at December 31, 2025.
- (4) Includes (in thousands) \$16,735,705 of Consolidated Obligation Discount Notes recorded under the fair value option at December 31, 2025.
- (5) Includes (in thousands) \$13,271,087 of Consolidated Obligation Bonds recorded under the fair value option at December 31, 2025.

*Fair Value Measurements.*

**Table 10.2 - Fair Value Measurements of Financial Instruments Recorded on a Recurring Basis (in thousands)**

	Fair Value Measurements at March 31, 2026				
	Total	Level 1	Level 2	Level 3	Netting Adjustments and Cash Collateral <sup>(1)</sup>
<b>Recurring fair value measurements - Assets</b>					
Trading securities:					
U.S. Treasury obligations	\$ 1,274,977	\$ —	\$ 1,274,977	\$ —	\$ —
GSE obligations	1,429,336	—	1,429,336	—	—
Total trading securities	2,704,313	—	2,704,313	—	—
Available-for-sale securities:					
U.S. Treasury obligations	5,892,314	—	5,892,314	—	—
GSE obligations	45,879	—	45,879	—	—
GSE multifamily MBS	5,500,858	—	5,500,858	—	—
Total available-for-sale securities	11,439,051	—	11,439,051	—	—
Advances	302,569	—	302,569	—	—
Derivative assets:					
Interest rate related	6,688	—	75,332	—	(68,644)
Forward rate agreements	—	—	—	—	—
Mortgage delivery commitments	114	—	114	—	—
Total derivative assets	6,802	—	75,446	—	(68,644)
Total assets at fair value	<u>\$14,452,735</u>	<u>\$ —</u>	<u>\$14,521,379</u>	<u>\$ —</u>	<u>\$ (68,644)</u>
<b>Recurring fair value measurements - Liabilities</b>					
Consolidated Obligations:					
Discount Notes	\$23,728,993	\$ —	\$23,728,993	\$ —	\$ —
Bonds	12,132,815	—	12,132,815	—	—
Total Consolidated Obligations	35,861,808	—	35,861,808	—	—
Derivative liabilities:					
Interest rate related	20,363	—	51,536	—	(31,173)
Forward rate agreements	1,910	—	88	—	1,822
Mortgage delivery commitments	744	—	744	—	—
Total derivative liabilities	23,017	—	52,368	—	(29,351)
Total liabilities at fair value	<u>\$35,884,825</u>	<u>\$ —</u>	<u>\$35,914,176</u>	<u>\$ —</u>	<u>\$ (29,351)</u>

(1) Amounts represent the application of the netting requirements that allow the FHLB to settle positive and negative positions and also cash collateral and related accrued interest held or placed by the FHLB with the same counterparty.

**Fair Value Measurements at December 31, 2025**

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Netting Adjustments and Cash Collateral <sup>(1)</sup></b>
<b>Recurring fair value measurements - Assets</b>					
Trading securities:					
U.S. Treasury obligations	\$ 1,287,474	\$ —	\$ 1,287,474	\$ —	\$ —
GSE obligations	1,475,072	—	1,475,072	—	—
Total trading securities	2,762,546	—	2,762,546	—	—
Available-for-sale securities:					
U.S. Treasury obligations	5,751,326	—	5,751,326	—	—
GSE obligations	113,100	—	113,100	—	—
GSE multifamily MBS	5,066,591	—	5,066,591	—	—
Total available-for-sale securities	10,931,017	—	10,931,017	—	—
Advances	306,308	—	306,308	—	—
Derivative assets:					
Interest rate related	30,292	—	99,202	—	(68,910)
Forward rate agreements	2,343	—	—	—	2,343
Mortgage delivery commitments	445	—	445	—	—
Total derivative assets	33,080	—	99,647	—	(66,567)
Total assets at fair value	<u>\$ 14,032,951</u>	<u>\$ —</u>	<u>\$ 14,099,518</u>	<u>\$ —</u>	<u>\$ (66,567)</u>
<b>Recurring fair value measurements - Liabilities</b>					
Consolidated Obligations:					
Discount Notes	\$ 16,735,705	\$ —	\$ 16,735,705	\$ —	\$ —
Bonds	13,271,087	—	13,271,087	—	—
Total Consolidated Obligations	30,006,792	—	30,006,792	—	—
Derivative liabilities:					
Interest rate related	115	—	10,172	—	(10,057)
Forward rate agreements	—	—	75	—	(75)
Mortgage delivery commitments	4	—	4	—	—
Total derivative liabilities	119	—	10,251	—	(10,132)
Total liabilities at fair value	<u>\$ 30,006,911</u>	<u>\$ —</u>	<u>\$ 30,017,043</u>	<u>\$ —</u>	<u>\$ (10,132)</u>

(1) Amounts represent the application of the netting requirements that allow the FHLB to settle positive and negative positions and also cash collateral and related accrued interest held or placed by the FHLB with the same counterparty.

*Fair Value Option.* The FHLB has elected the fair value option for certain financial instruments to mitigate the potential income statement volatility that can arise from economic hedging relationships in which the carrying value of the hedged item is not adjusted for changes in fair value. The interest income and interest expense on Advances and Consolidated Obligations carried at fair value are recognized based solely on the contractual amount of interest due or unpaid. Any transaction fees or costs are immediately recognized into other non-interest income or other non-interest expense. For Consolidated Obligations recorded under the fair value option, the FHLB determined none of the remaining changes in fair value were related to instrument-specific credit risk for the three months ended March 31, 2026 or 2025.

**Table 10.3 – Fair Value Option - Financial Assets and Liabilities (in thousands)**

Net Gains (Losses) from Changes in Fair Value Recognized in Earnings	Three Months Ended March 31,	
	2026	2025
Advances	\$ (750)	\$ 2,347
Consolidated Discount Notes	3,179	4,653
Consolidated Bonds	8,857	(2,292)
Net gains (losses) on financial instruments held under fair value option	\$ 11,286	\$ 4,708

**Table 10.4 – Fair Value Option - Aggregate Unpaid Balance and Aggregate Fair Value (in thousands)**

	March 31, 2026			December 31, 2025		
	Aggregate Unpaid Principal Balance	Aggregate Fair Value	Aggregate Fair Value Over/ (Under) Aggregate Unpaid Principal Balance	Aggregate Unpaid Principal Balance	Aggregate Fair Value	Aggregate Fair Value Over/ (Under) Aggregate Unpaid Principal Balance
Advances	\$ 299,542	\$ 302,569	\$ 3,027	\$ 302,542	\$ 306,308	\$ 3,766
Consolidated Discount Notes	23,923,894	23,728,993	(194,901)	16,824,366	16,735,705	(88,661)
Consolidated Bonds	12,055,000	12,132,815	77,815	13,170,000	13,271,087	101,087

**Note 11 - Commitments and Contingencies**

*Off-Balance Sheet Commitments.* The FHLB has deemed it unnecessary to record any liabilities for credit losses on its off-balance sheet commitments at March 31, 2026 and December 31, 2025, based on its credit extension and collateral policies.

**Table 11.1 - Off-Balance Sheet Commitments (in thousands)**

Notional Amount	March 31, 2026			December 31, 2025		
	Expire within one year	Expire after one year	Total	Expire within one year	Expire after one year	Total
Letters of Credit	\$ 43,956,016	\$ 643,477	\$44,599,493	\$ 43,992,717	\$2,539,728	\$46,532,445
Commitments to purchase mortgage loans	154,728	—	154,728	158,828	—	158,828
Unsettled Consolidated Bonds, principal amount <sup>(1)</sup>	199,000	—	199,000	87,000	—	87,000
Unsettled Consolidated Discount Notes, principal amount <sup>(1)</sup>	750,000	—	750,000	250,000	—	250,000

(1) Expiration is based on settlement period rather than underlying contractual maturity of Consolidated Obligations.

**Note 12 - Transactions with Other FHLBanks**

The FHLB notes transactions with other FHLBanks on the face of its financial statements. Occasionally, the FHLB loans short-term funds to and borrows short-term funds from other FHLBanks. These loans and borrowings are transacted at current market rates when traded. There were no such loans or borrowings outstanding at March 31, 2026, or December 31, 2025.

**Table 12.1 - Lending and Borrowing Between the FHLB and Other FHLBanks (in thousands)**

	Average Daily Balances for the Three Months Ended March 31,	
	2026	2025
Loans to other FHLBanks	\$ —	\$ 2,778
Borrowings from other FHLBanks	—	11,667

In addition, from time to time, one FHLBank may transfer to another FHLBank the Consolidated Obligations (at current market rates on the day when the transfer is traded) for which the transferring FHLBank was originally the primary obligor but upon transfer the assuming FHLBank becomes the primary obligor. There were no Consolidated Obligations transferred to the FHLB during the three months ended March 31, 2026, or 2025. The FHLB had no Consolidated Obligations transferred to other FHLBanks during these periods.

**Note 13 - Transactions with Stockholders**

*Transactions with Directors' Financial Institutions.* In the ordinary course of its business, the FHLB provides products and services to members whose officers or directors serve as directors of the FHLB (Directors' Financial Institutions). Finance Agency regulations require that transactions with Directors' Financial Institutions be made on the same terms as those with any other member. The FHLB had no MBS or derivatives transactions with Directors' Financial Institutions at March 31, 2026 or December 31, 2025.

**Table 13.1 - Transactions with Directors' Financial Institutions (dollars in millions)**

	March 31, 2026		December 31, 2025	
	Balance	% of Total <sup>(1)</sup>	Balance	% of Total <sup>(1)</sup>
Advances	\$ 5,317	6.8 %	\$ 5,685	8.1 %
MPP	23	0.3	400	4.7
Regulatory capital stock	306	6.0	405	8.9

(1) Percentage of total principal (Advances), unpaid principal balance (MPP), and regulatory capital stock.

The following table shows regulatory capital stock balances, outstanding Advance principal balances, and unpaid principal balances of mortgage loans held for portfolio of stockholders holding five percent or more of regulatory capital stock and includes any known subsidiaries that are members of the FHLB.

**Table 13.2 - Stockholders Holding Five Percent or more of Regulatory Capital Stock (dollars in millions)**

	Regulatory Capital Stock		Advance Principal	MPP Unpaid Principal Balance
	Balance	% of Total		
<b>March 31, 2026</b>				
JPMorgan Chase Bank, N.A.	\$ 991	19 %	\$ 16,500	\$ —
U.S. Bank, N.A.	684	13	10,500	4
The Huntington National Bank	424	8	8,656	412
Keybank, N.A.	300	6	6,058	—
<b>December 31, 2025</b>				
JPMorgan Chase Bank, N.A.	\$ 934	20 %	\$ 16,500	\$ —
U.S. Bank, N.A.	637	14	13,000	4
The Huntington National Bank	282	6	5,506	410
Third Federal Savings and Loan Association	234	5	4,774	18

*Nonmember Housing Associates.* The FHLB has relationships with three nonmember housing associates, the Kentucky Housing Corporation, the Ohio Housing Finance Agency and the Tennessee Housing Development Agency. The nature of these relationships is twofold: one as an approved borrower from the FHLB and one in which the FHLB may invest in the purchase of these nonmembers' bonds. The Ohio Housing Finance Agency had borrowings of (in thousands) \$56,550 during the three months ended March 31, 2026. The FHLB had no investments in the Ohio Housing Finance Agency at March 31, 2026. Additionally, the FHLB had no investments in or borrowings to the Kentucky Housing Corporation or the Tennessee Housing Development Agency at March 31, 2026. The FHLB had no investments in or borrowings to any of these nonmember housing associates at December 31, 2025.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

This report contains forward-looking statements that describe the objectives, expectations, estimates, and assessments of the Federal Home Loan Bank of Cincinnati (the FHLB). These statements use words such as “anticipates,” “expects,” “believes,” “could,” “estimates,” “may,” “should,” “will,” their negatives, or other variations of these terms. By their nature, forward-looking statements relate to matters involving risks or uncertainties, including the risk factors set forth in Part I, Item 1A. "Risk Factors" in our 2025 Annual Report on Form 10-K, some of which we may not be able to know, control, or completely manage. Actual future results could differ materially from those expressed or implied in forward-looking statements or could affect the extent to which we are able to realize an objective, expectation, estimate, or assessment. These risks and uncertainties include, among others, the following:

- the effects of economic, financial, credit, market, and member conditions on our financial condition and results of operations, including changes in economic growth, general liquidity conditions and liquidity within the banking sector, inflation and deflation, interest rates, interest rate spreads, interest rate volatility, mortgage originations, prepayment activity, housing prices, asset delinquencies, trade policies, and members' mergers and consolidations, deposit flows, liquidity needs, and loan demand;
- national or world events, threatened or actual acts of war, civil unrest, terrorism, natural disasters, climate change, pandemics, or other unanticipated or catastrophic events;
- executive, legislative, regulatory, and judicial events and actions that affect us, our members, counterparties, other Federal Home Loan Banks (FHLBanks) or investors in the Federal Home Loan Bank System's (FHLBank System or System) unsecured debt securities, which are called Consolidated Obligations (or Obligations), such as any government-sponsored enterprise (GSE) reforms, including the potential privatization of Fannie Mae and Freddie Mac, any actions taken by the Federal Housing Finance Agency (Finance Agency) related to the FHLBank System, changes in the Federal Home Loan Bank Act of 1932, as amended (FHLBank Act), changes in applicable sections of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, or changes in other statutes or regulations applicable to the FHLBanks;
- competitive forces, including those related to other sources of funding available to members, to purchases of mortgage loans, and to our issuance of Consolidated Obligations;
- the financial results and actions of other FHLBanks that could affect our ability, in relation to the FHLBank System's joint and several liability for Consolidated Obligations, to access the capital markets on acceptable terms or preserve our profitability, or could alter the regulations and legislation to which we are subject;
- changes in the credit ratings or outlook assigned to FHLBank System Obligations or the FHLB;
- changes in investor demand for Consolidated Obligations;
- the volatility of market prices, interest rates, credit quality, and other indices that could affect the value of investments and collateral we hold as security for member obligations and/or for counterparty obligations;
- the ability to effectively use derivative instruments to reduce interest rate risk associated with certain assets and liabilities;
- the ability to attract and retain skilled management and other key employees;
- the ability to develop, secure and support technology and information systems that effectively manage the risks we face (including cybersecurity risks), and keep pace with technological changes and innovation such as artificial intelligence;
- the risk of loss arising from failures or interruptions in our ongoing business operations, internal controls, information systems or other operating technologies;
- the ability to successfully manage new products and services; and

- the risk of loss arising from litigation filed against us or one or more other FHLBanks.

These forward-looking statements are representative only as of the date they are made, and except to the extent required by law, we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any changes in our expectations or change in events, conditions, circumstances on which any statement is based.

## **EXECUTIVE OVERVIEW**

During the first three months of 2026, we delivered on our dual mission of providing access to ongoing liquidity funding to member financial institutions to support housing finance, affordable housing and community investment. We maintained strong profitability, which enabled us to bolster capital adequacy by increasing retained earnings, to pay a competitive dividend rate to stockholders, and to make meaningful contributions to affordable housing. We exceeded all minimum regulatory capital and liquidity requirements, and we were able to fund operations through the issuance of Consolidated Obligations at acceptable interest costs. Additionally, overall residual credit risk exposure from our Credit Services, mortgage loan portfolio, investments, and derivative transactions remained de minimis. Likewise, our market risk measures continued to be within our risk appetite.

### **Mission Assets and Activities**

Primary Mission Assets (i.e., principal balances of Advances and mortgage loans held for portfolio) and Supplemental Mission Activities (i.e., Letters of Credit and Mandatory Delivery Contracts) are the principal business activities by which we fulfill our mission with direct connections to members and what we refer to as Mission Assets and Activities. We regularly monitor our level of Mission Assets and Activities. One measure we use to assess mission achievement is our Primary Mission Asset ratio, which measures the sum of average Advances and mortgage loans as a percentage of average Consolidated Obligations (adjusted for certain high-quality liquid assets, as permitted by regulation). In the first three months of 2026, the Primary Mission Asset ratio averaged 70 percent, in line with the Finance Agency's preferred ratio of 70 percent. In assessing overall mission achievement, we also consider supplemental sources of Mission Assets and Activities, the most significant of which is Letters of Credit issued for the benefit of members.

The following table summarizes our Mission Assets and Activities.

(In millions)	Ending Balances			Average Balances		
	March 31,		December 31,	Three Months Ended		Year Ended
	2026	2025	2025	March 31,	2025	December 31,
				2026	2025	2025
<b>Primary Mission Assets <sup>(1)</sup>:</b>						
Advances	\$ 78,664	\$ 78,173	\$ 70,104	\$ 74,102	\$ 79,327	\$ 79,082
Mortgage loans held for portfolio	8,848	7,143	8,490	8,666	7,114	7,554
<b>Total Primary Mission Assets</b>	<b>\$ 87,512</b>	<b>\$ 85,316</b>	<b>\$ 78,594</b>	<b>\$ 82,768</b>	<b>\$ 86,441</b>	<b>\$ 86,636</b>
<b>Supplemental Mission Activities <sup>(2)</sup>:</b>						
Letters of Credit (notional)	\$ 44,599	\$ 45,664	\$ 46,532	\$ 45,870	\$ 47,596	\$ 46,389
Mandatory Delivery Contracts (notional)	155	95	159	212	73	207
<b>Total Supplemental Mission Activities</b>	<b>\$ 44,754</b>	<b>\$ 45,759</b>	<b>\$ 46,691</b>	<b>\$ 46,082</b>	<b>\$ 47,669</b>	<b>\$ 46,596</b>

(1) Amounts represent principal balances.

(2) Amounts represent off-balance sheet commitments.

Advance principal balances at March 31, 2026 increased \$8.6 billion (12 percent) from year-end 2025 primarily driven by increases in Advance borrowings from a few large-asset members. However, average principal Advance balances for the first three months of 2026 decreased \$5.2 billion (seven percent) compared to the same period of 2025 as the modest reductions in Advance borrowings from a few large-asset members at year-end 2025 persisted throughout most of the first quarter of 2026.

A key benefit of membership comes from our business model as a wholesale lender GSE, which provides members a reliable and flexible source of funding in order to support their housing finance and asset-liability management needs. As such, Advance balances are often volatile given our members' ability to quickly, normally on the same day, increase or decrease the amount of their Advances. Our business model is designed to support significant changes in asset levels without having to undergo material changes in staffing, operations, risk practices, or general resource needs. A key reason for this scalability is that our Capital Plan provides for additional capital when Advances grow and the opportunity for us to retire capital when Advances decline, thereby acting to preserve competitive profitability.

Mortgage Purchase Program (MPP) principal balances increased \$0.4 billion (four percent) from the year-end 2025 balance. During the first three months of 2026, we purchased \$0.7 billion of mortgage loans, while principal reductions were \$0.3 billion. The higher MPP purchases reflected market conditions that supported members' greater utilization of the program. Principal reductions in the first three months of 2026 were limited due in large part to the elevated mortgage rate environment keeping mortgage refinance activity low.

Letters of Credit decreased \$1.9 billion (four percent) from year-end 2025. Letters of Credit balances are primarily used by members to secure public unit deposits. We normally earn fees on Letters of Credit based on the actual average amount of the Letters utilized, which generally is less than the notional amount issued.

## **Affordable Housing and Community Investment**

In addition to providing readily-available, competitively-priced sources of funds to members, one of our core missions is to support affordable housing and community investment. We are statutorily required to set aside a portion of our profits to support affordable housing each year. These funds assist members in serving very low-, low-, and moderate-income households and community economic development. Our net income for the first three months of 2026 resulted in a statutory assessment of \$12 million to the Affordable Housing Program (AHP) pool of funds available to members in 2027.

Beyond the statutory AHP assessment, the Board of Directors may elect to make voluntary contributions to the AHP or other housing and community investment activities. In 2026, we are committed to making voluntary contributions of \$34 million, representing five percent of our 2025 earnings, to various voluntary housing and community investment programs. In the first three months of 2026, we partially fulfilled our commitment by contributing \$12 million to our various voluntary housing and community investment programs. These contributions are recorded in non-interest expense on the Statements of Income, which reduces net income before assessments, and, in turn, reduces the statutory AHP assessment each year. As such, in 2026, we are committed to making supplemental voluntary contributions to the AHP of approximately \$4 million to make the total AHP contributions equal to what the statutory AHP assessment would have been in the absence of these effects. Through the first three months of 2026, we made \$1 million in supplemental voluntary AHP contributions.

## Results of Operations

Our earnings over time reflect the combination of a stable business model and conservative management of risk. Key market driven factors that can cause significant periodic volatility in our profitability include changes in Mission Assets and Activities, the level of interest rates, changes in spreads between benchmark interest rates and our short-term funding costs, recognition of net amortization from accelerated prepayments of mortgage assets, fair value adjustments related to the use of derivatives and the associated hedged items, and general economic conditions. The table below summarizes our results of operations.

(Dollars in millions)	Three Months Ended March 31,		Year Ended
	2026	2025	December 31, 2025
Net income	\$ 100	\$ 145	\$ 575
Return on average equity (ROE)	6.08 %	8.76 %	8.45 %
Return on average assets	0.30	0.44	0.42
Weighted average dividend rate	7.50	9.00	8.62
Dividend payout ratio <sup>(1)</sup>	88.5	72.1	72.9
Average Secured Overnight Financing Rate (SOFR)	3.66	4.33	4.24
ROE spread to average SOFR	2.42	4.43	4.21
Dividend rate spread to average SOFR	3.84	4.67	4.38

(1) Dividend payout ratio is dividends declared in the period as a percentage of net income.

Our profitability was strong in the first three months of 2026, which enabled us to pay a competitive return to stockholders, make meaningful contributions to support affordable housing and community investment and strengthen capital by increasing retained earnings. Net income decreased \$45 million in the first three months of 2026 compared to the same period of 2025. The decrease in net income reflected the combined impact of net losses on derivatives and related financial instruments carried at fair value in the first three months of 2026 compared to net gains in the same period of 2025, lower average interest rates, which decreased the earnings generated from investing capital in interest-earning assets, and lower spreads earned on mortgage loans held for portfolio.

We strive to provide a competitive return on members' capital investment in our company through quarterly dividend payments. In March 2026, we paid stockholders a quarterly dividend at a 7.50 percent annualized rate on their capital investment in our company, which was 3.84 percentage points above the first quarter average SOFR. After we paid our dividends, retained earnings totaled \$2.0 billion on March 31, 2026, an increase of one percent from year-end 2025. We believe the amount of retained earnings is sufficient to protect against members' impairment risk of their capital stock investment in the FHLB and to provide the opportunity to stabilize future dividends.

## Effect of Interest Rate Environment

Trends in market interest rates and the resulting shapes of the market yield curves strongly influence our results of operations and profitability because of how they affect members' demand for Mission Assets and Activities, spreads on assets, funding costs and decisions in managing the tradeoffs in our market risk/return profile. The following table presents key market interest rates (obtained from Bloomberg L.P.).

	Quarter 1 2026		Year 2025		Quarter 1 2025	
	Ending	Average	Ending	Average	Ending	Average
Federal funds effective	3.64 %	3.64 %	3.64 %	4.21 %	4.33 %	4.33 %
SOFR	3.68	3.66	3.87	4.24	4.41	4.33
2-year U.S. Treasury	3.80	3.58	3.48	3.82	3.89	4.16
10-year U.S. Treasury	4.32	4.19	4.17	4.29	4.21	4.46
15-year mortgage current coupon <sup>(1)</sup>	4.72	4.45	4.40	4.74	4.76	4.97
30-year mortgage current coupon <sup>(1)</sup>	5.38	5.06	5.04	5.48	5.51	5.71

(1) Current coupon rate of par uniform mortgage-backed securities (UMBS) indications.

Average overnight rates were approximately 70 basis points lower in the first three months of 2026 compared to the same period of 2025 due to several rate cuts by the Federal Reserve in the second half of 2025. Our earnings from capital decreased \$12 million in the first three months of 2026 compared to the same period of 2025 because of the lower average short-term rates.

During the first three months of 2026 and throughout 2025, the market risk exposure to changing interest rates was low and within policy limits. We believe that longer-term profitability will be competitive, unless interest rates were to increase significantly for a sustained period of time.

## Legislative and Regulatory Developments

For the quarterly period ended March 31, 2026 and through the date of this report, there were no significant legislative or regulatory actions and developments not previously disclosed.

## ANALYSIS OF FINANCIAL CONDITION

### Credit Services

#### Credit Activity and Advance Composition

The table below shows trends in Advance balances by major programs and in the notional amount of Letters of Credit.

(Dollars in millions)

	March 31, 2026		December 31, 2025	
	Balance	Percent <sup>(1)</sup>	Balance	Percent <sup>(1)</sup>
Adjustable/Variable-Rate Indexed:				
SOFR	\$ 25,680	33 %	\$ 26,112	37 %
Other	7,523	9	1,653	3
Total	33,203	42	27,765	40
Fixed-Rate:				
Repurchase based (REPO)	8,621	11	6,060	9
Regular Fixed-Rate	34,596	44	33,188	47
Putable <sup>(2)</sup>	618	1	623	1
Amortizing/Mortgage Matched	773	1	799	1
Other	823	1	1,669	2
Total	45,431	58	42,339	60
Other Advances	30	—	—	—
Total Advances Principal	\$ 78,664	100 %	\$ 70,104	100 %
Letters of Credit (notional) <sup>(3)</sup>	\$ 44,599		\$ 46,532	

(1) As a percentage of total Advances principal.

(2) Excludes Putable Advances where the related put options have expired or where the Advance is indexed to a variable-rate. These Advances are classified based on their current terms.

(3) Represents the amount of an off-balance sheet commitment.

The Advance principal balance as of March 31, 2026 increased \$8.6 billion (12 percent) compared to year-end 2025, primarily driven by increases in Advance borrowings from a few large-asset members. The future levels of Advance balances are difficult to predict and depend on many factors, including changes in the level of liquidity in the financial markets, changes in our members' deposit levels compared to loan growth and the general health of the economy.

Letters of Credit are issued on behalf of members to support certain obligations of members (or members' customers) to third-party beneficiaries. Letters of Credit decreased \$1.9 billion (four percent) in the first three months of 2026. Letters of Credit usually expire without being drawn upon.

The following tables present principal balances for the five members with the largest Advance borrowings.

(Dollars in millions)

March 31, 2026			December 31, 2025		
Name	Principal Amount of Advances	Percent of Total Principal Amount of Advances	Name	Principal Amount of Advances	Percent of Total Principal Amount of Advances
JPMorgan Chase Bank, N.A.	\$ 16,500	21 %	JPMorgan Chase Bank, N.A.	\$ 16,500	24 %
U.S. Bank, N.A.	10,500	13	U.S. Bank, N.A.	13,000	19
The Huntington National Bank	8,656	11	The Huntington National Bank	5,506	8
Keybank, N.A.	6,058	8	Third Federal Savings and Loan Association	4,774	7
Third Federal Savings and Loan Association	5,128	7	Protective Life Insurance Company	3,000	4
Total of Top 5	<u>\$ 46,842</u>	<u>60 %</u>	Total of Top 5	<u>\$ 42,780</u>	<u>62 %</u>

### Mortgage Loans Held for Portfolio (Mortgage Purchase Program, or MPP)

MPP balances are influenced by conditions in the housing and mortgage markets, the competitiveness of prices we offer to purchase loans, as well as program features and activity from our largest sellers. We manage purchases and balances at a prudent level relative to capital and total assets to effectively manage market and credit risks consistent with our risk appetite.

The table below shows principal purchases and collections of loans in the MPP for the first three months of 2026. All loans acquired in the first three months of 2026 were conventional loans.

(In millions)	MPP Principal
Balance, December 31, 2025	\$ 8,490
Principal purchases	643
Principal collections	(285)
Balance, March 31, 2026	<u>\$ 8,848</u>

We closely model and analyze the refinancing incentives of our mortgage assets (including loans in the MPP and mortgage-backed securities (MBS)) because the option for homeowners to change their principal payments normally represents the largest portion of our market risk exposure and can affect MPP balances. MPP principal paydowns in the first three months of 2026 equated to a nine percent annual constant prepayment rate, which was an increase from the seven percent rate during 2025. Mortgage prepayment activity remains low compared to historical levels because current mortgage rates are still high relative to most borrowers' existing rates.

## Investments

The table below presents the ending and average balances of our investment portfolio.

(In millions)	Three Months Ended		Year Ended	
	March 31, 2026		December 31, 2025	
	Ending Balance	Average Balance	Ending Balance	Average Balance
Liquidity investments	\$ 27,965	\$ 30,532	\$ 30,065	\$ 28,554
MBS	20,146	20,008	20,014	20,121
Other investments <sup>(1)</sup>	—	2	—	23
Total investments	<u>\$ 48,111</u>	<u>\$ 50,542</u>	<u>\$ 50,079</u>	<u>\$ 48,698</u>

(1) The average balance includes the rights or obligations to cash collateral, which are included in the fair value of derivative assets or derivative liabilities on the Statements of Condition at period end.

Investments that are either short-term (primarily overnight), or longer-term that consist of U.S. Treasury and GSE obligations are considered liquidity investments. These investments are primarily held to help meet the funding needs of members. Longer-term liquidity investments may be pledged or sold and converted to cash. Liquidity investment levels can vary significantly on a daily basis based on changes in the amount of actual Advances, anticipated demand for Advances, regulatory liquidity requirements, the availability of acceptable net spreads, and the number of eligible counterparties that meet our unsecured credit risk criteria.

Our overarching strategy for balances of MBS is to keep holdings as close as possible to the regulatory maximum. Finance Agency regulations prohibit us from purchasing MBS if our investment in these securities exceeds three times regulatory capital on the day we intend to purchase the securities. The ratio of MBS to regulatory capital was 2.86 on March 31, 2026. The balance of MBS at March 31, 2026 consisted of \$19.3 billion of securities issued by Fannie Mae or Freddie Mac (of which \$10.2 billion were floating-rate securities), and \$0.8 billion of securities issued by Ginnie Mae (which are fixed rate).

The table below shows principal purchases and paydowns of our MBS for the first three months of 2026.

(In millions)	MBS Principal
Balance at December 31, 2025	\$ 20,071
Principal purchases	773
Principal paydowns	(615)
Balance at March 31, 2026	<u>\$ 20,229</u>

MBS principal paydowns equated to a 12 percent annual constant prepayment rate in the first three months of 2026, the same as the rate experienced in all of 2025.

## Consolidated Obligations

We generally fund variable-rate assets with Discount Notes (a portion of which may be swapped), adjustable-rate Bonds, and fixed-rate Bonds that have been swapped to a variable rate because they give us the ability to effectively match the underlying rate reset periods embedded in these assets. Total Consolidated Obligations on March 31, 2026 were \$126.9 billion, an increase of \$6.1 billion (five percent) compared to the balance at year-end 2025. The balances and composition of our Consolidated Obligations tend to fluctuate with changes in the balances and composition of our assets. In addition, changes in the amount and composition of our funding may be necessary from time to time to meet the days of positive liquidity and asset/liability maturity funding gap requirements discussed in the "Liquidity Risk" section of "Quantitative and Qualitative Disclosures About Risk Management."

## Deposits

Total deposits with us are normally a relatively minor source of funding. Deposits with us are not insured, but are subject to statutory deposit reserve requirements. Total interest-bearing deposits on March 31, 2026 were \$1.1 billion, an increase of four percent compared to year-end 2025. Interest-bearing deposits may have overnight or shorter-term maturities.

## Capital Resources

The following tables present capital amounts and capital-to-assets ratios, on both a GAAP and regulatory basis. We consider the regulatory ratio to be a better representation of financial leverage than the GAAP ratio because, although the GAAP ratio treats mandatorily redeemable capital stock as a liability, it protects investors in our debt in the same manner as GAAP capital stock and retained earnings.

(In millions)	Three Months Ended		Year Ended	
	March 31, 2026		December 31, 2025	
	Period End	Average	Period End	Average
<u>GAAP and Regulatory Capital</u>				
GAAP Capital Stock	\$ 4,984	\$ 4,651	\$ 4,539	\$ 4,887
Mandatorily Redeemable Capital Stock	100	90	20	25
Regulatory Capital Stock	5,084	4,741	4,559	4,912
Retained Earnings	2,006	2,031	1,995	1,960
Regulatory Capital	<u>\$ 7,090</u>	<u>\$ 6,772</u>	<u>\$ 6,554</u>	<u>\$ 6,872</u>
	Three Months Ended		Year Ended	
	March 31, 2026		December 31, 2025	
	Period End	Average	Period End	Average
<u>GAAP and Regulatory Capital-to-Assets Ratio</u>				
GAAP	5.14 %	5.00 %	5.05 %	5.00 %
Regulatory <sup>(1)</sup>	5.20	5.05	5.06	5.05

(1) At all times, the FHLB must maintain at least a four percent minimum regulatory capital-to-assets ratio.

Our business model is structured to be able to absorb sharp changes in assets because we can execute commensurate changes in liability and capital stock balances. For example, in the first three months of 2026, we issued \$2.1 billion of capital stock to members primarily in support of Advance borrowings, while repurchasing \$1.5 billion of excess capital stock no longer supporting Mission Assets and Activities. Excess capital stock is the amount of stock held by a member (or former member) in excess of that institution's minimum stock ownership requirement.

See the "Capital Adequacy" section in "Quantitative and Qualitative Disclosures About Risk Management" for discussion of our retained earnings.

**RESULTS OF OPERATIONS**

**Net Interest Income**

***Components of Net Interest Income***

The following table shows selected components of net interest income.

(Dollars in millions)	Three Months Ended March 31,			
	2026		2025	
	Amount	% of Earning Assets	Amount	% of Earning Assets
Components of net interest rate spread:				
Net (amortization)/accretion <sup>(1) (2)</sup>	\$ (13)	(0.04)%	\$ (7)	(0.02)%
Prepayment fees on Advances, net <sup>(2)</sup>	2	0.01	—	—
Other components of net interest rate spread	101	0.30	115	0.35
Total net interest rate spread	90	0.27	108	0.33
Earnings from funding assets with interest-free capital	68	0.21	80	0.25
Total net interest income/net interest margin <sup>(3)</sup>	<u>\$ 158</u>	<u>0.48 %</u>	<u>\$ 188</u>	<u>0.58 %</u>

(1) Includes monthly recognition of premiums and discounts paid on purchases of mortgage assets, premiums, discounts and concessions paid on Consolidated Obligations and other hedging basis adjustments.

(2) This component of net interest rate spread has been segregated to display its relative impact.

(3) Net interest margin is net interest income as a percentage of average total interest-earning assets.

**Net Amortization/Accretion (generally referred to as amortization):** Net amortization can become substantial and volatile with changes in interest rates, especially for mortgage assets. For example, when mortgage rates decrease, premium amortization of mortgage assets generally increases, which reduces net interest income. Average mortgage rates were approximately 50 to 60 basis points lower in the first quarter of 2026 compared to the same period of 2025, which increased prepayment speeds slightly and accelerated premium amortization. However, mortgage rates remained at elevated levels relative to most borrowers' existing rates, keeping mortgage refinance activity low and amortization relatively modest compared to historical levels.

**Other Components of Net Interest Rate Spread:** The total other components of net interest rate spread decreased \$14 million in the first three months of 2026 compared to the same period of 2025. The net decrease was primarily due to the factors below.

- **Lower net interest rate spreads earned on mortgage loans held for portfolio-*Unfavorable*:** Lower spreads on mortgage loans held for portfolio decreased net interest income by an estimated \$9 million. Spreads declined due to the maturity of lower-cost debt and the issuance of longer-term debt aimed at reducing market risk exposure.
- **Lower net interest rate spreads earned on Advances-*Unfavorable*:** Lower spreads earned on Advances decreased net interest income by an estimated \$8 million.

**Earnings from Capital:** Earnings from capital decreased \$12 million in the three months ended March 31, 2026 compared to the same period of 2025 because of lower average short-term rates.

***Average Balance Sheet and Rates***

The following table provides average balances and rates for major balance sheet accounts, which determine the changes in net interest rate spreads. Interest amounts and average rates are affected by our use of derivatives and the related accounting elections we make. Interest amounts reported for Advances, MBS, Other investments and Swapped Bonds include gains (losses) on hedged items and derivatives in qualifying fair value hedge relationships.

In addition, the net interest settlements of interest receivables or payables and the price alignment amount associated with derivatives in a fair value hedge relationship are included in net interest income and interest rate spread. The price alignment amount approximates the amount of interest that we would receive or pay if the variation margin payments were characterized as collateral pledged to secure outstanding credit exposure on the derivative contracts. However, if the derivatives do not qualify for fair value hedge accounting, the related net interest settlements of interest receivables or payables and the price alignment amount are recorded in “Non-interest income (loss)” as “Net gains (losses) on derivatives” and therefore are excluded from the calculation of net interest rate spread. Amortization associated with some hedging-related basis adjustments is also reflected in net interest income, which affects interest rate spread.

(Dollars in millions)	Three Months Ended			Three Months Ended		
	March 31, 2026			March 31, 2025		
	Average Balance	Interest	Average Rate <sup>(1)</sup>	Average Balance	Interest	Average Rate <sup>(1)</sup>
<b>Assets:</b>						
Advances <sup>(2)</sup>	\$ 74,133	\$ 738	4.04 %	\$ 79,178	\$ 931	4.77 %
Mortgage loans held for portfolio <sup>(3)</sup>	8,860	86	3.92	7,266	64	3.55
Securities purchased under agreements to resell	3,707	34	3.68	2,993	32	4.38
Federal funds sold	15,637	142	3.69	12,746	138	4.39
Interest-bearing deposits in banks <sup>(4)</sup>	2,404	22	3.72	2,480	27	4.42
MBS <sup>(5)</sup>	19,996	213	4.32	19,147	228	4.83
Other investments <sup>(5)</sup>	8,777	87	4.04	8,413	95	4.58
Loans to other FHLBanks	—	—	—	3	—	4.38
Total interest-earning assets	<u>133,514</u>	<u>1,322</u>	4.01	<u>132,226</u>	<u>1,515</u>	4.65
Other assets	557			595		
Total assets	<u>\$ 134,071</u>			<u>\$ 132,821</u>		
<b>Liabilities and Capital:</b>						
Term deposits	\$ 129	1	3.76	\$ 131	1	4.61
Other interest bearing deposits <sup>(4)</sup>	927	7	3.12	843	8	3.85
Discount Notes	32,921	300	3.70	21,242	230	4.39
Unswapped fixed-rate Bonds	13,335	126	3.82	11,984	92	3.12
Unswapped adjustable-rate Bonds	63,760	591	3.76	80,646	889	4.47
Swapped Bonds	15,016	137	3.71	9,796	106	4.38
Mandatorily redeemable capital stock	90	2	7.28	24	1	8.85
Other borrowings	—	—	—	12	—	4.38
Total interest-bearing liabilities	<u>126,178</u>	<u>1,164</u>	3.74	<u>124,678</u>	<u>1,327</u>	4.32
Other liabilities	1,190			1,428		
Total capital	6,703			6,715		
Total liabilities and capital	<u>\$ 134,071</u>			<u>\$ 132,821</u>		
Net interest rate spread			<u>0.27 %</u>			<u>0.33 %</u>
Net interest income and net interest margin <sup>(6)</sup>		<u>\$ 158</u>	<u>0.48 %</u>		<u>\$ 188</u>	<u>0.58 %</u>
Average interest-earning assets to interest-bearing liabilities			<u>105.81 %</u>			<u>106.05 %</u>

(1) Amounts used to calculate average rates are based on dollars in thousands. Accordingly, recalculations based upon the disclosed amounts in millions may not produce the same results.

(2) Interest on Advances includes prepayment fees of \$2 million for the three months ended March 31, 2026. Advance prepayment fees for the three months ended March 31, 2025 totaled less than \$1 million.

(3) Non-accrual loans are included in average balances used to determine average rate.

(4) The average balance amounts include the rights or obligations to cash collateral, which are included in the fair value of derivative assets or derivative liabilities on the Statements of Condition at period end.

(5) Includes available-for-sale securities based on their amortized costs. The yield information does not give effect to changes in fair value that are reflected as a component of stockholders' equity for available-for-sale securities.

(6) Net interest margin is net interest income as a percentage of average total interest-earning assets.

Rates on our interest-bearing assets and liabilities generally decreased in the three months ended March 31, 2026 compared to the same period of 2025, as these assets and liabilities have repriced to the lower interest rates. However, the average rate on mortgage loans held for portfolio increased due to a higher volume of loan purchases during 2025 and the first quarter of 2026 at interest rates above the average rate of the legacy portfolio.

***Volume/Rate Analysis***

Changes in both average balances (volume) and interest rates influence changes in net interest income, as shown in the following table.

(In millions)	Three Months Ended March 31, 2026 over 2025		
	Volume <sup>(1)(3)</sup>	Rate <sup>(2)(3)</sup>	Total
<u>Increase (decrease) in interest income</u>			
Advances	\$ (57)	\$ (136)	\$ (193)
Mortgage loans held for portfolio	15	7	22
Securities purchased under agreements to resell	7	(5)	2
Federal funds sold	28	(24)	4
Interest-bearing deposits in banks	(1)	(4)	(5)
MBS	10	(25)	(15)
Other investments	4	(12)	(8)
Loans to other FHLBanks	—	—	—
Total	<u>6</u>	<u>(199)</u>	<u>(193)</u>
<u>Increase (decrease) in interest expense</u>			
Term deposits	—	—	—
Other interest-bearing deposits	1	(2)	(1)
Discount Notes	111	(41)	70
Unswapped fixed-rate Bonds	11	23	34
Unswapped adjustable-rate Bonds	(169)	(129)	(298)
Swapped Bonds	49	(18)	31
Mandatorily redeemable capital stock	1	—	1
Other borrowings	—	—	—
Total	<u>4</u>	<u>(167)</u>	<u>(163)</u>
Increase (decrease) in net interest income	<u>\$ 2</u>	<u>\$ (32)</u>	<u>\$ (30)</u>

(1) Volume changes are calculated as the change in volume multiplied by the prior year rate.

(2) Rate changes are calculated as the change in rate multiplied by the prior year average balance.

(3) Changes that are not identifiable as either volume-related or rate-related, but rather are 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.

***Effect of the Use of Derivatives on Net Interest Income***

The following tables show the impact on net interest income from the effect of derivatives and hedging activities. As noted above, gains (losses) on hedged items and derivatives in qualifying fair value hedge relationships are recorded in interest income or expense. In addition, for derivatives designated as a fair value hedge, the net interest settlements of interest receivables or payables and the price alignment amount related to such derivatives are recognized as adjustments to the interest income or expense of the designated hedged item. As such, all the effects on earnings of derivatives qualifying for fair value hedge accounting are reflected in net interest income. The effect on earnings from derivatives not receiving fair value hedge accounting is provided in the “Non-Interest Income (Loss)” section below.

(In millions)

	Advances	Investment Securities	Bonds	Total
<b>Three Months Ended March 31, 2026</b>				
Gains (losses) on designated fair value hedges	\$ (1)	\$ (1)	\$ (1)	\$ (3)
Net interest settlements included in net interest income	(9)	40	3	34
Price alignment amount <sup>(1)</sup>	—	(4)	—	(4)
Increase (decrease) to net interest income	<u>\$ (10)</u>	<u>\$ 35</u>	<u>\$ 2</u>	<u>\$ 27</u>
<b>Three Months Ended March 31, 2025</b>				
(Amortization)/accretion of hedging activities in net interest income	\$ —	\$ (1)	\$ —	\$ (1)
Gains (losses) on designated fair value hedges	1	2	—	3
Net interest settlements included in net interest income	37	60	(2)	95
Price alignment amount <sup>(1)</sup>	(2)	(8)	—	(10)
Increase (decrease) to net interest income	<u>\$ 36</u>	<u>\$ 53</u>	<u>\$ (2)</u>	<u>\$ 87</u>

(1) This amount is for derivatives for which variation margin is characterized as a daily settled contract.

We primarily use derivatives to more closely match actual cash flows between assets and liabilities by synthetically converting the fixed interest rates on certain Advances, investments and Consolidated Obligations to adjustable rates tied to an eligible benchmark rate (e.g., the Federal funds effective rate or SOFR). The impact of derivatives on net interest income was less favorable in the three months ended March 31, 2026 compared to the same period of 2025, driven primarily by a decline in average short-term interest rates. These lower rates resulted in net interest settlements being paid rather than received on derivatives related to certain Advances and reduced net interest settlements received on certain investment securities. The fluctuation in net interest income from the use of derivatives was acceptable because it enabled us to lower market risk exposure.

## Non-Interest Income (Loss)

Non-interest income (loss) consists of certain gains (losses) on investment securities, derivatives activities, financial instruments held under the fair value option, and other non-interest earning activities. The following tables present the net effect of derivatives and hedging activities on non-interest income (loss). The effects of derivatives and hedging activities on non-interest income (loss) relate only to derivatives not qualifying for fair value hedge accounting.

(In millions)	Advances	Investment Securities	Mortgage Loans	Bonds	Discount Notes	Other	Total
<b>Three Months Ended March 31, 2026</b>							
<u>Net effect of derivatives and hedging activities</u>							
Gains (losses) on derivatives not receiving hedge accounting	\$ 1	\$ 12	\$ (2)	\$ (8)	\$ (5)	\$ —	\$ (2)
Net interest settlements on derivatives not receiving hedge accounting	—	4	—	—	1	—	5
Price alignment amount <sup>(1)</sup>	—	—	—	—	—	—	—
Net gains (losses) on derivatives	1	16	(2)	(8)	(4)	—	3
Gains (losses) on trading securities <sup>(2)</sup>	—	(23)	—	—	—	—	(23)
Gains (losses) on financial instruments held under fair value option <sup>(3)</sup>	(1)	—	—	9	3	—	11
Total net effect on non-interest income (loss)	\$ —	\$ (7)	\$ (2)	\$ 1	\$ (1)	\$ —	\$ (9)

(In millions)	Advances	Investment Securities	Mortgage Loans	Bonds	Discount Notes	Other	Total
<b>Three Months Ended March 31, 2025</b>							
<u>Net effect of derivatives and hedging activities</u>							
Gains (losses) on derivatives not receiving hedge accounting	\$ (2)	\$ (47)	\$ (3)	\$ 1	\$ (2)	\$ —	\$ (53)
Net interest settlements on derivatives not receiving hedge accounting	1	9	—	(1)	2	—	11
Price alignment amount <sup>(1)</sup>	—	—	—	—	—	(1)	(1)
Net gains (losses) on derivatives	(1)	(38)	(3)	—	—	(1)	(43)
Gains (losses) on trading securities <sup>(2)</sup>	—	47	—	—	—	—	47
Gains (losses) on financial instruments held under fair value option <sup>(3)</sup>	2	—	—	(2)	5	—	5
Total net effect on non-interest income (loss)	\$ 1	\$ 9	\$ (3)	\$ (2)	\$ 5	\$ (1)	\$ 9

(1) This amount is for derivatives for which variation margin is characterized as a daily settled contract.

(2) Includes only those gains (losses) on trading securities that have an assigned economic derivative; therefore, this line item may not agree to the Statements of Income.

(3) Includes only those gains or losses on financial instruments held at fair value that have an economic derivative "assigned."

The decrease in earnings from the net effect of derivatives and hedging activities in the three months ended March 31, 2026 compared to the same period of 2025 was primarily due to net losses on derivatives and related financial instruments carried at fair value.

We elect to use the fair value option for certain financial instruments that either do not qualify for hedge accounting or may be at risk for not meeting hedge effectiveness requirements. Because we intend to hold these derivatives and the related financial instruments to maturity, any unrealized gains or losses are expected to reverse in future periods.

In the tables above, "Gains (losses) on trading securities" consist of fixed-rate U.S. Treasury and GSE obligations that have been swapped to a variable rate. Trading securities are recorded at fair value, with changes in fair value reported in non-interest income (loss). There are a number of factors that affect the fair value of these securities, such as changes in interest rates, the passage of time, and volatility. By hedging these trading securities, the gains or losses on these trading securities will generally be offset by the gains or losses on the associated interest rate swaps.

As noted above, the fluctuation in earnings from the use of derivatives was acceptable because it enabled us to lower market risk exposure.

## Non-Interest Expense

Non-interest expense for the three months ended March 31, 2026 totaled \$46 million, an increase of \$2 million compared to the same period of 2025. Our business is designed to support significant changes in asset levels without having to undergo material changes in staffing, operations, risk practices, or overall resource needs.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT RISK MANAGEMENT

### Market Risk

#### Market Value of Equity and Duration of Equity

Two key measures of long-term market risk exposure are the sensitivities of the market value of equity and the duration of equity to changes in interest rates and other variables, as presented in the following tables for various instantaneous and permanent interest rate shocks (in basis points). Market value of equity represents the difference between the market value of total assets and the market value of total liabilities, including off-balance sheet items. The duration of equity provides an estimate of the change in market value of equity to further changes in interest rates. We compiled average results using data for each month end.

#### Market Value of Equity

(Dollars in millions)	Interest Rate Scenarios						
	Down 300	Down 200	Down 100	Flat Rates	Up 100	Up 200	Up 300
<b><u>Average Results</u></b>							
<b><u>2026 Year-to-Date</u></b>							
Market Value of Equity	\$ 6,632	\$ 6,687	\$ 6,693	\$ 6,634	\$ 6,564	\$ 6,518	\$ 6,480
% Change from Flat Case	— %	0.8 %	0.9 %	—	(1.1)%	(1.7)%	(2.3)%
<b><u>2025 Full Year</u></b>							
Market Value of Equity	\$ 6,527	\$ 6,576	\$ 6,581	\$ 6,528	\$ 6,459	\$ 6,401	\$ 6,350
% Change from Flat Case	— %	0.7 %	0.8 %	—	(1.1)%	(2.0)%	(2.7)%
<b><u>Month-End Results</u></b>							
<b><u>March 31, 2026</u></b>							
Market Value of Equity	\$ 6,778	\$ 6,818	\$ 6,814	\$ 6,750	\$ 6,696	\$ 6,657	\$ 6,622
% Change from Flat Case	0.4 %	1.0 %	1.0 %	—	(0.8)%	(1.4)%	(1.9)%
<b><u>December 31, 2025</u></b>							
Market Value of Equity	\$ 6,159	\$ 6,211	\$ 6,220	\$ 6,161	\$ 6,102	\$ 6,078	\$ 6,064
% Change from Flat Case	— %	0.8 %	1.0 %	—	(1.0)%	(1.3)%	(1.6)%

***Duration of Equity***

(In years)	Interest Rate Scenarios						
	Down 300	Down 200	Down 100	Flat Rates	Up 100	Up 200	Up 300
<b><u>Average Results</u></b>							
2026 Year-to-Date	(1.3)	(0.5)	0.4	1.2	0.9	0.6	0.6
2025 Full Year	(0.8)	(0.4)	0.4	1.1	1.0	0.9	0.8
<b><u>Month-End Results</u></b>							
March 31, 2026	(2.0)	(0.3)	0.6	1.0	0.7	0.6	0.6
December 31, 2025	(0.8)	(0.6)	0.4	1.3	0.6	0.3	0.2

The mortgage assets portfolio normally accounts for the majority of our market risk exposure because of prepayment volatility that we cannot completely hedge while maintaining sufficient net spreads. The overall market risk exposure to changing interest rates was well within policy limits during the periods presented. At March 31, 2026, market risk exposure to falling and rising rate shocks remained stable.

Based on the totality of our risk analysis, we expect that overall profitability, defined as the level of ROE compared with short-term market rates, will be competitive over the long term unless interest rates increase by large amounts in a short period of time. Substantial declines in long-term interest rates could decrease income temporarily before reverting to average levels. This temporary reduction in income would be driven by additional recognition of mortgage asset premiums as the incentive for borrowers to refinance results in faster than anticipated repayments of those mortgage assets. However, we believe the mortgage assets portfolio will continue to provide an acceptable risk-adjusted return consistent with our risk appetite philosophy.

**Capital Adequacy**

***Retained Earnings***

We must hold sufficient capital to protect against exposure to various risks, including market, credit, and operational risks. We regularly conduct a variety of measurements and assessments for capital adequacy. At March 31, 2026, our capital management policy set forth approximately \$690 million as the minimum amount of retained earnings we believe is necessary to mitigate impairment risk. Our total retained earnings were \$2.0 billion on March 31, 2026, which exceeds the policy minimum.

***Market Capitalization Ratios***

We measure two sets of market capitalization ratios. One measures the market value of equity (i.e., total capital) relative to the par value of regulatory capital stock (which is GAAP capital stock and mandatorily redeemable capital stock). The other measures the market value of total capital relative to the book value of total capital, which includes all components of capital, and mandatorily redeemable capital stock. The measures provide a point-in-time indication of the FHLB's liquidation or franchise value and can also serve as a measure of realized or potential market risk exposure.

The following table presents the market value of equity to regulatory capital stock (excluding retained earnings) for several interest rate environments.

	March 31, 2026	December 31, 2025
Market Value of Equity to Par Value of Regulatory Capital Stock - Base Case (Flat Rates) Scenario	133 %	135 %
Market Value of Equity to Par Value of Regulatory Capital Stock - Down Shock <sup>(1)</sup>	134	136
Market Value of Equity to Par Value of Regulatory Capital Stock - Up Shock <sup>(2)</sup>	131	133

(1) Represents a down shock of 200 basis points.

(2) Represents an up shock of 200 basis points.

A base case value below 100 percent could indicate that, in the remote event of an immediate liquidation scenario involving redemption of all capital stock, capital stock may be returned to stockholders at a value below par. This could be due to experiencing risks that lower the market value of capital and/or to having an insufficient amount of retained earnings. In the first three months of 2026, the market capitalization ratios in the scenarios presented continued to be above our policy requirements. The base case ratio at March 31, 2026 was still well above 100 percent because retained earnings were 39 percent of regulatory capital stock and we maintained stable market risk exposure.

The following table presents the market value of equity to the book value of total capital and mandatorily redeemable capital stock.

	March 31, 2026	December 31, 2025
Market Value of Equity to Book Value of Capital - Base Case (Flat Rates) Scenario <sup>(1)</sup>	95 %	94 %
Market Value of Equity to Book Value of Capital - Down Shock <sup>(1)(2)</sup>	96	95
Market Value of Equity to Book Value of Capital - Up Shock <sup>(1)(3)</sup>	94	93

- (1) Capital includes total capital and mandatorily redeemable capital stock.
- (2) Represents a down shock of 200 basis points.
- (3) Represents an up shock of 200 basis points.

A base-case value below 100 percent can indicate that we have realized or could realize risks (especially market risk), such that the market value of total capital owned by stockholders is below the book value of total capital. The base-case ratio at March 31, 2026 indicates that the market value of total capital is \$347 million below the book value of total capital. This indicates that in a hypothetical liquidation scenario, stockholders would not receive the full sum of their total equity ownership in the FHLB.

## Credit Risk

### Overview

We believe our risk management practices, discussed below, minimize residual credit risk levels. At March 31, 2026, we had no loan loss reserves or impairment recorded for Credit Services, investments and derivatives and had a minimal amount of credit risk exposure in the MPP.

### Credit Services

**Overview:** The objective of our credit risk management activities is to equalize risk exposure across members and counterparties to a zero level of expected losses. This approach is consistent with our conservative risk management principles and desire to have no residual credit risk related to Advances and Letters of Credit.

**Internal Credit Ratings:** We perform credit underwriting of our members and nonmember institutions and assign them an internal credit rating. These credit ratings are based on internal and third-party ratings models, credit analyses and consideration of credit ratings from independent credit rating organizations. Credit ratings are used in conjunction with other measures of credit risk in managing secured credit risk exposure.

**Collateral:** We require each member to provide a security interest in eligible collateral before it can undertake any secured borrowing. The estimated value of pledged collateral is discounted in order to offset market, credit, and liquidity risks that may affect the collateral's realizable value in the event it must be liquidated. At March 31, 2026, total eligible pledged collateral of \$535.4 billion resulted in total borrowing capacity of \$394.0 billion of which \$123.3 billion was used to support outstanding Advances and Letters of Credit. Borrowers often pledge collateral in excess of their collateral requirement to demonstrate access to liquidity and to have the ability to borrow additional amounts in the future. Over-collateralization by one member is not applied to another member.

### MPP

**Overview:** The residual amount of credit risk exposure to loans in the MPP is minimal, based on the same factors described in the 2025 Annual Report on Form 10-K.

**Credit Performance:** The table below provides an analysis of conventional mortgage loans that are seriously delinquent or in the process of foreclosure, along with the national average serious delinquency rate.

(Dollars in millions)	Conventional Loan Delinquencies	
	March 31, 2026	December 31, 2025
Serious delinquencies - unpaid principal balance <sup>(1)</sup>	\$ 11	\$ 10
Serious delinquency rate <sup>(2)</sup>	0.1 %	0.1 %
National average serious delinquency rate <sup>(3)</sup>	1.1 %	1.0 %

(1) Includes conventional loans that are 90 days or more past due or where the decision of foreclosure or a similar alternative such as pursuit of deed-in-lieu has been reported.

(2) Serious delinquencies expressed as a percentage of the total conventional loan portfolio.

(3) National average number of fixed-rate prime and subprime conventional loans that are 90 days or more past due or in the process of foreclosure is based on the most recent national delinquency data available. The March 31, 2026 rate is based on December 31, 2025 data.

Overall, the MPP has experienced a minimal amount of delinquencies, with serious delinquency rates continuing to be well below national averages. This further supports our view that the portfolio is comprised of high-quality, well-performing loans.

**Credit Losses:** Residual credit risk exposure depends on the actual and potential credit performance of the loans compared to their equity and available credit enhancements (primary mortgage insurance (PMI) and the Lender Risk Account (LRA)). The LRA is a hold back of a portion of the initial purchase price to cover potential credit losses. Our available credit enhancements at March 31, 2026 were able to cover nearly all of the estimated gross credit losses.

Separate from our allowance for credit losses analysis, we regularly analyze potential adverse scenarios of lifetime credit risk exposure for the loans in the MPP. Even under severely adverse macroeconomic scenarios, we expect credit losses to remain low.

### **Investments**

**Liquidity Investments:** We hold liquidity investments that can be converted to cash and may be unsecured, guaranteed or supported by the U.S. government, or secured (i.e., collateralized). For unsecured liquidity investments, we invest in the instruments of investment-grade rated institutions, have appropriate and conservative limits on dollar and maturity exposure to each institution, and have strong credit underwriting practices, including active monitoring of credit quality of our counterparties and of the environment in which they operate. In addition, we believe the portion of our liquidity investments for which the investments are secured with collateral (secured resale agreements) present no credit risk exposure to us. Liquidity investments generally fluctuate because of changes in the amount of actual Advances, anticipated demand for Advances, regulatory liquidity requirements, the availability of acceptable net spreads, and the number of eligible counterparties that meet our unsecured credit risk criteria.

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The following table presents the carrying value of liquidity investments outstanding in relation to the counterparties' lowest long-term credit ratings provided by Standard & Poor's, Moody's, and/or Fitch Advisory Services. Our internal ratings of these investments may differ from those obtained from Standard & Poor's, Moody's, and/or Fitch Advisory Services. The ratings displayed in this table should not be taken as an indication of future ratings.

(In millions)

	March 31, 2026		
	Long-Term Rating		
	AA	A	Total
<u>Unsecured Liquidity Investments</u>			
Interest-bearing deposits	\$ —	\$ 2,415	\$ 2,415
Federal funds sold	3,407	9,000	12,407
Total unsecured liquidity investments	3,407	11,415	14,822
<u>Guaranteed/Secured Liquidity Investments</u>			
Securities purchased under agreements to resell	4,450	—	4,450
U.S. Treasury obligations	7,218	—	7,218
GSE obligations	1,475	—	1,475
Total guaranteed/secured liquidity investments	13,143	—	13,143
<b>Total liquidity investments</b>	<b>\$ 16,550</b>	<b>\$ 11,415</b>	<b>\$ 27,965</b>

From time to time, some counterparties used to transact our securities purchased under agreements to resell are not rated by an NRSRO because they are not issuers of debt or are otherwise not required to be rated by an NRSRO. However, each of the counterparties are considered to have the equivalent of at least an investment grade rating based on our internal ratings resulting from a fundamental credit analysis. Securities purchased under agreements to resell are secured by the following types of collateral: U.S. Treasury obligations, U.S. agency/GSE obligations, or U.S. agency/GSE MBS. At March 31, 2026, the collateral received had long-term credit ratings of AA, based on the lowest long-term credit ratings of the issuer as provided by Standard & Poor's, Moody's, and/or Fitch Advisory Services.

The following table presents the lowest long-term credit ratings provided by Standard & Poor's, Moody's, and/or Fitch Advisory Services of our unsecured investment credit exposure by the domicile of the counterparty or the domicile of the counterparty's immediate parent for U.S. branches and agency offices of foreign commercial banks. Our internal ratings of these investments may differ from those obtained from Standard & Poor's, Moody's, and/or Fitch Advisory Services. The ratings displayed in this table should not be taken as an indication of future ratings.

Domicile of Counterparty	March 31, 2026		
	Counterparty Rating		Total
	AA	A	
Domestic	\$ 400	\$ 3,415	\$ 3,815
U.S. subsidiaries of foreign commercial banks	—	1,000	1,000
Total domestic and U.S. subsidiaries of foreign commercial banks	400	4,415	4,815
U.S. branches and agency offices of foreign commercial banks:			
Germany	—	2,300	2,300
Canada	500	1,700	2,200
Australia	1,900	—	1,900
France	—	1,200	1,200
Netherlands	—	1,000	1,000
United Kingdom	—	800	800
Finland	607	—	607
Total U.S. branches and agency offices of foreign commercial banks	3,007	7,000	10,007
Total unsecured investment credit exposure	\$ 3,407	\$ 11,415	\$ 14,822

We are prohibited by Finance Agency regulation from investing in financial instruments issued by non-U.S. entities. Furthermore, we restrict a significant portion of unsecured lending to overnight maturities, which further limits credit risk exposure.

**MBS:**

**GSE MBS**

At March 31, 2026, \$19.3 billion of MBS held were GSE securities issued by Fannie Mae and Freddie Mac, which provide credit safeguards by guaranteeing either timely or ultimate payments of principal and interest.

**MBS Issued by Other Government Agencies**

We also invest in MBS issued and guaranteed by Ginnie Mae. These investments totaled \$0.8 billion at March 31, 2026. We believe that the strength of Ginnie Mae's guarantee and backing by the full faith and credit of the U.S. government is sufficient to protect us against credit losses on these securities.

**Derivatives**

**Credit Risk Exposure:** We mitigate most of the credit risk exposure resulting from derivative transactions through collateralization or use of daily settled contracts. The table below presents the lowest long-term counterparty credit ratings provided by Standard & Poor's, Moody's, and/or Fitch Advisory Services for derivative positions to which we had credit risk exposure at March 31, 2026. The ratings displayed in this table should not be taken as an indication of future ratings.

(In millions)	Total Notional	Net Derivatives Fair Value Before Collateral	Cash Collateral Pledged to (from) Counterparties	Non-cash Collateral Pledged to (from) Counterparties	Net Credit Exposure to Counterparties
<b>Nonmember counterparties:</b>					
<u>Asset positions with credit exposure:</u>					
Uncleared derivatives:					
A-rated	\$ 7,620	\$ 18	\$ (14)	\$ —	\$ 4
BBB-rated	3,022	9	(7)	—	2
Total uncleared derivatives	10,642	27	(21)	—	6
<u>Liability positions with credit exposure:</u>					
Uncleared derivatives:					
A-rated	1,220	(4)	5	—	1
Total uncleared derivatives	1,220	(4)	5	—	1
Cleared derivatives <sup>(1)</sup>	66,996	(20)	—	916	896
Total derivative positions with credit exposure to nonmember counterparties	78,858	3	(16)	916	903
<b>Member institutions <sup>(2)</sup></b>	46	—	—	—	—
<b>Total</b>	<b>\$ 78,904</b>	<b>\$ 3</b>	<b>\$ (16)</b>	<b>\$ 916</b>	<b>\$ 903</b>

(1) Represents derivative transactions cleared with LCH Ltd. and CME Clearing, the FHLB's clearinghouses. LCH Ltd. is rated AA- by Standard & Poor's, and CME Clearing is not rated, but its parent company, CME Group Inc., is rated AA- by Standard & Poor's and Fitch Ratings.

(2) Represents Mandatory Delivery Contracts.

Our exposure to cleared derivatives is primarily associated with the requirement to post initial margin through the clearing agent to the Derivatives Clearing Organizations. We may pledge both cash and non-cash (i.e., securities) as collateral to satisfy this initial margin requirement. However, the use of cleared derivatives mitigates credit risk exposure because a central counterparty is substituted for individual counterparties.

Our net exposure to uncleared derivatives is managed to acceptable credit risk levels due to the contractual collateral provisions in these derivatives.

Although we cannot predict if we will realize credit risk losses from any of our derivative counterparties, we believe that all of the counterparties will be able to continue making timely interest payments and satisfy the terms and conditions of their derivative contracts with us.

**Liquidity Risk**

**Liquidity Overview**

We strive to be in a liquidity position at all times to meet the borrowing needs of our members and to meet all current and future financial commitments. This objective is achieved by managing liquidity positions to maintain stable, reliable, and cost-effective sources of funds while taking into account market conditions, member demand, and the maturity profile of assets and liabilities. At March 31, 2026, our liquidity position complied with the FHLBank Act, Finance Agency regulations, and internal policies.

The FHLBank System's primary source of funds is the sale of Consolidated Obligations in the capital markets. Our ability to obtain funds through the sale of Consolidated Obligations at acceptable interest costs depends on the financial market's perception of the riskiness of the Obligations and on prevailing conditions in the capital markets, particularly the short-term

capital markets. The System's favorable debt ratings, which take into account our status as a GSE, and our effective risk management practices are instrumental in ensuring stable and satisfactory access to the capital markets.

We believe our liquidity position, as well as that of the System, continued to be strong during the first three months of 2026. Our overall ability to effectively fund our operations through debt issuances remained sufficient. Investor demand for System debt was robust in the first three months of 2026, as investors continued to prefer high-quality money market instruments. We believe there is a low probability of a liquidity or funding crisis in the System that would impair our ability to participate, on a cost-effective basis, in issuances of debt, service outstanding debt, maintain adequate capitalization, or pay competitive dividends.

The System works collectively to manage and monitor the System-wide liquidity and funding risks. Liquidity risk includes the risk that the System could have difficulty rolling over short-term Obligations when market conditions change, also called refinancing risk. The System has a large reliance on short-term funding; therefore, it has a sharp focus on managing liquidity risk to very low levels. Access to short-term debt markets has been reliable because investors, driven by liquidity preferences and risk aversion, have sought the System's short-term debt, which has resulted in strong demand for debt maturing in one year or less.

See the Notes to Unaudited Financial Statements for more detailed information regarding maturities of certain financial assets and liabilities which are instrumental in determining the amount of liquidity risk. In addition to contractual maturities, other assumptions regarding cash flows such as estimated prepayments, embedded call optionality, and scheduled amortization are considered when managing liquidity risks.

**Liquidity Management and Regulatory Requirements**

We manage liquidity risk by ensuring compliance with our regulatory liquidity requirements and regularly monitoring other metrics.

The Finance Agency establishes the expectations with respect to the maintenance of sufficient liquidity without access to the capital markets for a specified number of days, which was set as a period of between 10 to 30 calendar days in the base case. The base case generally assumes that all Advance maturities are renewed. We were in compliance with these liquidity requirements at all times during the first three months of 2026.

The Finance Agency also provides guidance related to asset/liability maturity funding gap limits. Funding gap metrics measure the difference between assets and liabilities that are scheduled to mature during a specified period of time and are expressed as a percentage of total assets. Although subject to change depending on conditions in the financial markets, the current regulatory requirement for funding gaps is between -10 percent to -20 percent for the three-month maturity horizon and is between -25 percent to -35 percent for the one-year maturity horizon. During the three months ended March 31, 2026, we operated within those limits.

To support our member deposits, we also must meet a statutory deposit reserve requirement. The sum of our investments in obligations of the United States, deposits in eligible banks or trust companies, and Advances with a final maturity not exceeding five years must equal or exceed the current amount of member deposits. The following table presents the components of this liquidity requirement.

(In millions)	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<b><u>Deposit Reserve Requirement</u></b>		
Total Eligible Deposit Reserves	\$ 100,538	\$ 91,989
Total Member Deposits	(1,105)	(1,064)
Excess Deposit Reserves	<u>\$ 99,433</u>	<u>\$ 90,925</u>

**Operational Risks**

There were no material developments regarding our operational risk exposure during the first three months of 2026.

## **CRITICAL ACCOUNTING ESTIMATES**

There have been no material changes in the first three months of 2026 to our critical accounting estimates. Our critical accounting estimates are described in detail in our 2025 Annual Report on Form 10-K.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Information required by this Item is set forth under the caption “Quantitative and Qualitative Disclosures About Risk Management” in Part I, Item 2, of this Report.

### **Item 4. Controls and Procedures.**

## **DISCLOSURE CONTROLS AND PROCEDURES**

The FHLB's management, including its principal executive officer and principal financial officer, evaluate the effectiveness of the FHLB's disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”). Based upon that evaluation, these two officers each concluded that, as of March 31, 2026, the FHLB maintained effective disclosure controls and procedures designed to ensure that information required to be disclosed in the reports that it files under the Exchange Act is (1) accumulated and communicated to management as appropriate to allow timely decisions regarding disclosure and (2) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

## **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

The FHLB's management, including its principal executive officer and principal financial officer, evaluate the FHLB's internal control over financial reporting. Based upon that evaluation, these two officers each concluded that there were no changes in the FHLB's internal control over financial reporting that occurred during the quarter ended March 31, 2026 that materially affected, or are reasonably likely to materially affect, the FHLB's internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

For a discussion of our legal proceedings, see Part I, Item 3. "Legal Proceedings" in our 2025 Annual Report on Form 10-K. There have been no material changes since the filing of that report.

### **Item 1A. Risk Factors.**

For a discussion of our risk factors, see Part I, Item 1A. "Risk Factors" in our 2025 Annual Report on Form 10-K. There have been no material changes since the filing of that report.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

From time to time the FHLB provides Letters of Credit in the ordinary course of business to support members' obligations issued in support of unaffiliated, third-party offerings of notes, bonds or other securities. The FHLB provided \$2.0 million of such credit support during the three months ended March 31, 2026. To the extent that these Letters of Credit are securities for purposes of the Securities Act of 1933, their issuance is exempt from registration pursuant to Section 3(a)(2) thereof.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

<u>Exhibit Number <sup>(1)</sup></u>	<u>Description of exhibit</u>	<u>Document filed or furnished, as indicated below</u>
<a href="#">31.1</a>	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer</a>	Filed Herewith
<a href="#">31.2</a>	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer</a>	Filed Herewith
<a href="#">32</a>	<a href="#">Section 1350 Certifications</a>	Furnished Herewith
101.INS	XBRL Instance Document	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document	Filed Herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed Herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed Herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed Herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed Herewith
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	Filed Herewith

(1) Numbers coincide with Item 601 of Regulation S-K.

