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 September 30, 2024

OR

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

Commission File Number: 000-51404

FEDERAL HOME LOAN BANK OF INDIANAPOLIS

(Exact name of registrant as specified in its charter)

Federally Chartered Corporation	**35-6001443**
(State or other jurisdiction of incorporation)	**(IRS employer identification number)**
8250 Woodfield Crossing Blvd. Indianapolis, IN	**46240**
(Address of principal executive offices)	**(Zip code)**

(317) 465-0200
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	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 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 (§232.405 of this chapter) 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	☐ Emerging growth company
☒ Non-accelerated filer	☐ Smaller reporting 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 October 31, 2024
Class A Stock, par value $100	—
Class B Stock, par value $100	28,486,636

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As used in this Form 10-Q, unless the context otherwise requires, the terms "we," "us," "our," and "Bank" refer to the Federal Home Loan Bank of Indianapolis or its management. We use acronyms and terms throughout that are defined herein or in the *Defined Terms* in Part I Item 1.

Special Note Regarding Forward-Looking Statements

Statements in this Form 10-Q, including statements describing our objectives, projections, estimates or predictions, may be considered to be "forward-looking statements." These statements may use forward-looking terminology, such as "anticipates," "believes," "could," "estimates," "may," "should," "expects," "will," or their negatives or other variations on these terms. We caution that, by their nature, forward-looking statements involve risk or uncertainty and that actual results either could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. These forward-looking statements involve risks and uncertainties including, but not limited to, the following:

- economic and market conditions, including the timing and volume of market activity, inflation or deflation, changes in the value of global currencies, and changes in the financial condition of market participants;
- volatility of market prices, interest rates, and indices or the availability of suitable interest rate indices, or other factors, resulting from the effects of, and changes in, various monetary or fiscal policies and regulations, including those of the Federal Reserve, the Finance Agency and the Federal Deposit Insurance Corporation, or a decline in liquidity in the financial markets, that could affect the value of investments, or collateral we hold as security for the obligations of our members and counterparties;
- changes in demand for our advances and purchases of mortgage loans resulting from:
  - changes in our members' deposit flows and credit demands;
  - changes in products or services we are able to provide;
  - federal or state regulatory developments impacting suitability or eligibility of membership classes;
  - membership changes, including, but not limited to, mergers, acquisitions and consolidations of charters;
  - changes in the general level of housing activity in the United States and particularly our district states of Michigan and Indiana, the level of refinancing activity and consumer product preferences;
  - competitive forces, including, without limitation, other sources of funding available to our members; and
  - changes in the terms and conditions of ownership of our capital stock;
- changes in mortgage asset prepayment patterns, delinquency rates and housing values or improper or inadequate mortgage originations and mortgage servicing;
- ability to introduce and successfully manage new products and services, including new types of collateral securing advances;
- political events, including federal government shutdowns, administrative, legislative, regulatory, or other developments, including the Finance Agency report on the FHLBank System, changes in international political structures and alliances, and judicial rulings that affect us, our status as a secured creditor, our members (or certain classes of members), prospective members, counterparties, GSE's generally, one or more of the FHLBanks and/or investors in the consolidated obligations of the FHLBanks;
- national or international crises, including a pandemic, war, acts of terrorism or natural disasters, and the effects of such crises on our and our counterparties' operations, member demand, market liquidity, and the global funding markets, and the governmental, regulatory, and fiscal interventions undertaken to stabilize local, national, and global economic conditions;
- ability to access the capital markets and raise capital market funding on acceptable terms;
- changes in our credit ratings or the credit ratings of the other FHLBanks and the FHLBank System;
- changes in the level of government guarantees provided to other United States and International financial institutions;
- dealer commitment to supporting the issuance of our consolidated obligations;
- ability of one or more of the FHLBanks to repay its portion of the consolidated obligations, or otherwise meet its financial obligations;
- ability to attract and retain skilled personnel;
- ability to develop, implement and support technology and information systems sufficient to manage our business effectively and prevent or mitigate the impact of cyber attacks;
- nonperformance of counterparties to uncleared and cleared derivative transactions;
- changes in terms of derivative agreements and similar agreements;
- loss arising from natural disasters, acts of war, riots, insurrection or acts of terrorism;
- changes in or differing interpretations of accounting guidance; and
- other risk factors identified in our filings with the SEC.

Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, additional disclosures may be made through reports filed with the SEC in the future, including our reports on Forms 10-K, 10-Q and 8-K.

PART I. FINANCIAL INFORMATION
Item 1. FINANCIAL STATEMENTS

Federal Home Loan Bank of Indianapolis
Statements of Condition
(Unaudited, $ amounts in thousands, except par value)

	September 30, 2024	December 31, 2023
Assets:		
Cash and due from banks	$ 54,850	$ 58,844
Interest-bearing deposits (Note 3)	1,022,126	892,049
Securities purchased under agreements to resell (Note 3)	7,000,000	6,500,000
Federal funds sold (Note 3)	2,100,000	4,101,000
Trading securities (Note 3)	1,101,326	600,063
Available-for-sale securities (amortized cost of $14,549,183 and $14,254,103) (Note 3)	14,548,077	14,194,326
Held-to-maturity securities (estimated fair values of $5,736,809 and $5,179,399) (Note 3)	5,784,355	5,256,803
Advances (Note 4)	38,600,001	35,561,844
Mortgage loans held for portfolio, net (Note 5)	9,954,564	8,613,844
Accrued interest receivable	207,584	203,809
Derivative assets, net (Note 6)	571,655	521,164
Other assets	114,011	104,658
Total assets	$ 81,058,549	$ 76,608,404
Liabilities:		
Deposits	$ 746,889	$ 628,811
Consolidated obligations (Note 7):		
Discount notes	19,641,098	22,621,837
Bonds	55,347,902	48,431,566
Total consolidated obligations, net	74,989,000	71,053,403
Accrued interest payable	327,033	327,237
Affordable Housing Program payable (Note 8)	79,770	68,301
Derivative liabilities, net (Note 6)	4,668	6,940
Mandatorily redeemable capital stock (Note 9)	363,094	369,041
Other liabilities	420,757	410,774
Total liabilities	76,931,211	72,864,507
Commitments and contingencies (Note 13)		
Capital (Note 9):		
Capital stock (putable at par value of $100 per share):		
Class B issued and outstanding shares: 24,762,930 and 22,852,579	2,476,293	2,285,258
Retained earnings:		
Unrestricted	1,214,739	1,134,132
Restricted	452,987	398,039
Total retained earnings	1,667,726	1,532,171
Total accumulated other comprehensive income (loss) (Note 10)	(16,681)	(73,532)
Total capital	4,127,338	3,743,897
Total liabilities and capital	$ 81,058,549	$ 76,608,404

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

Federal Home Loan Bank of Indianapolis
Statements of Income
(Unaudited, $ amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest Income:				
Advances	$ 548,614	$ 502,446	$ 1,571,758	$ 1,428,580
Interest-bearing deposits	28,398	33,915	88,946	91,808
Securities purchased under agreements to resell	66,559	24,140	134,795	95,807
Federal funds sold	35,309	65,045	157,163	176,431
Trading securities	10,466	2,412	24,429	7,780
Available-for-sale securities	225,375	212,408	668,316	584,634
Held-to-maturity securities	82,579	69,221	239,512	176,701
Mortgage loans held for portfolio	93,065	64,320	255,364	181,203
Total interest income	1,090,365	973,907	3,140,283	2,742,944
Interest Expense:				
Consolidated obligation discount notes	252,005	232,918	750,961	759,091
Consolidated obligation bonds	692,230	598,526	1,956,814	1,588,952
Deposits	11,339	10,160	32,576	26,875
Mandatorily redeemable capital stock	5,023	4,348	15,871	12,828
Total interest expense	960,597	845,952	2,756,222	2,387,746
Net interest income	129,768	127,955	384,061	355,198
Provision for (reversal of) credit losses	(68)	(233)	(114)	(234)
Net interest income after provision for (reversal of) credit losses	129,836	128,188	384,175	355,432
Other Income:				
Net gains (losses) on sales of available-for-sale and held-to-maturity securities	—	(6,568)	1,840	(6,781)
Net gains on trading securities	24,704	2,141	23,336	11,213
Net gains (losses) on derivatives	(20,302)	4,883	(11,822)	8,490
Net gains on extinguishment of debt	—	—	—	19,846
Other, net	5,076	(359)	12,216	6,627
Total other income	9,478	97	25,570	39,395
Other Expenses:				
Compensation and benefits	14,643	14,215	46,434	45,928
Other operating expenses	8,961	8,313	26,256	24,342
Federal Housing Finance Agency	1,396	1,711	4,188	5,134
Office of Finance	1,474	1,300	4,231	3,380
Other, net	11,193	1,412	21,606	10,385
Total other expenses	37,667	26,951	102,715	89,169
Income before assessments	101,647	101,334	307,030	305,658
Affordable Housing Program assessments	10,667	10,568	32,290	31,849
Net income	$ 90,980	$ 90,766	$ 274,740	$ 273,809

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

Federal Home Loan Bank of Indianapolis
Statements of Comprehensive Income
(Unaudited, $ amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Net income	$ 90,980	$ 90,766	$ 274,740	$ 273,809
Other Comprehensive Income:				
Net change in unrealized gains (losses) on available-for-sale securities	(33,731)	(17,458)	58,671	(3,524)
Pension benefits, net	369	547	(1,820)	2,093
Total other comprehensive income (loss)	(33,362)	(16,911)	56,851	(1,431)
Total comprehensive income	$ 57,618	$ 73,855	$ 331,591	$ 272,378

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

Federal Home Loan Bank of Indianapolis
Statements of Capital
Three Months Ended September 30, 2024 and 2023
(Unaudited, $ amounts and shares in thousands)

	Capital Stock		Retained Earnings			Accumulated Other Comprehensive Income (Loss)	Total Capital
	Shares	Par Value	Unrestricted	Restricted	Total		
Balance, June 30, 2024	23,455	$ 2,345,513	$ 1,189,485	$ 434,791	$1,624,276	$ 16,681	$3,986,470
Comprehensive income (loss)			72,784	18,196	90,980	(33,362)	57,618
Proceeds from issuance of capital stock	1,308	130,780					130,780
Redemption/repurchase of capital stock	—	—					—
Cash dividends on capital stock (8.17% annualized)			(47,530)	—	(47,530)		(47,530)
Balance, September 30, 2024	24,763	$ 2,476,293	$ 1,214,739	$ 452,987	$1,667,726	$ (16,681)	$4,127,338
Balance, June 30, 2023	23,805	$ 2,380,490	$ 1,054,312	$ 359,161	$1,413,473	$ (10,311)	$3,783,652
Comprehensive income (loss)			72,613	18,153	90,766	(16,911)	73,855
Proceeds from issuance of capital stock	467	46,754					46,754
Redemption/repurchase of capital stock	(2,000)	(199,998)					(199,998)
Cash dividends on capital stock (6.07% annualized)			(35,292)	—	(35,292)		(35,292)
Balance, September 30, 2023	22,272	$ 2,227,246	$ 1,091,633	$ 377,314	$1,468,947	$ (27,222)	$3,668,971

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

Federal Home Loan Bank of Indianapolis
Statements of Capital
Nine Months Ended September 30, 2024 and 2023
(Unaudited, $ amounts and shares in thousands)

	Capital Stock		Retained Earnings			Accumulated Other Comprehensive Income (Loss)	Total Capital
	Shares	Par Value	Unrestricted	Restricted	Total		
Balance, December 31, 2023	22,852	$ 2,285,258	$ 1,134,132	$ 398,039	$1,532,171	$ (73,532)	$ 3,743,897
Comprehensive income			219,792	54,948	274,740	56,851	331,591
Proceeds from issuance of capital stock	2,721	272,077					272,077
Redemption/repurchase of capital stock	(810)	(81,042)					(81,042)
Cash dividends on capital stock (8.07% annualized)			(139,185)	—	(139,185)		(139,185)
Balance, September 30, 2024	24,763	$ 2,476,293	$ 1,214,739	$ 452,987	$1,667,726	$ (16,681)	$ 4,127,338
Balance, December 31, 2022	21,231	$ 2,123,125	$ 963,812	$ 322,552	$1,286,364	$ (25,791)	$ 3,383,698
Comprehensive income (loss)			219,047	54,762	273,809	(1,431)	272,378
Proceeds from issuance of capital stock	3,044	304,443					304,443
Redemption/repurchase of capital stock	(2,003)	(200,309)					(200,309)
Shares reclassified to mandatorily redeemable capital stock, net	—	(13)					(13)
Cash dividends on capital stock (5.35% annualized)			(91,226)	—	(91,226)		(91,226)
Balance, September 30, 2023	22,272	$ 2,227,246	$ 1,091,633	$ 377,314	$1,468,947	$ (27,222)	$ 3,668,971

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

Federal Home Loan Bank of Indianapolis
Statements of Cash Flows
(Unaudited, $ amounts in thousands)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating Activities:		
Net income	$ 274,740	$ 273,809
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization and depreciation	24,723	11,780
Changes in net derivative and hedging activities	(407,141)	286,685
Net (gains) on extinguishment of debt	—	(19,846)
Provision for (reversal of) credit losses	(114)	(234)
Net (gains) on trading securities	(23,336)	(11,213)
Other adjustments	(1,840)	6,781
Changes in:		
Accrued interest receivable	(2,475)	(30,461)
Other assets	(5,499)	(1,476)
Accrued interest payable	(381)	193,691
Other liabilities	6,661	31,933
Total adjustments, net	(409,402)	467,640
Net cash provided by (used in) operating activities	(134,662)	741,449
Investing Activities:		
Net change in:		
Interest-bearing deposits	152,808	208,452
Securities purchased under agreements to resell	(500,000)	1,100,000
Federal funds sold	2,001,000	(244,000)
Trading securities:		
Proceeds from maturities	250,000	1,400,000
Proceeds from sales	—	494,063
Purchases	(727,928)	(99,219)
Available-for-sale securities:		
Proceeds from paydowns and maturities	305,200	195,419
Proceeds from sales	220,763	592,660
Purchases	(509,238)	(2,500,969)
Held-to-maturity securities:		
Proceeds from paydowns and maturities	403,128	353,651
Proceeds from sales	—	9,769
Purchases	(932,855)	(1,362,972)
Advances:		
Principal repayments	205,802,399	231,653,753
Disbursements to members	(208,461,952)	(229,991,274)
Mortgage loans held for portfolio:		
Principal collections	658,105	524,847
Purchases from members	(2,001,360)	(1,109,547)
Purchases of premises, software, and equipment	(9,842)	(2,968)
Loans to other Federal Home Loan Banks:		
Principal repayments	57,000	1,080,000
Disbursements	(57,000)	(1,080,000)
Net cash provided by (used in) investing activities	(3,349,772)	1,221,665

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

Federal Home Loan Bank of Indianapolis
Statements of Cash Flows, continued
(Unaudited, $ amounts in thousands)

	Nine Months Ended September 30,	
	2024	**2023**
Financing Activities:		
Net change in deposits	95,958	12,544
Net proceeds on derivative contracts with financing elements	7,726	6,853
Net proceeds from issuance of consolidated obligations:		
Discount notes	613,972,458	586,899,725
Bonds	28,016,875	18,410,888
Payments for matured and retired consolidated obligations:		
Discount notes	(616,947,680)	(596,814,327)
Bonds	(21,710,800)	(10,451,793)
Loans from other Federal Home Loan Banks:		
Proceeds from borrowings	—	500,000
Principal repayments	—	(500,000)
Proceeds from issuance of capital stock	272,077	304,443
Payments for redemption/repurchase of capital stock	(81,042)	(200,309)
Payments for redemption/repurchase of mandatorily redeemable capital stock	(5,947)	(4,608)
Dividend payments on capital stock	(139,185)	(91,226)
Net cash provided by (used in) financing activities	3,480,440	(1,927,810)
Net increase (decrease) in cash and due from banks	(3,994)	35,304
Cash and due from banks at beginning of period	58,844	21,161
Cash and due from banks at end of period	$ 54,850	$ 56,465
Supplemental Disclosures:		
Cash activities:		
Interest payments	$ 2,776,609	$ 2,109,305
Affordable Housing Program payments	26,642	11,975
Non-cash activities:		
Purchases of investment securities, traded but not yet settled	—	233,756

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

Note 1 - Summary of Significant Accounting Policies

Unless the context otherwise requires, the terms "we," "us," "our" and "Bank" refer to the Federal Home Loan Bank of Indianapolis or its management. We use acronyms and terms throughout these Notes to Financial Statements that are defined in the *Defined Terms*.

Basis of Presentation. The accompanying interim financial statements have been prepared in accordance with GAAP and SEC requirements for interim financial information. Accordingly, they do not include all of the information and disclosures required by GAAP for complete financial statements. Certain disclosures that would have substantially duplicated the disclosures in the financial statements, and notes thereto, included in our 2023 Form 10-K have been omitted unless the information contained in those disclosures materially changed. Therefore, these interim financial statements should be read in conjunction with our audited financial statements, and notes thereto, included in our 2023 Form 10-K.

The financial statements contain all adjustments that are, in the opinion of management, necessary for a fair statement of the Bank's financial position, results of operations and cash flows for the interim periods presented. All such adjustments were of a normal recurring nature. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full calendar year or any other interim period.

Use of Estimates. When preparing financial statements in accordance with GAAP, we are required to make subjective assumptions and estimates that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expense. Although the reported amounts and disclosures reflect our best estimates, actual results could differ significantly from these estimates. The most significant estimates pertain to the fair values of financial instruments, specifically our derivatives and associated hedged items.

Significant Accounting Policies. Our significant accounting policies and certain other disclosures are set forth in our 2023 Form 10-K in *Note 1 - Summary of Significant Accounting Policies*. There have been no significant changes to these policies through September 30, 2024.

Note 2 - Recently Adopted and Issued Accounting Guidance

Recently Adopted Accounting Guidance

We did not adopt any new accounting guidance during the three or nine months ended September 30, 2024.

Recently Issued Accounting Guidance

Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07). On November 27, 2023, the FASB issued guidance to improve reportable segment disclosures, primarily through requiring enhanced disclosures about significant segment expenses regularly reported to the chief operating decision maker and other segment items included in an entity's reported measure of segment profit and loss.

The retrospective application of this guidance, which becomes effective for our 2024 Form 10-K and interim periods thereafter, will have no effect on our financial condition, results of operations, or cash flows, but will impact our segment disclosures included in *Note 11 - Segment Information*.

Note 3 - Investments

Short-term Investments. We invest in interest-bearing deposits, securities purchased under agreements to resell, and federal funds sold to provide short-term liquidity. At September 30, 2024 and December 31, 2023, 96% and 97% respectively, of these investments, based on amortized cost, were with counterparties rated by an NRSRO as investment grade (BBB or higher). The remaining investments were with unrated counterparties. The NRSRO ratings may differ from any internal ratings of the investments, if applicable.

Allowance for Credit Losses. At September 30, 2024 and December 31, 2023, based on our evaluations, no allowance for credit losses on any of our short-term investments was deemed necessary.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Investment Securities.

Trading Securities.

Major Security Types. The following table presents our trading securities by type of security.

Security Type	September 30, 2024	December 31, 2023
U.S. Treasury obligations	$ 1,101,326	$ 600,063
Total trading securities at estimated fair value	$ 1,101,326	$ 600,063

Net Gains (Losses) on Trading Securities. The following table presents net gains (losses) on trading securities, excluding any offsetting effect of gains (losses) on the associated derivatives.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net gains on trading securities held at period end	$ 24,704	$ 2,141	$ 22,867	$ 4,537
Net gains on trading securities that matured/sold during the period	—	—	469	6,676
Net gains on trading securities	$ 24,704	$ 2,141	$ 23,336	$ 11,213

Available-for-Sale Securities.

Major Security Types. The following table presents our AFS securities by type of security.

	September 30, 2024			
Security Type	Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury obligations	$ 5,827,107	$ 2,371	$ (4,024)	$ 5,825,454
GSE and TVA debentures	1,607,395	14,603	(48)	1,621,950
GSE multifamily MBS	7,114,681	17,340	(31,348)	7,100,673
Total AFS securities	$ 14,549,183	$ 34,314	$ (35,420)	$ 14,548,077

	December 31, 2023			
Security Type	Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury obligations	$ 5,708,713	$ 738	$ (12,595)	$ 5,696,856
GSE and TVA debentures	1,792,310	14,628	—	1,806,938
GSE multifamily MBS	6,753,080	7,571	(70,119)	6,690,532
Total AFS securities	$ 14,254,103	$ 22,937	$ (82,714)	$ 14,194,326

[1] Includes adjustments made to the cost basis for purchase discount or premium and related accretion or amortization, and, if applicable, fair-value hedging basis adjustments. At September 30, 2024 and December 31, 2023, net unamortized discounts totaled $(244,052) and $(278,669), respectively, and the applicable fair-value hedging basis adjustments totaled net losses of $(492,074) and $(778,882), respectively. Excludes accrued interest receivable at September 30, 2024 and December 31, 2023 of $65,050 and $72,005, respectively.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Unrealized Loss Positions. The following table presents our impaired AFS securities (i.e., in an unrealized loss position), aggregated by major security type and length of time that individual securities have been in a continuous unrealized loss position.

	September 30, 2024					
	Less than 12 months		12 months or More		Total	
Security Type	**Estimated Fair Value**	**Unrealized Losses**	**Estimated Fair Value**	**Unrealized Losses**	**Estimated Fair Value**	**Unrealized Losses**
U.S. Treasury obligations	$ 3,606,668	$ (4,024)	$ —	$ —	$ 3,606,668	$ (4,024)
GSE and TVA debentures	29,123	(48)	—	—	29,123	(48)
GSE multifamily MBS	1,075,466	(5,184)	2,654,808	(26,164)	3,730,274	(31,348)
Total impaired AFS securities	$ 4,711,257	$ (9,256)	$ 2,654,808	$ (26,164)	$ 7,366,065	$ (35,420)

	December 31, 2023					
	Less than 12 months		12 months or More		Total	
Security Type	**Estimated Fair Value**	**Unrealized Losses**	**Estimated Fair Value**	**Unrealized Losses**	**Estimated Fair Value**	**Unrealized Losses**
U.S. Treasury obligations	$ 4,785,547	$ (11,716)	$ 239,902	$ (879)	$ 5,025,449	$ (12,595)
GSE multifamily MBS	2,163,506	(14,970)	2,982,742	(55,149)	5,146,248	(70,119)
Total impaired AFS securities	$ 6,949,053	$ (26,686)	$ 3,222,644	$ (56,028)	$ 10,171,697	$ (82,714)

Contractual Maturity. The amortized cost and estimated fair value of our non-MBS AFS securities are presented below by contractual maturity. MBS are not presented by contractual maturity because their actual maturities will likely differ from their contractual maturities as borrowers have the right to prepay their obligations with or without prepayment fees.

	September 30, 2024		December 31, 2023	
Year of Contractual Maturity	**Amortized Cost**	**Estimated Fair Value**	**Amortized Cost**	**Estimated Fair Value**
Non-MBS:				
Due in 1 year or less	$ 119,238	$ 119,486	$ 305,208	$ 306,380
Due after 1 through 5 years	6,146,759	6,160,317	4,628,067	4,636,683
Due after 5 through 10 years	1,168,505	1,167,601	2,567,748	2,560,731
Total non-MBS	7,434,502	7,447,404	7,501,023	7,503,794
Total MBS	7,114,681	7,100,673	6,753,080	6,690,532
Total AFS securities	$ 14,549,183	$ 14,548,077	$ 14,254,103	$ 14,194,326

Realized Gains and Losses. The following table presents our proceeds from, and gross gains and losses on, sales of AFS securities. All of the sales were for strategic and economic reasons. Gross gains and losses exclude swap termination fees received and were determined by the specific identification method.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Proceeds from sales	$ —	$ 507,547	$ 220,763	$ 592,660
Gross gains on sales	$ —	$ 340	$ 1,840	$ 340
Gross (losses) on sales	—	(6,908)	—	(7,050)
Net gains (losses) on sales of AFS securities	$ —	$ (6,568)	$ 1,840	$ (6,710)

(Unaudited, $ amounts in thousands unless otherwise indicated)

Allowance for Credit Losses. At September 30, 2024 and December 31, 2023, certain of our AFS securities were in an unrealized loss position; however, no allowance for credit losses was deemed necessary because those losses were considered temporary and recovery of the entire amortized cost basis on these securities at maturity was expected.

Held-to-Maturity Securities.

Major Security Types. The following table presents our HTM securities by type of security.

	September 30, 2024			
Security Type	**Amortized Cost**[1]	**Gross Unrecognized Holding Gains**	**Gross Unrecognized Holding Losses**	**Estimated Fair Value**
MBS:				
Other U.S. obligations - guaranteed single-family	$ 3,703,998	$ 5,476	$ (29,740)	$ 3,679,734
GSE single-family	1,537,400	5,425	(25,036)	1,517,789
GSE multifamily	542,957	2	(3,673)	539,286
Total HTM securities	$ 5,784,355	$ 10,903	$ (58,449)	$ 5,736,809

	December 31, 2023			
Security Type	**Amortized Cost**[1]	**Gross Unrecognized Holding Gains**	**Gross Unrecognized Holding Losses**	**Estimated Fair Value**
MBS:				
Other U.S. obligations - guaranteed single-family	$ 4,009,493	$ 1,836	$ (39,223)	$ 3,972,106
GSE single-family	683,944	1,454	(36,334)	649,064
GSE multifamily	563,366	—	(5,137)	558,229
Total HTM securities	$ 5,256,803	$ 3,290	$ (80,694)	$ 5,179,399

1 Carrying value equals amortized cost, which includes adjustments made to the cost basis for purchase discount or premium and related accretion or amortization. Net unamortized premium at September 30, 2024 and December 31, 2023 totaled $19,215 and $21,942, respectively.

Contractual Maturity. HTM securities are not presented by contractual maturity because they consisted entirely of MBS, whose actual maturities will likely differ from their contractual maturities as borrowers have the right to prepay their obligations with or without prepayment fees.

Realized Gains and Losses. There were no sales of HTM securities during the three and nine months ended September 30, 2024 or the three months ended September 30, 2023. During the nine months ended September 30, 2023, we sold a portion of our HTM MBS for which we had previously collected at least 85% of the principal outstanding at the time of acquisition. As such, the sales were considered maturities for purposes of security classification. Proceeds from the sales totaled $9,769, resulting in realized losses of $(71) determined by the specific identification method.

Allowance for Credit Losses. At September 30, 2024 and December 31, 2023, based on our evaluation of expected credit losses, no allowance for credit losses on any of our HTM securities was deemed necessary.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 4 - Advances

The following table presents our advances outstanding by redemption term.

	September 30, 2024		December 31, 2023	
Redemption Term	**Amount**	**WAIR %**	**Amount**	**WAIR %**
Overdrawn demand and overnight deposit accounts	$ —	—	$ 2	7.76
Due in 1 year or less	12,853,978	4.47	9,780,116	4.88
Due after 1 through 2 years	3,073,659	3.36	4,362,389	3.33
Due after 2 through 3 years	3,758,282	3.98	2,683,356	3.25
Due after 3 through 4 years	6,217,171	4.21	4,573,456	4.37
Due after 4 through 5 years	4,791,080	4.17	5,531,135	4.30
Thereafter	7,842,451	3.69	8,946,614	3.44
Total advances, par value	38,536,621	4.09	35,877,068	4.06
Fair-value hedging basis adjustments, net	60,490		(319,721)	
Unamortized swap termination fees associated with modified advances, net of deferred prepayment fees	2,890		4,497	
Total advances[1]	$ 38,600,001		$ 35,561,844	

[1] Carrying value equals amortized cost, which excludes accrued interest receivable at September 30, 2024 and December 31, 2023 of $65,138 and $63,775, respectively.

The following table presents our advances outstanding by the earlier of the redemption date or the next call date and next put date.

	Earlier of Redemption or Next Call Date		Earlier of Redemption or Next Put Date	
Term	**September 30, 2024**	**December 31, 2023**	**September 30, 2024**	**December 31, 2023**
Overdrawn demand and overnight deposit accounts	$ —	$ 2	$ —	$ 2
Due in 1 year or less	17,415,461	14,901,928	17,346,128	13,910,616
Due after 1 through 2 years	2,841,559	3,641,289	3,875,659	5,102,289
Due after 2 through 3 years	2,487,172	2,370,466	4,143,382	3,581,356
Due after 3 through 4 years	5,449,168	3,328,746	6,034,171	4,808,556
Due after 4 through 5 years	4,371,430	4,502,482	3,643,830	4,661,135
Thereafter	5,971,831	7,132,155	3,493,451	3,813,114
Total advances, par value	$ 38,536,621	$ 35,877,068	$ 38,536,621	$ 35,877,068

Advance Concentrations. At September 30, 2024 and December 31, 2023, our top borrower held 12% and our top five borrowers held 39% and 35%, respectively, of total advances outstanding at par.

Allowance for Credit Losses. At September 30, 2024 and December 31, 2023, based upon our credit analysis and the repayment history on advances, our credit extension and collateral policies and the collateral held as security, no allowance for credit losses on advances was deemed necessary.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 5 - Mortgage Loans Held for Portfolio

The following tables present information on our mortgage loans held for portfolio by term and type.

Term	September 30, 2024	December 31, 2023
Fixed-rate long-term mortgages	$ 9,100,330	$ 7,711,709
Fixed-rate medium-term[1] mortgages	659,003	740,859
Total mortgage loans held for portfolio, UPB	9,759,333	8,452,568
Unamortized premiums	210,711	179,499
Unamortized discounts	(11,917)	(11,844)
Hedging basis adjustments, net	(3,438)	(6,254)
Total mortgage loans held for portfolio	9,954,689	8,613,969
Allowance for credit losses	(125)	(125)
Total mortgage loans held for portfolio, net[2]	$ 9,954,564	$ 8,613,844

1 Defined as a term of 15 years or less at origination.
2 Excludes accrued interest receivable at September 30, 2024 and December 31, 2023 of $53,212 and $41,403, respectively.

Type	September 30, 2024	December 31, 2023
Conventional	$ 9,516,317	$ 8,298,188
Government-guaranteed or -insured	243,016	154,380
Total mortgage loans held for portfolio, UPB	$ 9,759,333	$ 8,452,568

Credit Quality Indicators for Conventional Mortgage Loans. Amounts past due 30 days or more on conventional mortgage loans at September 30, 2024 and December 31, 2023 totaled $63,766 and $61,300, respectively. Amounts are based on amortized cost, which excludes accrued interest receivable.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 6 - Derivatives and Hedging Activities

Financial Statement Effect and Additional Financial Information. We record derivative instruments, related cash collateral received or pledged/posted and associated accrued interest on a net basis by the clearing agent and/or by counterparty when the netting requirements have been met.

The following table presents the notional amount and estimated fair value of our derivative assets and liabilities.

	September 30, 2024			December 31, 2023		
	Notional Amount	**Derivative Assets**	**Derivative Liabilities**	**Notional Amount**	**Derivative Assets**	**Derivative Liabilities**
Derivatives designated as hedging instruments:						
Interest-rate swaps	$ 67,736,396	$ 534,361	$ 1,018,922	$ 75,336,530	$ 736,648	$ 1,533,144
Derivatives not designated as hedging instruments:						
Economic hedges:						
Interest-rate swaps	7,749,705	2,463	21	610,000	100	319
Interest-rate caps/floors	906,100	726	—	811,000	887	—
Interest-rate forwards	229,300	301	4	57,300	—	337
MDCs	229,939	126	285	57,270	207	12
Total derivatives not designated as hedging instruments	9,115,044	3,616	310	1,535,570	1,194	668
Total derivatives before adjustments	$ 76,851,440	537,977	1,019,232	$ 76,872,100	737,842	1,533,812
Netting adjustments and cash collateral[1]		33,678	(1,014,564)		(216,678)	(1,526,872)
Total derivatives, net, at estimated fair value		$ 571,655	$ 4,668		$ 521,164	$ 6,940

[1] Represents the application of the netting requirements that allow us to settle (i) positive and negative positions and (ii) cash collateral and related accrued interest held or placed, with the same clearing agent and/or counterparty. Cash collateral pledged to counterparties at September 30, 2024 and December 31, 2023, including accrued interest, totaled $1,167,218 and $1,451,464, respectively. Cash collateral received from counterparties and held at September 30, 2024 and December 31, 2023, including accrued interest, totaled $118,975 and $141,271, respectively.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Managing Credit Risk on Derivatives. We are subject to credit risk due to the risk of nonperformance by the counterparties to our derivative transactions.

Uncleared Derivatives. At September 30, 2024 and December 31, 2023, our securities pledged as collateral totaled $19,340 and $15,670, respectively.

The following table presents separately the estimated fair value of our derivative instruments meeting and not meeting netting requirements, including the effect of the related collateral.

	September 30, 2024		December 31, 2023	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Derivative instruments meeting netting requirements:				
Gross recognized amount				
Uncleared	$ 479,879	$ 1,017,359	$ 736,071	$ 1,521,576
Cleared	57,972	1,588	1,564	11,887
Total gross recognized amount	537,851	1,018,947	737,635	1,533,463
Gross amounts of netting adjustments and cash collateral				
Uncleared	(470,366)	(1,012,976)	(727,850)	(1,514,985)
Cleared	504,044	(1,588)	511,172	(11,887)
Total gross amounts of netting adjustments and cash collateral	33,678	(1,014,564)	(216,678)	(1,526,872)
Net amounts after netting adjustments and cash collateral				
Uncleared	9,513	4,383	8,221	6,591
Cleared	562,016	—	512,736	—
Total net amounts after netting adjustments and cash collateral	571,529	4,383	520,957	6,591
Derivative instruments not meeting netting requirements[1]	126	285	207	349
Total derivatives, net, at estimated fair value	$ 571,655	$ 4,668	$ 521,164	$ 6,940

[1] Includes MDCs and certain interest-rate forwards.

(Unaudited, $ amounts in thousands unless otherwise indicated)

The following table presents the impact of our qualifying fair-value hedging relationships on net interest income by hedged item, excluding any offsetting interest income/expense of the associated hedged items.

	Three Months Ended September 30, 2024			
	Advances	**AFS Securities**	**CO Bonds**	**Total**
Net impact of fair-value hedging relationships on net interest income:				
Net interest settlements on derivatives[1]	$ 134,889	$ 127,902	$ (225,291)	$ 37,500
Net gains (losses) on derivatives[2]	(430,385)	(156,449)	536,406	(50,428)
Net gains (losses) on hedged items[3]	436,271	145,298	(540,232)	41,337
Price alignment interest	(2,171)	(5,896)	(476)	(8,543)
Net impact on net interest income	$ 138,604	$ 110,855	$ (229,593)	$ 19,866
Total interest income (expense) recorded in the statement of income[4]	$ 548,614	$ 225,375	$ (692,230)	$ 81,759

	Three Months Ended September 30, 2023			
	Advances	**AFS Securities**	**CO Bonds**	**Total**
Net impact of fair-value hedging relationships on net interest income:				
Net interest settlements on derivatives[1]	$ 160,877	$ 129,012	$ (253,041)	$ 36,848
Net gains (losses) on derivatives[2]	127,214	153,092	(37,033)	243,273
Net gains (losses) on hedged items[3]	(130,274)	(169,185)	46,695	(252,764)
Price alignment interest	(7,950)	(9,105)	(140)	(17,195)
Net impact on net interest income	$ 149,867	$ 103,814	$ (243,519)	$ 10,162
Total interest income (expense) recorded in the statement of income[4]	$ 502,446	$ 212,408	$ (598,526)	$ 116,328

(Unaudited, $ amounts in thousands unless otherwise indicated)

	Nine Months Ended September 30, 2024			
	Advances	AFS Securities	CO Bonds	Total
Net impact of fair-value hedging relationships on net interest income:				
Net interest settlements on derivatives[1]	$ 421,449	$ 387,935	$ (714,451)	$ 94,933
Net gains (losses) on derivatives[2]	(283,282)	(83,960)	607,616	240,374
Net gains (losses) on hedged items[3]	292,996	46,904	(611,909)	(272,009)
Price alignment interest	(14,682)	(21,402)	(1,047)	(37,131)
Net impact on net interest income	$ 416,481	$ 329,477	$ (719,791)	$ 26,167
Total interest income (expense) recorded in the statement of income[4]	$ 1,571,758	$ 668,316	$ (1,956,814)	$ 283,260

	Nine Months Ended September 30, 2023			
	Advances	AFS Securities	CO Bonds	Total
Net impact of fair-value hedging relationships on net interest income:				
Net interest settlements on derivatives[1]	$ 427,432	$ 343,187	$ (694,942)	$ 75,677
Net gains on derivatives[2]	175,360	150,472	92,404	418,236
Net gains (losses) on hedged items[3]	(177,409)	(188,067)	(83,198)	(448,674)
Price alignment interest	(17,794)	(22,188)	(380)	(40,362)
Net impact on net interest income	$ 407,589	$ 283,404	$ (686,116)	$ 4,877
Total interest income (expense) recorded in the statement of income[4]	$ 1,428,580	$ 584,634	$ (1,588,952)	$ 424,262

1 Represents interest income/expense on derivatives in qualifying fair-value hedging relationships. Net interest settlements on derivatives that are not in qualifying fair-value hedging relationships are reported in other income.
2 Includes increases (decreases) in estimated fair value and swap termination fees.
3 Includes increases (decreases) in estimated fair value and amortization of net gains and losses on ineffective and discontinued fair-value hedging relationships.
4 For advances, AFS securities and CO bonds only.

The following table presents the components of our net gains (losses) on derivatives reported in other income.

	Three Months Ended September 30,		Nine Months Ended September 30,	
Type of Hedge	2024	2023	2024	2023
Net gains (losses) on derivatives not designated as hedging instruments:				
Economic hedges:				
Interest-rate swaps	$ (22,294)	$ 26	$ (17,599)	$ (8,145)
Interest-rate caps/floors	(500)	431	(772)	2
Interest-rate forwards	(2,063)	794	(2,391)	852
Net interest settlements[1]	2,591	4,878	6,868	17,322
MDCs	1,964	(1,246)	2,072	(1,541)
Net gains (losses) on derivatives in other income	$ (20,302)	$ 4,883	$ (11,822)	$ 8,490

(Unaudited, $ amounts in thousands unless otherwise indicated)

1 Relates to derivatives that are not in qualifying fair-value hedging relationships. The interest income/expense of the associated hedged items is recorded in net interest income.

The following table presents the amortized cost of, and the related cumulative basis adjustments on, our hedged items in qualifying fair-value hedging relationships.

	September 30, 2024		
	Advances	AFS Securities	CO Bonds
Amortized cost of hedged items[1]	$ 23,125,222	$ 14,549,183	$ 28,596,190
Cumulative basis adjustments included in amortized cost:			
For active fair-value hedging relationships[2]	$ 60,490	$ (676,717)	$ (798,601)
For discontinued fair-value hedging relationships	—	184,643	—
Total cumulative fair-value hedging basis adjustments on hedged items	$ 60,490	$ (492,074)	$ (798,601)

	December 31, 2023		
	Advances	AFS Securities	CO Bonds
Amortized cost of hedged items[1]	$ 21,624,453	$ 14,254,103	$ 36,682,911
Cumulative basis adjustments included in amortized cost:			
For active fair-value hedging relationships[2]	$ (319,721)	$ (1,013,707)	$ (1,410,511)
For discontinued fair-value hedging relationships	—	234,825	—
Total cumulative fair-value hedging basis adjustments on hedged items	$ (319,721)	$ (778,882)	$ (1,410,511)

1 Includes the amortized cost of the hedged items in active or discontinued fair-value hedging relationships.
2 Excludes any offsetting effect of the net estimated fair value of the associated derivatives.

Note 7 - Consolidated Obligations

In addition to being the primary obligor for all consolidated obligations issued on our behalf, we are jointly and severally liable with each of the other FHLBanks for the payment of the principal and interest on all of the FHLBanks' consolidated obligations outstanding. The par values of the FHLBanks' consolidated obligations outstanding at both September 30, 2024 and December 31, 2023 totaled $1.2 trillion. As provided by the Federal Home Loan Bank Act of 1932 and Finance Agency regulations, consolidated obligations are backed only by the financial resources of all FHLBanks.

Discount Notes. The following table presents our discount notes outstanding, all of which are due within one year of issuance.

Discount Notes	September 30, 2024	December 31, 2023
Par value	$ 19,723,487	$ 22,737,397
Unamortized discounts	(82,230)	(115,297)
Unamortized concessions	(159)	(263)
Book value	$ 19,641,098	$ 22,621,837
Weighted average effective interest rate	4.97 %	5.35 %

(Unaudited, $ amounts in thousands unless otherwise indicated)

CO Bonds. The following table presents the par value of our CO bonds outstanding by interest-rate payment type.

Interest-Rate Payment Type	September 30, 2024	December 31, 2023
Fixed-rate	$ 37,546,295	$ 45,009,050
Simple variable-rate	17,289,500	3,389,500
Step-up	1,303,500	1,428,500
Total CO bonds, par value	$ 56,139,295	$ 49,827,050

The following table presents our CO bonds outstanding by contractual maturity.

	September 30, 2024		December 31, 2023	
Year of Contractual Maturity	Amount	WAIR%	Amount	WAIR%
Due in 1 year or less	$ 22,881,160	3.53	$ 20,137,240	3.76
Due after 1 through 2 years	16,351,745	3.50	10,415,280	2.96
Due after 2 through 3 years	3,997,970	2.14	7,537,350	1.48
Due after 3 through 4 years	1,965,940	2.67	2,356,530	1.85
Due after 4 through 5 years	3,194,980	4.14	2,254,120	3.06
Thereafter	7,747,500	3.20	7,126,530	2.81
Total CO bonds, par value	56,139,295	3.38	49,827,050	2.99
Unamortized premiums	26,790		33,792	
Unamortized discounts	(8,542)		(10,093)	
Unamortized concessions	(11,040)		(8,672)	
Fair-value hedging basis adjustments, net	(798,601)		(1,410,511)	
Total CO bonds	$ 55,347,902		$ 48,431,566	

The following tables present the par value of our CO bonds outstanding by redemption feature and the earlier of the year of contractual maturity or next call date.

Call Feature	September 30, 2024	December 31, 2023
Non-callable / non-putable	$ 27,139,295	$ 14,027,225
Callable	29,000,000	35,799,825
Total CO bonds, par value	$ 56,139,295	$ 49,827,050

Year of Contractual Maturity or Next Call Date	September 30, 2024	December 31, 2023
Due in 1 year or less	$ 42,456,660	$ 42,512,740
Due after 1 through 2 years	11,309,745	4,389,780
Due after 2 through 3 years	524,970	895,850
Due after 3 through 4 years	604,940	327,530
Due after 4 through 5 years	732,480	1,051,620
Thereafter	510,500	649,530
Total CO bonds, par value	$ 56,139,295	$ 49,827,050

(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 8 - Affordable Housing Program

Our required AHP expense, based on 10% of our net earnings, is reported separately as AHP assessments on the Statement of Income as a reduction to income before assessments. Voluntary contributions to our AHP are reported within other expenses.

The following table summarizes the activity in our AHP funding obligation.

	Three Months Ended September 30,		Nine Months Ended September 30,	
AHP Activity	**2024**	**2023**	**2024**	**2023**
Liability at beginning of period	$ 73,791	$ 53,135	$ 68,301	$ 38,170
Assessments	10,667	10,568	32,290	31,849
Voluntary contributions to AHP	2,377	—	5,821	—
Subsidy usage, net[1]	(7,065)	(5,659)	(26,642)	(11,975)
Liability at end of period	$ 79,770	$ 58,044	$ 79,770	$ 58,044

1 Subsidies disbursed are reported net of returns/recaptures of previously disbursed subsidies.

Note 9 - Capital

Classes of Capital Stock. The following table presents our capital stock outstanding by sub-series.

Capital Stock Sub-Series	September 30, 2024	December 31, 2023
Class B-1 [1]	$ 622,470	$ 581,687
Class B-2 [2]	1,853,823	1,703,571
Total Class B	$ 2,476,293	$ 2,285,258

1 Non-activity-based stock.
2 Activity-based stock.

Mandatorily Redeemable Capital Stock. The following table presents the activity in our MRCS.

	Three Months Ended September 30,		Nine Months Ended September 30,	
MRCS Activity	**2024**	**2023**	**2024**	**2023**
Liability at beginning of period	$ 363,118	$ 370,622	$ 369,041	$ 372,503
Reclassification from capital stock	—	—	—	13
Redemptions/repurchases	(24)	(2,714)	(5,947)	(4,608)
Liability at end of period	$ 363,094	$ 367,908	$ 363,094	$ 367,908

(Unaudited, $ amounts in thousands unless otherwise indicated)

The following table presents our MRCS by contractual year of redemption. The year of redemption is the later of (i) the final year of the five-year redemption period, or (ii) the first year in which a non-member no longer has an activity-based stock requirement.

MRCS Contractual Year of Redemption	September 30, 2024	December 31, 2023
Past contractual redemption date[1]	$ 9,838	$ 738
Year 1 [2]	3,529	15,047
Year 2	19,323	19,179
Year 3	—	3,674
Year 4	329,245	329,232
Year 5	1,159	1,171
Total MRCS	$ 363,094	$ 369,041

1 Balance represents Class B stock that will not be redeemed until the associated credit products or mortgage loans are no longer outstanding.

2 Balance at December 31, 2023 includes $5,175 of Class B stock held by one captive insurance company whose membership was terminated on February 19, 2021. The stock was not past its contractual redemption date, but was redeemed when the associated advances were repaid during the nine months ended September 30, 2024.

The following table presents the distributions related to our MRCS.

	Three Months Ended September 30,		Nine Months Ended September 30,	
MRCS Distributions	**2024**	**2023**	**2024**	**2023**
Recorded as interest expense	$ 5,023	$ 4,348	$ 15,871	$ 12,828
Recorded as distributions from retained earnings	—	—	—	707
Total	$ 5,023	$ 4,348	$ 15,871	$ 13,535

Capital Requirements. We are subject to three capital requirements under our capital plan and Finance Agency regulations. As presented in the following table, we were in compliance with these Finance Agency capital requirements at September 30, 2024 and December 31, 2023.

	September 30, 2024		December 31, 2023	
Regulatory Capital Requirements	**Required**	**Actual**	**Required**	**Actual**
Risk-based capital	$ 1,236,039	$ 4,507,113	$ 1,277,258	$ 4,186,470
Total regulatory capital	$ 3,242,342	$ 4,507,113	$ 3,064,336	$ 4,186,470
Total regulatory capital-to-assets ratio	4.00%	5.56%	4.00%	5.46%
Leverage capital	$ 4,052,927	$ 6,760,670	$ 3,830,420	$ 6,279,705
Leverage ratio	5.00%	8.34%	5.00%	8.20%

(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 10 - Accumulated Other Comprehensive Income

The following table presents a summary of the changes in the components of our AOCI.

AOCI Rollforward	Unrealized Gains (Losses) on AFS Securities	Pension Benefits	Total AOCI (Loss)
Balance, June 30, 2024	$ 32,625	$ (15,944)	$ 16,681
OCI before reclassifications:			
Net change in unrealized gains (losses)	(33,731)	—	(33,731)
Reclassifications from OCI to net income:			
Pension benefits, net	—	369	369
Total other comprehensive income (loss)	(33,731)	369	(33,362)
Balance, September 30, 2024	$ (1,106)	$ (15,575)	$ (16,681)
Balance, June 30, 2023	$ 3,995	$ (14,306)	$ (10,311)
OCI before reclassifications:			
Net change in unrealized gains (losses)	(24,026)	—	(24,026)
Reclassifications from OCI to net income:			
Net realized (gains) losses from sale of AFS securities	6,568	—	6,568
Pension benefits, net	—	547	547
Total other comprehensive income (loss)	(17,458)	547	(16,911)
Balance, September 30, 2023	$ (13,463)	$ (13,759)	$ (27,222)

AOCI Rollforward	Unrealized Gains (Losses) on AFS Securities	Pension Benefits	Total AOCI (Loss)
Balance, December 31, 2023	$ (59,777)	$ (13,755)	$ (73,532)
OCI before reclassifications:			
Net change in unrealized gains	60,511	—	60,511
Reclassifications from OCI to net income:			
Net realized (gains) from sale of AFS securities	(1,840)	—	(1,840)
Pension benefits, net	—	(1,820)	(1,820)
Total other comprehensive income (loss)	58,671	(1,820)	56,851
Balance, September 30, 2024	$ (1,106)	$ (15,575)	$ (16,681)
Balance, December 31, 2022	$ (9,939)	$ (15,852)	$ (25,791)
OCI before reclassifications:			
Net change in unrealized gains (losses)	(10,234)	—	(10,234)
Reclassifications from OCI to net income:			
Net realized (gains) losses from sale of AFS securities	6,710	—	6,710
Pension benefits, net	—	2,093	2,093
Total other comprehensive income (loss)	(3,524)	2,093	(1,431)
Balance, September 30, 2023	$ (13,463)	$ (13,759)	$ (27,222)

(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 11 - Segment Information

The following table presents our financial performance by operating segment.

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	Traditional	Mortgage Loans	Total	Traditional	Mortgage Loans	Total
Net interest income	$ 113,723	$ 16,045	$ 129,768	$ 115,311	$ 12,644	$ 127,955
Provision for (reversal of) credit losses	—	(68)	(68)	—	(233)	(233)
Other income (loss)	9,500	(22)	9,478	481	(384)	97
Other expenses	32,396	5,271	37,667	23,111	3,840	26,951
Income before assessments	90,827	10,820	101,647	92,681	8,653	101,334
Affordable Housing Program assessments	9,585	1,082	10,667	9,703	865	10,568
Net income	$ 81,242	$ 9,738	$ 90,980	$ 82,978	$ 7,788	$ 90,766

	Nine Months Ended September 30, 2024			Nine Months Ended September 30, 2023		
	Traditional	Mortgage Loans	Total	Traditional	Mortgage Loans	Total
Net interest income	$ 335,061	$ 49,000	$ 384,061	$ 318,114	$ 37,084	$ 355,198
Provision for (reversal of) credit losses	—	(114)	(114)	—	(234)	(234)
Other income (loss)	25,279	291	25,570	39,764	(369)	39,395
Other expenses	89,947	12,768	102,715	77,383	11,786	89,169
Income before assessments	270,393	36,637	307,030	280,495	25,163	305,658
Affordable Housing Program assessments	28,626	3,664	32,290	29,333	2,516	31,849
Net income	$ 241,767	$ 32,973	$ 274,740	$ 251,162	$ 22,647	$ 273,809

The following table presents our asset balances by operating segment.

Date	Traditional	Mortgage Loans	Total
September 30, 2024	$ 71,103,985	$ 9,954,564	$ 81,058,549
December 31, 2023	67,994,560	8,613,844	76,608,404

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(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 12 - Estimated Fair Values

The following tables present the carrying value and estimated fair value of each of our financial instruments. The total of the estimated fair values does not represent an estimate of our overall market value as a going concern, which would take into account, among other considerations, future business opportunities and the net profitability of assets and liabilities.

	September 30, 2024					
		Estimated Fair Value				
Financial Instruments	**Carrying Value**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Netting Adjustments**[1]
Assets:						
Cash and due from banks	$ 54,850	$ 54,850	$ 54,850	$ —	$ —	$ —
Interest-bearing deposits	1,022,126	1,022,126	1,022,082	44	—	—
Securities purchased under agreements to resell	7,000,000	7,000,000	—	7,000,000	—	—
Federal funds sold	2,100,000	2,100,000	—	2,100,000	—	—
Trading securities	1,101,326	1,101,326	—	1,101,326	—	—
AFS securities	14,548,077	14,548,077	—	14,548,077	—	—
HTM securities	5,784,355	5,736,809	—	5,736,809	—	—
Advances	38,600,001	38,461,916	—	38,461,916	—	—
Mortgage loans held for portfolio, net	9,954,564	9,443,511	—	9,436,945	6,566	—
Accrued interest receivable	207,584	207,584	—	207,584	—	—
Derivative assets, net	571,655	571,655	—	537,977	—	33,678
Grantor trust assets[2]	69,909	69,909	69,909	—	—	—
Liabilities:						
Deposits	746,889	746,889	—	746,889	—	—
Consolidated obligations:						
Discount notes	19,641,098	19,647,151	—	19,647,151	—	—
Bonds	55,347,902	54,762,327	—	54,762,327	—	—
Accrued interest payable	327,033	327,033	—	327,033	—	—
Derivative liabilities, net	4,668	4,668	—	1,019,232	—	(1,014,564)
MRCS	363,094	363,094	363,094	—	—	—

(Unaudited, $ amounts in thousands unless otherwise indicated)

	December 31, 2023					
		Estimated Fair Value				
Financial Instruments	**Carrying Value**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Netting Adjustments**[1]
Assets:						
Cash and due from banks	$ 58,844	$ 58,844	$ 58,844	$ —	$ —	$ —
Interest-bearing deposits	892,049	892,049	892,007	42	—	—
Securities purchased under agreements to resell	6,500,000	6,500,000	—	6,500,000	—	—
Federal funds sold	4,101,000	4,101,000	—	4,101,000	—	—
Trading securities	600,063	600,063	—	600,063	—	—
AFS securities	14,194,326	14,194,326	—	14,194,326	—	—
HTM securities	5,256,803	5,179,399	—	5,179,399	—	—
Advances	35,561,844	35,368,737	—	35,368,737	—	—
Mortgage loans held for portfolio, net	8,613,844	7,940,218	—	7,936,147	4,071	—
Accrued interest receivable	203,809	203,809	—	203,809	—	—
Derivative assets, net	521,164	521,164	—	737,842	—	(216,678)
Grantor trust assets[2]	61,227	61,227	61,227	—	—	—
Liabilities:						
Deposits	628,811	628,811	—	628,811	—	—
Consolidated obligations:						
Discount notes	22,621,837	22,620,613	—	22,620,613	—	—
Bonds	48,431,566	47,570,879	—	47,570,879	—	—
Accrued interest payable	327,237	327,237	—	327,237	—	—
Derivative liabilities, net	6,940	6,940	—	1,533,812	—	(1,526,872)
MRCS	369,041	369,041	369,041	—	—	—

1 Represents the application of the netting requirements that allow us to settle (i) positive and negative positions and (ii) cash collateral and related accrued interest held or placed with the same clearing agent and/or counterparty.
2 Included in other assets on the statement of condition.

Valuation Techniques and Significant Inputs. No significant changes were made during the nine months ended September 30, 2024.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Estimated Fair Value Measurements. The following tables present, by level within the fair value hierarchy, the estimated fair value of our financial assets and liabilities that are recorded at estimated fair value on a recurring or non-recurring basis on our statement of condition.

	September 30, 2024				
Financial Instruments	**Total**	**Level 1**	**Level 2**	**Level 3**	**Netting Adjustments**[1]
Trading securities:					
U.S. Treasury obligations	$ 1,101,326	$ —	$ 1,101,326	$ —	$ —
Total trading securities	1,101,326	—	1,101,326	—	—
AFS securities:					
U.S. Treasury obligations	5,825,454	—	5,825,454	—	—
GSE and TVA debentures	1,621,950	—	1,621,950	—	—
GSE multifamily MBS	7,100,673	—	7,100,673	—	—
Total AFS securities	14,548,077	—	14,548,077	—	—
Derivative assets:					
Interest-rate related	571,529	—	537,851	—	33,678
MDCs	126	—	126	—	—
Total derivative assets, net	571,655	—	537,977	—	33,678
Other assets:					
Grantor trust assets	69,909	69,909	—	—	—
Total assets at recurring estimated fair value	$16,290,967	$ 69,909	$16,187,380	$ —	$ 33,678
Derivative liabilities:					
Interest-rate related	$ 4,383	$ —	$ 1,018,947	$ —	$ (1,014,564)
MDCs	285	—	285	—	—
Total derivative liabilities, net	4,668	—	1,019,232	—	(1,014,564)
Total liabilities at recurring estimated fair value	$ 4,668	$ —	$ 1,019,232	$ —	$ (1,014,564)

(Unaudited, $ amounts in thousands unless otherwise indicated)

	December 31, 2023				
Financial Instruments	**Total**	**Level 1**	**Level 2**	**Level 3**	**Netting Adjustments**[1]
Trading securities:					
U.S. Treasury obligations	$ 600,063	$ —	$ 600,063	$ —	$ —
Total trading securities	600,063	—	600,063	—	—
AFS securities:					
U.S. Treasury obligations	5,696,856	—	5,696,856	—	—
GSE and TVA debentures	1,806,938	—	1,806,938	—	—
GSE multifamily MBS	6,690,532	—	6,690,532	—	—
Total AFS securities	14,194,326	—	14,194,326	—	—
Derivative assets:					
Interest-rate related	520,957	—	737,635	—	(216,678)
MDCs	207	—	207	—	—
Total derivative assets, net	521,164	—	737,842	—	(216,678)
Other assets:					
Grantor trust assets	61,227	61,227	—	—	—
Total assets at recurring estimated fair value	$15,376,780	$ 61,227	$15,532,231	$ —	$ (216,678)
Derivative liabilities:					
Interest-rate related	$ 6,928	$ —	$ 1,533,800	$ —	$ (1,526,872)
MDCs	12	—	12	—	—
Total derivative liabilities, net	6,940	—	1,533,812	—	(1,526,872)
Total liabilities at recurring estimated fair value	$ 6,940	$ —	$ 1,533,812	$ —	$ (1,526,872)

1 Represents the application of the netting requirements that allow us to settle (i) positive and negative positions and (ii) cash collateral and related accrued interest held or placed with the same clearing agent and/or counterparty.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 13 - Commitments and Contingencies

The following table presents our off-balance-sheet commitments at their notional amounts.

	September 30, 2024			December 31, 2023
Type of Commitment	**Expire within one year**	**Expire after one year**	**Total**	**Total**
Standby letters of credit outstanding[1]	$ 238,281	$ 353,358	$ 591,639	$ 511,923
Commitments for standby bond purchases	—	218,495	218,495	184,960
Unused lines of credit - advances[2]	1,304,748	—	1,304,748	1,196,988
Commitments to fund additional advances[3]	4,087	—	4,087	9,965
Commitments to purchase mortgage loans, net[4]	229,939	—	229,939	57,270
Unsettled CO bonds, at par	255,000	—	255,000	—

1 Excludes unconditional commitments to issue standby letters of credit of $5,936 at September 30, 2024. There were no unconditional commitments to issue standby letters of credit at December 31, 2023.
2 Maximum line of credit amount per member is $100,000.
3 Generally for periods up to six months.
4 Generally for periods up to 91 days.

Pledged Collateral. Cash pledged as collateral to counterparties and clearing agents at September 30, 2024 and December 31, 2023 totaled $1,164,333 and $1,447,218, respectively.

Standby Bond Purchase Agreements. We have entered into multiple agreements with a state housing authority within our district whereby we could be required under the terms of the agreements to purchase and hold the state housing authority's bonds until its designated marketing agent can find a suitable investor or the state housing authority repurchases the bond according to a schedule established by the standby agreements. At September 30, 2024, the agreements outstanding expire no later than 2029, although some may be renewable at our option. We were not required to purchase any bonds under these agreements as of September 30, 2024.

Legal Proceedings. We are subject to legal proceedings arising in the normal course of business. We record an accrual for a loss contingency when it is probable that a loss for which we could be liable has been incurred and the amount can be reasonably estimated. After consultation with legal counsel, management is not aware of any such proceedings where the ultimate liability, if any, could have a material effect on our financial condition, results of operations or cash flows.

(Unaudited, $ amounts in thousands unless otherwise indicated)

Note 14 - Related Party and Other Transactions

Transactions with Directors Financial Institutions. The following table presents our transactions with directors' financial institutions, taking into account the beginning and ending dates of the directors' terms, merger activity and other changes in the composition of directors' financial institutions.

Transactions with Directors' Financial Institutions	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net capital stock issuances (redemptions and repurchases)	$ 239	$ 137	$ 624	$ 3,942
Net advances (repayments)	(25,000)	35,232	(21,540)	(90,280)
Mortgage loan purchases	25,958	14,386	62,386	28,390

The following table presents the aggregate balances of capital stock and advances outstanding for our directors' financial institutions and their balances as a percent of the total balances on our statement of condition.

Balances with Directors' Financial Institutions	September 30, 2024 Par Value	September 30, 2024 % of Total	December 31, 2023 Par Value	December 31, 2023 % of Total
Capital stock	$ 58,502	2 %	$ 56,763	2 %
Advances	717,402	2 %	753,234	2 %

The composition of our directors' financial institutions changed due to changes in board membership on January 1, 2024 resulting from the 2023 board of directors' election, on January 16, 2024 resulting from a director's resignation, on April 1, 2024 resulting from the board's election of a new director to fill an unexpired term and on June 13, 2024 resulting from a change in a director's affiliation with a member institution.

Transactions with Other FHLBanks. Occasionally, we loan or borrow short-term funds to/from other FHLBanks in order to manage FHLBank System-wide liquidity. These loans and borrowings are transacted at current market rates when traded. There were no loans to or borrowings from other FHLBanks that remained outstanding at September 30, 2024 or December 31, 2023.

DEFINED TERMS

advance: Secured loan to member, former member or Housing Associate
AFS: Available-for-Sale
Agency: GSE and Ginnie Mae
AHP: Affordable Housing Program
AOCI: Accumulated Other Comprehensive Income (Loss)
bps: basis points
CDFI: Community Development Financial Institution
Clearinghouse: A United States Commodity Futures Trading Commission-registered derivatives clearing organization
CO bond: Consolidated Obligation bond
EFFR: Effective Federal Funds Rate
Exchange Act: Securities Exchange Act of 1934, as amended
Fannie Mae: Federal National Mortgage Association
FHLBank: A Federal Home Loan Bank
FHLBanks: The 11 Federal Home Loan Banks or a subset thereof
FHLBank System: The 11 Federal Home Loan Banks and the Office of Finance
Finance Agency: Federal Housing Finance Agency
FOMC: Federal Open Market Committee
Form 8-K: Current Report on Form 8-K as filed with the SEC under the Exchange Act
Form 10-K: Annual Report on Form 10-K as filed with the SEC under the Exchange Act
Form 10-Q: Quarterly Report on Form 10-Q as filed with the SEC under the Exchange Act
Freddie Mac: Federal Home Loan Mortgage Corporation
GAAP: Generally Accepted Accounting Principles in the United States of America
Ginnie Mae: Government National Mortgage Association
GSE: United States Government-Sponsored Enterprise
Housing Associate: Approved lender under Title II of the National Housing Act of 1934 that is either a government agency or is chartered under federal or state law with rights and powers similar to those of a corporation
HTM: Held-to-Maturity
LRA: Lender Risk Account
MBS: Mortgage-Backed Securities
MDC: Mandatory Delivery Commitment
Moody's: Moody's Investor Services
MPP: Mortgage Purchase Program, including Original and Advantage unless indicated otherwise
MRCS: Mandatorily Redeemable Capital Stock
MVE: Market Value of Equity
NRSRO: Nationally Recognized Statistical Rating Organization
OCI: Other Comprehensive Income (Loss)
S&P: Standard & Poor's Rating Service
SEC: Securities and Exchange Commission
Securities Act: Securities Act of 1933, as amended
SERP: Collectively, the 2005 FHLBank of Indianapolis Supplemental Executive Retirement Plan, as amended, and the FHLBank of Indianapolis Supplemental Executive Retirement Plan, frozen effective December 31, 2004
SOFR: Secured Overnight Financing Rate
TBA: To Be Announced, a forward contract for the purchase or sale of MBS at a future agreed-upon date for an established price
TVA: Tennessee Valley Authority
UPB: Unpaid Principal Balance
WAIR: Weighted-Average Interest Rate

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Presentation

This discussion and analysis by management of the Bank's financial condition and results of operations should be read in conjunction with our 2023 Form 10-K and the interim *Financial Statements* and related *Notes to Financial Statements* contained in *Item 1. Financial Statements*.

Unless otherwise stated, amounts disclosed in this Item are rounded to the nearest million; therefore, dollar amounts of less than one million may not be reflected or, due to rounding, may not appear to agree to the amounts presented in thousands in the *Financial Statements* and related *Notes to Financial Statements*. Amounts used to calculate dollar and percentage changes are based on numbers in the thousands. Accordingly, calculations based upon the disclosed amounts (millions) may not produce the same results.

Executive Summary

Overview. As an FHLBank, we are a regional wholesale bank that serves as a financial intermediary between the capital markets and our members. The Bank is structured as a financial cooperative, which allows our business to be scalable and self-capitalizing without taking undue risks, diminishing capital adequacy or jeopardizing profitability. Therefore, the Bank is generally designed to expand and contract in asset size as the needs of our members and their communities change.

We primarily make secured loans in the form of advances to our members and purchase whole mortgage loans from our members. Additionally, we purchase other investments and provide other financial services to our members.

Our principal source of funding is the proceeds from the sale to the public of FHLBank debt instruments, called consolidated obligations, which are the joint and several obligation of all FHLBanks. We obtain additional funds from deposits, other borrowings, and by issuing capital stock to our members.

Our primary source of revenue is interest earned on advances, mortgage loans, and investments, including MBS.

Our net interest income is primarily determined by the size of our balance sheet and the spread between the interest rate earned on our assets and the interest rate paid on our share of the consolidated obligations. A substantial portion of net interest income may also be derived from deploying our capital which has no associated interest cost, i.e., interest-free capital. We use funding and hedging strategies to manage the related interest-rate risk.

Due to our cooperative ownership structure and wholesale nature, we typically earn a narrow interest spread. Accordingly, our net income is relatively low compared to our total assets and capital.

In addition, as a cooperative, some members utilize our products more heavily and own more capital stock than others. As a result, we must achieve a balance in generating membership value from rates we charge on advances or prices we pay to purchase mortgage loans and paying a competitive dividend rate.

We group our products and services within two operating segments: *traditional* and *mortgage loans*.

Business Environment. The Bank's financial performance is influenced by several key national economic and market factors, including fiscal and monetary policies, the conditions in the housing markets and the level and volatility of market interest rates.

Economy and Financial Markets. The U.S. economy grew at a slightly slower pace than expected in the third quarter of 2024 as U.S. real gross domestic product, according to the U.S. Commerce Department, grew at a seasonally- and inflation-adjusted annual rate of 2.8%, a slight pullback from the rate of 3.0% in the second quarter and lower than the 3.1% economists had predicted. However, consumer spending remained strong, despite high borrowing costs, as rising wages, pandemic savings and a solid but cooling labor market helped consumers continue to spend. The labor market has remained tight and the unemployment rate of 4.1% continues to be low by historical measures, according to the U.S. Labor Department.

U.S. inflation, as measured by the Consumer Price Index published by the U.S. Labor Department, eased to a new three-year low in September but is cooling slower than expected. The personal-consumption expenditures price index, the Federal Reserve's preferred inflation gauge, rose at an annual rate of 2.1%, according to the Commerce Department. The associated measure of core prices, which excludes volatile food and energy prices, rose 2.7% compared to a year earlier, underscoring that inflation remains persistent and continues to follow an uneven path downward.

The resilient consumer continues to spark hopes that the economy will experience a soft landing, where inflation ebbs without causing a recession.

Conditions in U.S. Housing Markets. The actions by the Federal Reserve to curb inflation by raising interest rates have most directly affected consumers through the housing market. In 2023, home sales dropped to the lowest level in nearly three decades as elevated mortgage interest rates kept many buyers out of the market due to a lack of affordability, which reduced housing demand. At the same time, high mortgage rates discouraged homeowners from selling as many were reluctant to give up their existing low mortgage rates, reducing the available inventory of homes for sale.

The result of lower demand and lower supply was declining existing-home sales and stubbornly high prices. Existing-home sales, which comprise most of the housing market, fell 3.5% year-over-year in September and are on track for their worst year since 1995, according to the National Association of Realtors ("NAR"). While mortgage rates fell to near 6% in the build up to the Federal Reserve's interest-rate cut in September, they quickly reversed course in the subsequent weeks rebounding to their highest level in nearly three months by late October.

Housing affordability, particularly for first-time home buyers, remains an economic burden as the most recent NAR affordability index remained well below historic norms.

Interest Rate Levels and Volatility. The Federal Reserve seeks to achieve maximum employment and inflation at the rate of 2% over the longer run. In support of these goals, at its meeting on September 18, 2024, the FOMC decided to lower the target range by 1/2 percentage point to 4.75 to 5 percent, indicating that "the Committee has gained greater confidence that the inflation rate is moving sustainably towards 2%, and judges that the risks to achieving its employment and inflation goals are roughly in balance."

The following table presents certain key interest rates.

	Average for Three Months Ended		Average for Nine Months Ended		Period End	
	September 30,		September 30,		September 30,	December 31,
	2024	2023	2024	2023	2024	2023
Federal Funds Effective	5.27 %	5.26 %	5.31 %	4.93 %	4.83 %	5.33 %
SOFR	5.28 %	5.24 %	5.30 %	4.90 %	4.96 %	5.38 %
1-week Overnight-Indexed Swap	5.24 %	5.28 %	5.30 %	4.95 %	4.82 %	5.33 %
3-month U.S. Treasury yield	5.13 %	5.43 %	5.30 %	5.11 %	4.63 %	5.34 %
2-year U.S Treasury yield	4.06 %	4.94 %	4.46 %	4.53 %	3.64 %	4.25 %
10-year U.S. Treasury yield	3.96 %	4.14 %	4.18 %	3.80 %	3.78 %	3.88 %

Source: Bloomberg

The level and volatility of interest rates, including the shape of the yield curve, were affected by several factors, principally efforts by the Federal Reserve beginning in late March 2022 to raise interest rates and tighten monetary policy to combat high inflation.

As the FOMC raised short-term rates, portions of the Treasury yield curve became inverted. The 2-year rate was consistently higher than the 10-year rate. Investors use the 10-year Treasury yield as an indicator of investor confidence. However, with the rise in the 10-year rate in 2023 and 2024, the 2-year rate fell below the 10-year rate by September 30, 2024.

At its meeting on November 7, 2024, the FOMC decided to lower the target range for the federal funds rate by 1/4 percentage point to 4.50% to 4.75%.

The FOMC stated that "The Committee judges that the risks to achieving its employment and inflation goals are roughly in balance. The economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate."

"In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee will continue reducing its holdings of Treasury securities and agency debt and agency MBS. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective."

"In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals."

Impact on Operating Results. Lending and investing activity by our member institutions is a key driver for our balance sheet and income growth. Such activity is a function of both prevailing interest rates and economic activity, including local economic factors, particularly relating to the housing and mortgage markets. Positive economic trends tend to increase demand by our members for advances to support their funding needs but can drive market interest rates higher, which can impair activity in the mortgage market. A less active mortgage market can affect demand for advances and activity levels in our Advantage MPP. However, member demand for liquidity, particularly during stressed market conditions, can also lead to advances growth. Borrowing patterns between our insurance company and depository members can differ during various economic and market conditions, thereby easing the potential magnitude of core business fluctuations during business cycles.

The level and trends of market interest rates and and the shape of the U.S. Treasury yield curve affect our yields and margins on earning assets, including advances, purchased mortgage loans, and our investment portfolio, which contribute to our overall profitability. Additionally, trends in market interest rates drive mortgage origination and prepayment activity, which can lead to net interest margin volatility in our MPP and MBS portfolios. A flat or inverted yield curve, in which the difference between short-term interest rates and long-term interest rates is low, or negative, respectively, may have an unfavorable impact on our net interest margins. A steep yield curve, in which the difference between short-term and long-term interest rates is high, may have a favorable impact on our net interest margins. The level of interest rates also directly affects our earnings on assets funded by our interest-free capital.

Results of Operations and Changes in Financial Condition

Results of Operations for the Three and Nine Months Ended September 30, 2024 and 2023. The following table presents the comparative highlights of our results of operations ($ amounts in millions).

Condensed Statements of Comprehensive Income	Three Months Ended September 30, 2024	2023	$ Change	% Change	Nine Months Ended September 30, 2024	2023	$ Change	% Change
Net interest income	$ 130	$ 128	$ 2	1 %	$ 384	$ 355	$ 29	8 %
Provision for (reversal of) credit losses	—	—	—		—	—	—	
Net interest income after provision for (reversal of) credit losses	130	128	2	1 %	384	355	29	8 %
Other income	9	—	9		26	39	(13)	
Other expenses	37	27	10		103	89	14	
Income before assessments	102	101	1	— %	307	305	2	— %
Affordable Housing Program assessments	11	10	1		32	31	1	
Net income	91	91	—	— %	275	274	1	— %
Total other comprehensive income (loss)	(33)	(17)	(16)		57	(1)	58	
Total comprehensive income	$ 58	$ 74	$ (16)	(22)%	$ 332	$ 273	$ 59	22 %

The increase in net income for the three months ended September 30, 2024 compared to the corresponding period in the prior year was primarily due to net changes in gains (losses) on investments, substantially offset by an increase in voluntary allocations to affordable housing, small business and community investment programs.

The increase in net income for the nine months ended September 30, 2024 compared to the corresponding period in the prior year was primarily due to higher earnings on the portion of the Bank's assets funded by its capital. However, such increase was substantially offset by net gains on the extinguishment of consolidated obligations in the corresponding period that did not occur in the current period and an increase in voluntary allocations to affordable housing, small business and community investment programs.

The net decrease in total OCI for the three months ended September 30, 2024 compared to the corresponding period in the prior year was substantially due to net unrealized losses on AFS securities. The net increase in total OCI for the nine months ended September 30, 2024 compared to the corresponding period in the prior year was due to net unrealized gains on AFS securities.

The following table presents the returns on average assets and returns on average equity.

Ratios	Three Months Ended September 30, 2024	2023	Nine Months Ended September 30, 2024	2023
Return on average assets	0.46 %	0.51 %	0.49 %	0.51 %
Return on average equity	9.11 %	9.70 %	9.37 %	10.22 %

Changes in Financial Condition for the Nine Months Ended September 30, 2024. The following table presents the comparative highlights of our changes in financial condition ($ amounts in millions).

Condensed Statements of Condition	September 30, 2024	December 31, 2023	$ Change	% Change
Advances	$ 38,600	$ 35,562	$ 3,038	9 %
Mortgage loans held for portfolio, net	9,955	8,614	1,341	16 %
Liquidity investments[1]	11,278	12,152	(874)	(7)%
Other investment securities[2]	20,332	19,451	881	5 %
Other assets	894	829	65	8 %
Total assets	$ 81,059	$ 76,608	$ 4,451	6 %
Consolidated obligations	$ 74,989	$ 71,053	$ 3,936	6 %
MRCS	363	369	(6)	(2)%
Other liabilities	1,580	1,442	138	10 %
Total liabilities	76,932	72,864	4,068	6 %
Capital stock	2,476	2,285	191	8 %
Retained earnings[3]	1,668	1,532	136	9 %
Accumulated other comprehensive income (loss)	(17)	(73)	56	77 %
Total capital	4,127	3,744	383	10 %
Total liabilities and capital	$ 81,059	$ 76,608	$ 4,451	6 %
Total regulatory capital[4]	$ 4,507	$ 4,186	$ 321	8 %

1 Includes cash, interest-bearing deposits, securities purchased under agreements to resell, federal funds sold and U.S. Treasury obligations classified as trading securities.
2 Includes AFS and HTM securities.
3 Includes restricted retained earnings at September 30, 2024 and December 31, 2023 of $453 million and $398 million, respectively.
4 Total capital less AOCI plus MRCS.

Total assets at September 30, 2024 were $81.1 billion, a net increase of $4.5 billion, or 6%, from December 31, 2023, primarily due to an increase in advances outstanding.

Advances outstanding at September 30, 2024, at carrying value, totaled $38.6 billion, a net increase of $3.0 billion, or 9%, from December 31, 2023. The par value of advances outstanding increased by 7% to $38.5 billion, which included a net increase in short-term advances of 31% and a net decrease in long-term advances of 2%. At September 30, 2024, based on contractual maturities, long-term advances composed 67% of advances outstanding, while short-term advances composed 33%.

Mortgage loans held for portfolio at September 30, 2024 totaled $10.0 billion, a net increase of $1.3 billion, or 16%, from December 31, 2023, as the Bank's purchases from its members exceeded principal repayments by borrowers. Purchases of mortgage loans from members for the nine months ended September 30, 2024 totaled $2.0 billion.

Liquidity investments at September 30, 2024 totaled $11.3 billion, a net decrease of $874 million, or 7%, from December 31, 2023. Cash and short-term investments represented 90% of the total liquidity investments at September 30, 2024, while U.S. Treasury obligations represented 10%.

Other investment securities, which consist substantially of MBS and U.S. Treasury obligations classified as HTM or AFS, at September 30, 2024 totaled $20.3 billion, a net increase of $881 million, or 5%, from December 31, 2023.

The Bank's consolidated obligations outstanding at September 30, 2024 totaled $75.0 billion, a net increase of $3.9 billion, or 6%, from December 31, 2023, which reflected increased funding needs associated with the net increase in the Bank's total assets.

Total capital at September 30, 2024 was $4.1 billion, a net increase of $383 million, or 10%, from December 31, 2023. The net increase resulted from issuances of capital stock to support advance activity, the growth in retained earnings and an increase in accumulated other comprehensive income.

The Bank's regulatory capital-to-assets ratio at September 30, 2024 was 5.56%, which exceeds all applicable regulatory capital requirements.

Outlook. We believe that our financial performance will continue to provide sufficient, risk-adjusted returns for our members across a wide range of business, financial and economic environments.

The ultimate effects of economic and financial markets activity, including fiscal and monetary policies, the strength of the housing markets and the level and volatility of market interest rates, and legislative and regulatory actions continue to evolve and are highly uncertain and, therefore, the future impact on our business is difficult to predict.

Analysis of Results of Operations for the Three and Nine Months Ended September 30, 2024 and 2023.

Interest Income. Interest income for the three months ended September 30, 2024 totaled $1.1 billion, an increase of $116 million compared to the corresponding period in the prior year, primarily driven by a net increase in yields resulting from higher market interest rates and a net increase in the average balances outstanding of interest-earning assets.

Interest income for the nine months ended September 30, 2024 totaled $3.1 billion, an increase of $397 million compared to the corresponding period in the prior year, primarily driven by an increase in yields resulting from higher market interest rates and a net increase in the average balances outstanding of interest-earning assets.

Interest Expense. Interest expense for the three months ended September 30, 2024 totaled $960 million, an increase of $114 million compared to the corresponding period in the prior year, primarily driven by an increase in our cost of funds resulting from higher market interest rates and an increase in the average balances outstanding of interest-bearing liabilities.

Interest expense for the nine months ended September 30, 2024 totaled $2.8 billion, an increase of $368 million compared to the corresponding period in the prior year, primarily driven by an increase in our cost of funds resulting from higher market interest rates and an increase in the average balances outstanding of interest-bearing liabilities.

Net Interest Income. Net interest income is our primary source of earnings and is generated from the net interest spread on assets funded by liabilities and the yield on assets funded by interest-free capital as well as the average balances outstanding of interest-earning assets and interest-bearing liabilities.

The increase in net interest income for the three months ended September 30, 2024 compared to the corresponding period in the prior year was due to several factors, none of which were significant.

The increase in net interest income for the nine months ended September 30, 2024 compared to the corresponding period in the prior year was substantially due to higher earnings on the portion of the Bank's assets funded by its capital.

For our hedging relationships that qualified for hedge accounting, the differences between the changes in fair value of the hedged items and the associated derivatives (i.e. hedge ineffectiveness) are recorded in net interest income and resulted in net hedging gains for the three months ended September 30, 2024 of $4 million, compared to net hedging gains for the corresponding period in the prior year of $3 million, and net hedging gains for the nine months ended September 30, 2024 of $9 million, compared to net hedging gains for the corresponding period in the prior year of $8 million.

Our net gains (losses) on derivatives fluctuate due to volatility in the overall interest-rate environment as we hedge our asset or liability risk exposures. In general, we hold derivatives and associated hedged items to the maturity, call, or put date. Therefore, due to timing, nearly all of the cumulative net gains and losses for these financial instruments will generally reverse over the remaining contractual terms of the hedged item. However, there may be instances when we terminate these instruments prior to the maturity, call or put date, which may result in a realized gain or loss.

The following table presents average daily balances, interest income/expense, and average yields/cost of funds of our major categories of interest-earning assets and their funding sources ($ amounts in millions).

	Three Months Ended September 30,					
	2024			2023		
	Average Balance	Interest Income/ Expense[1]	Average Yield/ Cost of Funds[1,2]	Average Balance	Interest Income/ Expense[1]	Average Yield/ Cost of Funds[1,2]
Assets:						
Securities purchased under agreements to resell	$ 4,940	$ 67	5.36 %	$ 1,801	$ 24	5.32 %
Federal funds sold	2,617	35	5.37 %	4,844	65	5.33 %
MBS[3,4]	12,565	197	6.24 %	11,618	175	5.97 %
Other investment securities[3,4]	8,633	121	5.59 %	7,627	110	5.69 %
Advances[4]	38,107	549	5.73 %	35,459	502	5.62 %
Mortgage loans held for portfolio[4,5]	9,682	93	3.82 %	8,069	64	3.16 %
Other assets (interest-earning)[6]	2,177	28	5.19 %	2,577	34	5.23 %
Total interest-earning assets	78,721	1,090	5.51 %	71,995	974	5.37 %
Other assets, net[7]	(379)			(880)		
Total assets	$ 78,342			$ 71,115		
Liabilities and Capital:						
Interest-bearing deposits	$ 881	11	5.12 %	$ 786	10	5.13 %
Discount notes	18,920	252	5.30 %	17,546	233	5.27 %
CO bonds[4]	53,324	692	5.16 %	47,878	599	4.96 %
MRCS	363	5	5.50 %	370	4	4.66 %
Other borrowings	—	—	5.42 %	—	—	5.40 %
Total interest-bearing liabilities	73,488	960	5.20 %	66,580	846	5.04 %
Other liabilities	882			821		
Capital stock	2,429			2,391		
All other components of capital	1,543			1,323		
Total liabilities and capital	$ 78,342			$ 71,115		
Net interest income		$ 130			$ 128	
Net spread on interest-earning assets less interest-bearing liabilities[2]			0.31 %			0.33 %
Net interest margin[8]			0.66 %			0.71 %
Average interest-earning assets to interest-bearing liabilities	1.07			1.08		

	Nine Months Ended September 30,					
	2024			2023		
	Average Balance	Interest Income/ Expense[1]	Average Yield/ Cost of Funds[1,2]	Average Balance	Interest Income/ Expense[1]	Average Yield/ Cost of Funds[1,2]
Assets:						
Securities purchased under agreements to resell	$ 3,343	$ 135	5.39 %	$ 2,595	$ 96	4.94 %
Federal funds sold	3,883	157	5.41 %	4,703	176	5.02 %
MBS[3,4]	12,194	578	6.33 %	11,231	479	5.69 %
Other investment securities[3,4]	8,316	354	5.69 %	7,491	291	5.19 %
Advances[4]	36,487	1,572	5.75 %	36,373	1,428	5.25 %
Mortgage loans held for portfolio[4,5]	9,176	255	3.72 %	7,858	181	3.08 %
Other assets (interest-earning)[6]	2,251	89	5.28 %	2,521	92	4.88 %
Total interest-earning assets	75,650	3,140	5.54 %	72,772	2,743	5.04 %
Other assets, net[7]	(467)			(956)		
Total assets	$ 75,183			$ 71,816		
Liabilities and Capital:						
Interest-bearing deposits	$ 839	32	5.18 %	$ 755	27	4.72 %
Discount notes	18,788	751	5.34 %	21,025	759	4.83 %
CO bonds[4]	50,530	1,957	5.17 %	45,321	1,589	4.69 %
MRCS	366	16	5.79 %	371	13	4.62 %
Other borrowings	—	—	5.47 %	6	—	4.87 %
Total interest-bearing liabilities	70,523	2,756	5.22 %	67,478	2,388	4.73 %
Other liabilities	744			755		
Capital stock	2,362			2,300		
All other components of capital	1,554			1,283		
Total liabilities and capital	$ 75,183			$ 71,816		
Net interest income		$ 384			$ 355	
Net spread on interest-earning assets less interest-bearing liabilities[2]			0.32 %			0.31 %
Net interest margin[8]			0.68 %			0.65 %
Average interest-earning assets to interest-bearing liabilities	1.07			1.08		

1 Includes hedging gains (losses) on qualifying fair-value hedging relationships. Excludes impact of purchase discount (premium) recorded through mark-to-market gains (losses) on trading securities and net interest settlements on derivatives hedging trading securities.

2 Annualized.

3 The average balances of AFS securities are based on amortized cost; therefore, the resulting yields do not reflect changes in the estimated fair value that are a component of OCI.

4 Except for AFS securities, interest income/expense and average yield/cost of funds include all components of interest, including the impact of net interest payments or receipts on derivatives in qualifying hedge relationships, amortization of hedge accounting basis adjustments, and prepayment fees on advances. Excludes net interest payments or receipts on derivatives in economic hedging relationships, including those hedging trading securities.

5 Includes non-accrual loans.

6 Consists of interest-bearing deposits and loans to other FHLBanks (if applicable). Includes the rights or obligations to cash collateral, except for variation margin payments characterized as daily settled contracts.

[7] Includes cumulative changes in the estimated fair value of AFS securities and grantor trust assets.
[8] Annualized net interest income expressed as a percentage of the average balance of interest-earning assets.

Changes in both volume and interest rates determine changes in net interest income and net interest margin. Changes in interest income and interest expense that are not identifiable as either volume-related or rate-related, but are attributable to both volume and rate changes, have been allocated to the volume and rate categories based upon the proportion of the volume and rate changes. The following table presents the changes in interest income and interest expense by volume and rate ($ amounts in millions).

	Three Months Ended September 30, 2024 vs. 2023			Nine Months Ended September 30, 2024 vs. 2023		
Components	**Volume**	**Rate**	**Total**	**Volume**	**Rate**	**Total**
Increase (decrease) in interest income:						
Securities purchased under agreements to resell	$ 43	$ —	$ 43	$ 30	$ 9	$ 39
Federal funds sold	(30)	—	(30)	(32)	13	(19)
MBS	14	8	22	43	56	99
Other investment securities	10	1	11	29	34	63
Advances	38	9	47	5	139	144
Mortgage loans held for portfolio	14	15	29	33	41	74
Other assets (interest-earning)	(5)	(1)	(6)	(10)	7	(3)
Total	84	32	116	98	299	397
Increase (decrease) in interest expense:						
Interest-bearing deposits	1	—	1	3	2	5
Discount notes	18	1	19	(85)	77	(8)
CO bonds	70	23	93	193	175	368
MRCS	—	1	1	—	3	3
Total	89	25	114	111	257	368
Increase (decrease) in net interest income	$ (5)	$ 7	$ 2	$ (13)	$ 42	$ 29

Average Balances. The average balances outstanding of interest-earning assets for the three months ended September 30, 2024 increased by 9% compared to the corresponding period in the prior year. The average balances of mortgage loans increased by 20% as a result of increases in purchases from our members. MBS and other investment securities increased by 10%, reflecting our goal to maintain investments in MBS near the 300% regulatory limit. The average balances of advances increased by 7%. The average balances outstanding of interest-bearing liabilities for the three months ended September 30, 2024 increased by 10% compared to the corresponding period in the prior year. The average balances of discount notes increased by 8%, while the average balances of CO bonds increased by 11%, reflecting increased funding needs associated with the net increase in the Bank's total average assets. As a result, the average balances of total interest-earning assets, net of interest-bearing liabilities, decreased by 3%.

The average balances outstanding of interest-earning assets for the nine months ended September 30, 2024 increased by 4% compared to the corresponding period in the prior year. The average balances of mortgage loans increased by 17% as a result of increases in purchases from our members. The average balances of MBS and other investment securities increased by 10%, reflecting our goal to maintain investments in MBS near the 300% regulatory limit. The average balances outstanding of interest-bearing liabilities for the nine months ended September 30, 2024 increased by 5% compared to the corresponding period in the prior year. The average balances of discount notes decreased by 11%, while the average balances of CO bonds increased by 11%, reflecting a change in the mix of funding. As a result, the average balances of total interest-earning assets, net of interest-bearing liabilities, decreased by 3%.

Yields/Cost of Funds. The average yield on total interest-earning assets, including the impact of hedging gains and (losses) but excluding certain impacts of trading securities, for the three months ended September 30, 2024 was 5.51%, an increase of 14 bps compared to the corresponding period in the prior year, resulting substantially from higher market interest rates that led to higher yields on most of our interest-earning assets. The average cost of funds of total interest-bearing liabilities, including the impact of hedging gains and losses but excluding certain impacts of hedging trading securities, for the three months ended September 30, 2024 was 5.20%, an increase of 16 bps due to higher funding costs on our interest-bearing liabilities, resulting substantially from higher market interest rates. The net effect was a decrease in the overall net interest spread of 2 bps compared to the corresponding period in the prior year.

The average yield on total interest-earning assets, including the impact of hedging gains and (losses) but excluding certain impacts of trading securities, for the nine months ended September 30, 2024 was 5.54%, an increase of 50 bps compared to the corresponding period in the prior year, resulting substantially from higher market interest rates that led to higher yields on our interest-earning assets. Such increase contributed to the increase in interest income on the portion of the Bank's assets funded by its interest-free capital. The average cost of funds of total interest-bearing liabilities, including the impact of hedging gains and losses but excluding certain impacts of hedging trading securities, for the nine months ended September 30, 2024 was 5.22%, an increase of 49 bps due to higher funding costs on all of our interest-bearing liabilities, resulting substantially from higher market interest rates. The net effect was an increase in the overall net interest spread of 1 bp compared to the corresponding period in the prior year.

Other Income. The following table presents a comparison of the components of other income ($ amounts in millions).

Components	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net unrealized gains on trading securities[1]	$ 25	$ 2	$ 24	$ 15
Net realized gains (losses) on trading securities[2]	—	—	(1)	(4)
Net gains on trading securities	25	2	23	11
Net gains (losses) on derivatives hedging trading securities	(23)	(3)	(19)	(15)
Net gains on other derivatives not designated as hedging instruments[3]	—	3	—	6
Net interest settlements on economic derivatives[4]	3	5	7	17
Net gains (losses) on derivatives	(20)	5	(12)	8
Net gains on extinguishment of debt	—	—	—	20
Change in fair value of investments indirectly funding the liabilities under the SERP	3	(1)	7	2
Net realized gains (losses) from sales of investment securities	—	(7)	2	(7)
Other, net	1	1	6	5
Total other income	$ 9	$ —	$ 26	$ 39

1 Includes impact of purchase discount (premium) recorded through mark-to-market gains (losses). Excludes impact of associated derivatives.
2 Includes, at maturity, 100% of original discount (premium) as gain (loss). Excludes impact of associated derivatives.
3 Includes swap termination fees received (paid) associated with sales of AFS securities.
4 Generally offsetting interest income on trading securities or interest expense on the associated funding is included in net interest income.

The increase in total other income for the three months ended September 30, 2024 compared to the corresponding period in the prior year was due substantially to realized losses from sales of investment securities in the corresponding period that did not occur in the current period.

The decrease in total other income for the nine months ended September 30, 2024 compared to the corresponding period in the prior year was due substantially to net gains on the extinguishment of consolidated obligations in the corresponding period that did not occur in the current period.

Other Expenses. The following table presents a comparison of the components of other expenses ($ amounts in millions).

	Three Months Ended September 30,		Nine Months Ended September 30,	
Components	**2024**	**2023**	**2024**	**2023**
Compensation and benefits	$ 15	$ 14	$ 46	$ 46
Other operating expenses	9	8	26	24
Finance Agency and Office of Finance	2	3	8	8
Voluntary allocations to AHP and/or related programs	10	—	17	6
Other	1	2	6	5
Total other expenses	$ 37	$ 27	$ 103	$ 89

The net increase in total other expenses for the three months ended September 30, 2024 compared to the corresponding period in the prior year was due to voluntary allocations to AHP and/or related programs.

The net increase in total other expenses for the nine months ended September 30, 2024 compared to the corresponding period in the prior year was due to an increase in voluntary allocations to AHP and/or related programs.

Our voluntary allocations to our AHP or other affordable housing, small business and community investment programs are part of the Bank's commitment to allocate voluntary funding in 2024 totaling $23 million, based on 5% of its net earnings for 2023. During the third quarter of 2024, the Bank also committed additional voluntary allocations of $10 million, raising the total voluntary allocation funding to $33 million, of which $17 million has been recognized. The timing of the recognition of such allocations in other expenses can vary due to the application of the accounting requirements related to unconditional promises to give.

AHP Assessments. For the three and nine months ended September 30, 2024, our required AHP expense was $11 million and $32 million, respectively. Our AHP expense fluctuates in accordance with our net earnings.

As a result, the Bank's combined required and voluntary allocation for the nine months ended September 30, 2024 totaled $49 million, an increase of $11 million, or 30%, compared to the corresponding period in the prior year.

Total Other Comprehensive Income (Loss). Total OCI for the three months ended September 30, 2024 and 2023 consisted substantially of net unrealized losses on AFS securities. Total OCI for the nine months ended September 30, 2024 consisted substantially of net unrealized gains on AFS securities compared to net unrealized losses for the corresponding period in the prior year. These amounts represent the portion of the changes in fair value that are not attributable to the risks being hedged in fair-value hedge relationships and were primarily impacted by changes in interest rates, credit spreads and volatility.

Operating Segments

Our products and services are grouped within two operating segments: traditional and mortgage loans.

Traditional. The following table presents the financial performance of our traditional segment ($ amounts in millions).

Traditional	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net interest income	$ 114	$ 115	$ 335	$ 318
Other income	9	—	26	39
Other expenses	32	23	91	77
Income before assessments	91	92	270	280
Affordable Housing Program assessments	10	9	28	29
Net income	$ 81	$ 83	$ 242	$ 251

The decrease in net income for the traditional segment for the three months ended September 30, 2024 compared to the corresponding period in the prior year was primarily due to voluntary allocations to AHP and/or related programs.

The decrease in net income for the traditional segment for the nine months ended September 30, 2024 compared to the corresponding period in the prior year was primarily due to net gains on the extinguishment of consolidated obligations in the corresponding period that did not occur in the current period and increased voluntary allocations to AHP and/or related programs, substantially offset by higher earnings on the portion of the Bank's assets funded by its capital.

Mortgage Loans. The following table presents the financial performance of our mortgage loans segment ($ amounts in millions).

Mortgage Loans	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net interest income	$ 16	$ 13	$ 49	$ 37
Provision for (reversal of) credit losses	—	—	—	—
Other income	—	—	—	—
Other expenses	5	4	12	12
Income before assessments	11	9	37	25
Affordable Housing Program assessments	1	1	4	2
Net income	$ 10	$ 8	$ 33	$ 23

The increase in net income for the mortgage loans segment for the three months ended September 30, 2024 compared to the corresponding period in the prior year was primarily due to an increase in the average balance outstanding of mortgage loans.

The increase in net income for the mortgage loans segment for the nine months ended September 30, 2024 compared to the corresponding period in the prior year was due to higher earnings on the portion of the Bank's mortgage loans funded by its capital and an increase in the average balance outstanding of mortgage loans.

Analysis of Financial Condition

Total Assets. The table below presents the comparative highlights of our major asset categories ($ amounts in millions).

	September 30, 2024		December 31, 2023	
Major Asset Categories	**Carrying Value**	**% of Total**	**Carrying Value**	**% of Total**
Advances	$ 38,600	48 %	$ 35,562	46 %
Mortgage loans held for portfolio, net	9,955	12 %	8,614	11 %
Cash and short-term investments	10,177	13 %	11,552	15 %
Trading securities	1,101	1 %	600	1 %
MBS	12,885	16 %	11,947	16 %
Other investment securities	7,447	9 %	7,504	10 %
Other assets[1]	894	1 %	829	1 %
Total assets	$ 81,059	100 %	$ 76,608	100 %

1 Includes accrued interest receivable, premises, software and equipment, derivative assets and other miscellaneous assets.

The mix of our assets at September 30, 2024 changed compared to December 31, 2023 in that advances as a percent of total assets increased from 46% to 48%, primarily as a result of an increase in advances outstanding.

Advances. In general, advances fluctuate in accordance with our members' funding needs, primarily determined by their deposit levels, mortgage pipelines, loan growth, investment opportunities, available collateral, other balance sheet strategies, and the cost of alternative funding options.

Advances at September 30, 2024 at carrying value totaled $38.6 billion, a net increase of $3.0 billion, or 9%, compared to December 31, 2023. Advances outstanding, at par, to our depository members increased by $2.5 billion, or 11%, and advances outstanding, at par, to our insurance company members increased by $137 million, or 1%, due to higher member demand for advances, especially for a particular short-term variable-rate product, to support their liquidity needs and manage their balance sheets in the current economic environment.

Our advances portfolio is well-diversified with advances to commercial banks and savings institutions, credit unions, and insurance companies. As a percent of total advances outstanding at par value, at September 30, 2024, advances to commercial banks and savings institutions were 50% and advances to credit unions were 15%, resulting in total advances to depository institutions of 65%, while advances to insurance companies were 35%.

The table below presents advances outstanding by type of financial institution ($ amounts in millions).

	September 30, 2024		December 31, 2023	
Borrower Type	**Par Value**	**% of Total**	**Par Value**	**% of Total**
Depository institutions:				
Commercial banks and savings institutions	$ 17,696	46 %	$ 15,282	42 %
Credit unions	5,591	15 %	5,471	15 %
Former members	1,606	4 %	1,617	5 %
Total depository institutions	24,893	65 %	22,370	62 %
Insurance companies:				
Captive insurance company[1]	—	— %	115	— %
Other insurance companies	13,638	35 %	13,386	38 %
Former members[2]	5	— %	5	— %
Total insurance companies	13,643	35 %	13,506	38 %
CDFIs	1	— %	1	— %
Total advances outstanding	$ 38,537	100 %	$ 35,877	100 %

1 Captive insurance companies that were admitted as FHLBank members prior to September 12, 2014, and did not meet the definition of "insurance company" or fall within another category of institution that is eligible for FHLBank membership under the Final Rule on FHLBank Membership, had their memberships terminated on February 19, 2021. The outstanding advances to the remaining captive insurer were repaid during the nine months ended September 30, 2024.

2 Other than captive insurance companies.

Our advances portfolio includes fixed- and variable-rate advances, as well as callable or prepayable and putable advances. Prepayable advances may be prepaid on specified dates without incurring repayment or termination fees. All other advances may only be prepaid by the borrower paying a fee that is sufficient to make us financially indifferent to the prepayment.

The following table presents the par value of advances outstanding by product type and redemption term, some of which contain call or put options ($ amounts in millions).

Product Type and Redemption Term	September 30, 2024 Par Value	September 30, 2024 % of Total	December 31, 2023 Par Value	December 31, 2023 % of Total
Fixed-rate:				
Without call or put options				
Due in 1 year or less	$ 9,880	26 %	$ 9,099	26 %
Due after 1 through 5 years	12,936	34 %	12,309	34 %
Due after 5 through 15 years	1,586	4 %	1,935	5 %
Thereafter	12	— %	14	— %
Total	24,414	64 %	23,357	65 %
Callable or prepayable				
Due after 1 through 5 years	5	— %	55	— %
Due after 5 through 15 years	36	— %	36	— %
Total	41	— %	91	— %
Putable				
Due after 1 through 5 years	1,548	4 %	1,041	3 %
Due after 5 through 15 years	4,374	11 %	5,134	15 %
Total	5,922	15 %	6,175	18 %
Total fixed-rate	30,377	79 %	29,623	83 %
Variable-rate:				
Without call or put options				
Due in 1 year or less	100	— %	311	1 %
Due after 1 through 5 years	510	1 %	410	1 %
Due after 5 through 15 years	—	— %	50	— %
Total	610	1 %	771	2 %
Callable or prepayable				
Due in 1 year or less	2,874	7 %	370	1 %
Due after 1 through 5 years	2,842	8 %	3,335	9 %
Due after 5 through 15 years	1,441	4 %	1,412	4 %
Thereafter	393	1 %	366	1 %
Total	7,550	20 %	5,483	15 %
Total variable-rate	8,160	21 %	6,254	17 %
Overdrawn demand and overnight deposit accounts	—	— %	—	— %
Total advances	$ 38,537	100 %	$ 35,877	100 %

The mix of fixed- vs. variable-rate advances at September 30, 2024 changed from December 31, 2023, due primarily to an increase in member demand for a particular short-term variable-rate advance product. At September 30, 2024 and December 31, 2023, fixed-rate advances included $23.1 billion and $22.0 billion, respectively, that are swapped to effectively create variable-rate advances, consistent with our balance sheet strategies to manage interest-rate risk.

During the nine months ended September 30, 2024, the par value of advances due in one year or less increased by 31%, while advances due after one year decreased by 2%. As a result, advances due in one year or less, as a percentage of the total outstanding at par, totaled 33% at September 30, 2024, an increase from 27% at December 31, 2023. However, based on the earlier of the redemption or next put date, advances due in one year or less, as a percentage of the total outstanding, at par, at September 30, 2024 and December 31, 2023 totaled 45% and 39%, respectively. For additional information, see *Notes to Financial Statements - Note 4 - Advances*.

The following table presents our variable-rate advances outstanding by the associated interest-rate index ($ amounts in millions).

Variable Interest-Rate Index	**September 30, 2024**	**December 31, 2023**
SOFR	$ 2,605	$ 2,856
FHLBanks cost of funds	3,140	3,151
EFFR	2,319	—
Other	96	247
Total variable-rate advances, at par value	$ 8,160	$ 6,254

Mortgage Loans Held for Portfolio. Mortgage loans held for portfolio at September 30, 2024, at carrying value, totaled $10.0 billion, a net increase of $1.3 billion, or 16%, from December 31, 2023, as the Bank's purchases from its members exceeded principal repayments by borrowers.

The following table summarizes the activity in the UPB of mortgage loans held for portfolio ($ amounts in millions).

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
Mortgage Loans Activity	**2024**	**2023**	**2024**	**2023**
Balance, beginning of period	$ 9,216	$ 7,747	$ 8,453	$ 7,533
Purchases	792	552	1,951	1,090
Principal repayments	(249)	(194)	(645)	(518)
Balance, end of period	$ 9,759	$ 8,105	$ 9,759	$ 8,105

Purchases during the current periods increased compared to the corresponding prior periods due primarily to strong demand by our members to participate in our Advantage MPP. All of our mortgage loans have fixed interest rates. Fluctuations in mortgage market interest rates during the current periods resulted in modestly higher levels of prepayments by our borrowers compared to the corresponding prior periods.

Liquidity and Other Investment Securities. The following table presents a comparison of the components of our liquidity investments and other investment securities at carrying value ($ amounts in millions).

	September 30, 2024		December 31, 2023	
Components	**Carrying Value**	**% of Total**	**Carrying Value**	**% of Total**
Liquidity investments:				
Cash and short-term investments:				
Cash and due from banks	$ 55	— %	$ 59	— %
Interest-bearing deposits	1,022	3 %	892	3 %
Securities purchased under agreements to resell	7,000	22 %	6,500	20 %
Federal funds sold	2,100	7 %	4,101	13 %
Total cash and short-term investments	10,177	32 %	11,552	36 %
Trading securities:				
U.S. Treasury obligations	1,101	4 %	600	2 %
Total trading securities	1,101	4 %	600	2 %
Total liquidity investments	11,278	36 %	12,152	38 %
Other investment securities:				
AFS securities:				
U.S. Treasury obligations	5,825	18 %	5,697	18 %
GSE and TVA debentures	1,622	5 %	1,807	6 %
GSE multifamily MBS	7,101	23 %	6,690	21 %
Total AFS securities	14,548	46 %	14,194	45 %
HTM securities:				
Other U.S. obligations single-family MBS	3,704	12 %	4,010	13 %
GSE single-family MBS	1,537	5 %	684	2 %
GSE multifamily MBS	543	1 %	563	2 %
Total HTM securities	5,784	18 %	5,257	17 %
Total other investment securities	20,332	64 %	19,451	62 %
Total cash and investments, carrying value	$ 31,610	100 %	$ 31,603	100 %

Liquidity Investments. The total outstanding balance and composition of our liquidity investments are influenced by our liquidity needs, regulatory requirements, actual and anticipated member advance activity, market conditions, and the availability of short-term investments at attractive interest rates, relative to our cost of funds.

Cash and short-term investments at September 30, 2024 totaled $10.2 billion, a decrease of $1.4 billion, or 12%, from December 31, 2023. As a result, cash and short-term investments as a percent of total assets decreased to 13% at September 30, 2024, compared to 15% at December 31, 2023.

The Bank purchases U.S. Treasury obligations as trading securities to enhance its liquidity. Such securities outstanding at September 30, 2024 totaled $1.1 billion, an increase of $501 million, or 84%, from December 31, 2023 due to the Bank's intent to purchase shorter-term U.S. Treasury obligations as part of its ongoing liquidity management.

Liquidity investments at September 30, 2024 totaled $11.3 billion, a decrease of $874 million, or 7%, from December 31, 2023.

Other Investment Securities. AFS securities at September 30, 2024 totaled $14.5 billion, a net increase of $354 million, or 2%, from December 31, 2023.

Net unrealized losses on AFS securities, excluding the portion of the changes in fair value that are attributable to the risks being hedged in fair-value hedging relationships, at September 30, 2024 totaled $(1) million, compared to net unrealized losses at December 31, 2023 of $(60) million, primarily due to changes in interest rates, credit spreads and volatility.

HTM securities at September 30, 2024 totaled $5.8 billion, a net increase of $527 million, or 10%, from December 31, 2023.

Net unrecognized losses on HTM securities at September 30, 2024 totaled $(48) million, a decrease in the net losses of $30 million compared to December 31, 2023, primarily due to changes in interest rates, credit spreads and volatility.

Interest-Rate Payment Terms. Our other investment securities are presented below by interest-rate payment terms ($ amounts in millions).

	September 30, 2024		December 31, 2023	
Interest-Rate Payment Terms	**Amortized Cost**	**% of Total**	**Amortized Cost**	**% of Total**
AFS Securities[1]:				
Total non-MBS fixed-rate	$ 7,434	51 %	$ 7,501	53 %
Total MBS fixed-rate	7,115	49 %	6,753	47 %
Total AFS securities	$ 14,549	100 %	$ 14,254	100 %
HTM Securities:				
Total MBS fixed-rate	$ 197	3 %	$ 199	4 %
Total MBS variable-rate	5,587	97 %	5,058	96 %
Total HTM securities	$ 5,784	100 %	$ 5,257	100 %
AFS and HTM securities:				
Total fixed-rate	$ 14,746	73 %	$ 14,453	74 %
Total variable-rate	5,587	27 %	5,058	26 %
Total AFS and HTM securities	$ 20,333	100 %	$ 19,511	100 %

1 Carrying value for AFS is equal to estimated fair value.

The mix of fixed- vs. variable-rate AFS and HTM securities at September 30, 2024 remained consistent with December 31, 2023. However, all of the fixed-rate AFS securities are swapped to effectively create variable-rate securities, consistent with our balance sheet strategies to manage interest-rate risk. All of our variable-rate MBS are indexed to SOFR.

Total Liabilities. Total liabilities at September 30, 2024 were $76.9 billion, a net increase of $4.1 billion, or 6%, from December 31, 2023.

Deposits (Liabilities). Total deposits at September 30, 2024 were $747 million, a net increase of $118 million, or 19%, from December 31, 2023. These deposits provide a relatively small portion of our funding but can fluctuate from period to period and vary depending upon such factors as the attractiveness of our deposit pricing relative to the rates available on alternative money market instruments, members' preferences with respect to the maturity of their investments, and members' liquidity. The balances of these accounts are uninsured.

Consolidated Obligations. The overall balance of our consolidated obligations fluctuates in relation to our total assets. The carrying value of consolidated obligations outstanding at September 30, 2024 totaled $75.0 billion, a net increase of $3.9 billion, or 6%, from December 31, 2023, which reflected increased funding needs associated with the net increase in the Bank's total assets.

The following table presents a breakdown by term of our consolidated obligations outstanding ($ amounts in millions).

	September 30, 2024		December 31, 2023	
Term	**Par Value**	**% of Total**	**Par Value**	**% of Total**
Consolidated obligations due in 1 year or less:				
Discount notes	$ 19,723	26 %	$ 22,737	31 %
CO bonds	22,881	30 %	20,137	28 %
Total due in 1 year or less	42,604	56 %	42,874	59 %
Long-term CO bonds	33,258	44 %	29,690	41 %
Total consolidated obligations	$ 75,862	100 %	$ 72,564	100 %

The mix of our funding changed from December 31, 2023 as long-term CO bonds comprised a larger portion of consolidated obligations outstanding at September 30, 2024. We continue to seek to maintain a sufficient liquidity and funding balance between our financial assets and financial liabilities.

At September 30, 2024 and December 31, 2023, callable CO bonds were 52% and 72%, respectively, of total CO bonds outstanding. The decrease resulted from less favorable market opportunities to issue callable CO bonds.

At September 30, 2024 and December 31, 2023, 76% and 82%, respectively, of our fixed-rate CO bonds were swapped using derivative instruments to effectively create variable-rate CO bonds, consistent with our balance sheet strategies to manage interest-rate risk. All of our variable-rate CO bonds outstanding at September 30, 2024 and December 31, 2023 were indexed to SOFR.

Derivatives. The volume of derivative hedges is often expressed in terms of notional amounts, which is the amount upon which interest payments are calculated. The following table presents the notional amounts by type of hedged item regardless of whether it is in a qualifying hedge relationship ($ amounts in millions).

Hedged Item	**September 30, 2024**	**December 31, 2023**
Advances	$ 23,065	$ 21,950
Investments	17,282	16,713
Mortgage loans MDCs	459	115
CO bonds	29,430	38,094
Discount notes	6,615	—
Total notional outstanding	$ 76,851	$ 76,872

The total notional amount outstanding at September 30, 2024 was consistent with the amount outstanding at December 31, 2023. The decrease in derivatives hedging CO bonds was driven primarily by an increase in simple variable-rate CO bonds outstanding. Substantially offsetting that decrease was the use of economic derivatives hedging discount notes to mitigate the impact of changes in market interest rates.

The following table presents the notional amounts of derivatives by pay or receive leg ($ amounts in millions).

	September 30, 2024		**December 31, 2023**	
Interest rate swaps outstanding	**Pay Leg**	**Receive Leg**	**Pay Leg**	**Receive Leg**
Fixed rate	$ 40,806	$ 37,410	$ 38,778	$ 39,019
SOFR	30,491	33,216	31,879	31,390
EFFR	5,554	6,225	6,215	6,463
Total notional	$ 76,851	$ 76,851	$ 76,872	$ 76,872

The following table presents the cumulative impact of fair-value hedging basis adjustments on our statement of condition ($ amounts in millions).

	September 30, 2024			
	Advances	**AFS Securities**	**CO Bonds**	**Total**
Cumulative fair-value hedging basis gains (losses) on hedged items	$ 60	$ (492)	$ 799	$ 367
Estimated fair value of associated derivatives, net	(53)	661	(797)	(189)
Net cumulative fair-value hedging gains	$ 7	$ 169	$ 2	$ 178

Substantially all of the net cumulative fair-value hedging gains on AFS securities resulted from a previous strategy of terminating certain interest-rate swaps associated with certain MBS and entering into hedging relationships with new interest-rate swaps in connection with our London Interbank Offered Rate (LIBOR) transition. Such gains include hedging basis adjustments that are being amortized into earnings as interest expense over the life of the original swap, but are generally being offset by the lower interest expense on the new swaps.

Total Capital. Total capital at September 30, 2024 was $4.1 billion, a net increase of $383 million, or 10%, from December 31, 2023. The net increase resulted from issuances of capital stock to support advance activity, the growth in retained earnings and an increase in AOCI.

The following table presents a percentage breakdown of the components of GAAP capital.

Components	**September 30, 2024**	**December 31, 2023**
Capital stock	60 %	61 %
Retained earnings	40 %	41 %
AOCI	— %	(2)%
Total GAAP capital	100 %	100 %

The changes in the components of GAAP capital at September 30, 2024 compared to December 31, 2023 were primarily due to an increase in AOCI.

The following table presents a reconciliation of GAAP capital to regulatory capital ($ amounts in millions).

Reconciliation	**September 30, 2024**	**December 31, 2023**
Total GAAP capital	$ 4,127	$ 3,744
Exclude: Accumulated other comprehensive (income) loss	17	73
Add: MRCS	363	369
Total regulatory capital	$ 4,507	$ 4,186

Liquidity

Our primary sources of liquidity are holdings of liquid assets, comprised of cash, short-term investments, and trading securities, as well as the issuance of consolidated obligations.

During the nine months ended September 30, 2024, we maintained sufficient access to funding; our net proceeds from the issuance of consolidated obligations totaled $642.0 billion.

Changes in Cash Flow. Net cash used in operating activities for the nine months ended September 30, 2024 was $(135) million, compared to net cash provided by operating activities for the nine months ended September 30, 2023 of $741 million. The net decrease in cash provided of $876 million was substantially due to the fluctuation in variation margin payments on cleared derivatives. Such payments are treated by the Clearinghouses as daily settled contracts.

Capital Resources

Total Regulatory Capital Stock. The following table provides a breakdown of our outstanding capital stock and MRCS by type of member ($ amounts in millions).

	September 30, 2024		December 31, 2023	
Type of Member	**Amount**	**% of Total**	**Amount**	**% of Total**
Capital Stock:				
Depository institutions:				
Commercial banks and savings institutions	$ 1,178	41 %	$ 1,031	39 %
Credit unions	478	17 %	461	17 %
Total depository institutions	1,656	58 %	1,492	56 %
Insurance companies	820	29 %	793	30 %
CDFIs	—	— %	—	— %
Total capital stock, putable at par value	2,476	87 %	2,285	86 %
MRCS:				
Captive insurance company[1]	—	— %	5	— %
Other former members	363	13 %	364	14 %
Total MRCS	363	13 %	369	14 %
Total regulatory capital stock	$ 2,839	100 %	$ 2,654	100 %

[1] Balance at December 31, 2023 represents Class B stock held by one captive insurance company whose membership was terminated on February 19, 2021. The stock was not past its contractual redemption date, but was redeemed when the associated advances were repaid during the nine months ended September 30, 2024.

Required and Excess Capital Stock. The following table presents the composition of our regulatory capital stock ($ amounts in millions).

Components	**September 30, 2024**	**December 31, 2023**
Required capital stock:		
Member capital stock	$ 1,966	$ 1,800
MRCS	73	79
Total required capital stock	2,039	1,879
Excess capital stock:		
Member capital stock not subject to outstanding redemption requests	510	485
Member capital stock subject to outstanding redemption requests	—	—
MRCS	290	290
Total excess capital stock	800	775
Total regulatory capital stock	$ 2,839	$ 2,654
Excess stock as a percentage of regulatory capital stock	28 %	29 %

The net increase in total regulatory capital stock was substantially due to issuances of capital stock to support increases in advance activity. During the nine months ended September 30, 2024, the Bank voluntarily repurchased excess member stock totaling $81 million to reduce the amount of outstanding excess stock relative to the Bank's total assets.

Capital Distributions. The total amount of the dividend to be paid is based on the declared dividend rate for each sub-series of Class B capital stock and the average number of shares of each sub-series held by members during the dividend payment period (applicable quarter). The following table summarizes our weighted-average dividend rate and dividend payout ratio.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Weighted-average dividend rate[1]	7.82 %	5.88 %	7.70 %	5.40 %
Dividend payout ratio[2]	52.24 %	38.88 %	50.66 %	33.32 %

1 Annualized dividends paid in cash during the period, including the portion recorded as interest expense on MRCS, divided by the average amount of Class B stock eligible for dividends under our capital plan, including MRCS, for that same period.

2 Dividends paid in cash during the period, excluding the portion recorded as interest expense on MRCS, divided by net income for that same period.

On October 29, 2024, our board of directors declared a cash dividend on Class B-2 activity-based stock at an annualized rate of 9.50% and on Class B-1 non-activity-based stock at an annualized rate of 4.50%, resulting in a spread between the rates of 5.00 percentage points. The overall weighted-average annualized rate paid on capital stock, including MRCS, was 7.91%. The dividends were paid in cash on October 30, 2024.

Adequacy of Capital. We must maintain sufficient permanent capital to meet the combined credit risk, market risk and operational risk components of the risk-based capital requirement. The following table presents our risk-based capital requirement in relation to our permanent capital at September 30, 2024 and December 31, 2023 ($ amounts in millions).

Risk-Based Capital Components	September 30, 2024	December 31, 2023
Credit risk	$ 172	$ 211
Market risk	779	771
Operational risk	285	295
Total risk-based capital requirement	$ 1,236	$ 1,277
Permanent capital	$ 4,507	$ 4,186
Permanent capital as a percentage of required risk-based capital	365 %	328 %

The decrease in our total risk-based capital requirement was primarily caused by a decrease in the credit risk component due to changes in the balance sheet composition and classification. The operational risk component is calculated as 30% of the credit and market risk components. Our permanent capital at September 30, 2024 remained well in excess of our total risk-based capital requirement.

Critical Accounting Estimates

A full discussion of our critical accounting estimates is included in *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates* in our 2023 Form 10-K.

Recent Accounting and Regulatory Developments

Accounting Developments. For a description of how recent accounting developments may impact our financial condition, results of operations or cash flows, see *Notes to Financial Statements - Note 2 - Recently Adopted and Issued Accounting Guidance*.

Legislative and Regulatory Developments. The following is a summary of significant regulatory actions and developments for the period covered by this report that have not been previously disclosed. See *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Legislative and Regulatory Developments* in our 2023 Form 10-K and in our Form 10-Qs for the periods ended March 31, 2024 and June 30, 2024, for a description of certain legislative and regulatory developments that occurred prior to the publication of those reports.

Advisory Bulletin on FHLBank Member Credit Risk Management. On September 27, 2024, the Finance Agency issued an advisory bulletin setting forth Finance Agency's expectations that an FHLBank's underwriting and credit decisions should reflect a member's financial condition and not rely solely on the collateral securing the member's credit obligations. The advisory bulletin provides guidance for the FHLBanks to implement policies for credit risk governance, member credit assessment and monitoring of credit conditions, among other considerations. It also provides guidance on the oversight of members in financial distress by recommending implementation of escalation policies, processes for coordination with members' prudential regulators, and management policies addressing default, failure, and insolvency situations. We are evaluating this advisory bulletin relative to our current member credit risk management policies and procedures to assess its potential impact on us and our operations.

Advisory Bulletin on Federal Home Loan Bank System Climate-Related Risk Management. On September 30, 2024, the Finance Agency issued an advisory bulletin setting forth the FHFA's expectation that each FHLBank should integrate climate-related risk management into its existing enterprise risk management framework over time. The advisory bulletin provides that an effective framework should address climate-related risk governance, such as selection of the related risk appetite and setting strategy and objectives, establishing and implementing plans to mitigate and monitor and report material exposures to such risks, and establishing roles and responsibilities for the board of directors and management. The advisory bulletin requires the FHLBanks to establish metrics that track exposure to climate-related risks and collect related data to quantify risk exposures, conduct climate-related scenario analyses, implement processes to report and communicate climate-related risks to internal stakeholders, and have a plan to respond to natural disasters and support climate resiliency. We are evaluating the potential impact of the advisory bulletin on us and our operations.

Proposed Rule on Unsecured Credit Limits for Federal Home Loan Banks. On October 3, 2024, the Finance Agency published a proposed rule with a comment deadline of December 2, 2024 to amend the Finance Agency's regulation on capital requirements (the Capital Regulation) to modify unsecured credit limits for FHLBanks. The proposed rule would include interest bearing deposit accounts (IBDAs) in a category of authorized overnight investments that would be excluded from the general limit on unsecured credit to a single counterparty. IBDAs are non-maturity deposits in approved counterparties which may be used to manage liquidity. The proposed rule would, among other things, increase the frequency of the required performance of certain capital calculations and clarify that certain non-interest-bearing deposit accounts (such as settlement, payment or other transactional accounts) are to be considered unsecured extensions of credit subject to the Capital Regulation's unsecured general or overall (less restrictive) limit. Although excluding IBDAs from the general unsecured credit limit could provide greater flexibility for our liquidity management, several of the other proposed changes, if adopted, could result in significant changes to our current business processes. We are evaluating the potential impact of the proposed rule on us and our operations.

Proposed Rule on FHLBank System Boards of Directors and Executive Management. On October 21, 2024, the Finance Agency proposed revisions to its regulations addressing boards of directors and overall corporate governance of the FHLBanks and the Office of Finance. The comment deadline is February 3, 2025. If adopted as presented, the proposed rule would, among other things: (i) impact director compensation by allowing the Director of the Finance Agency to establish an annual amount of director compensation that the Director determines is reasonable; (ii) require us to complete and submit background checks to the Finance Agency on every nominee for a directorship; (iii) impact public interest independent director qualifications, in part by requiring a person to have advocated for, or otherwise acted primarily on behalf of or for the direct benefit of, consumers or the community to meet the representation requirement; (iv) expand the list of qualifying experiences for our independent directors to include artificial intelligence, information technology and security, climate-related risk, CDFIs, business models, and modeling; and (v) establish a review process for director performance and participation, together with a process for removing directors for cause. Other proposed revisions address, among other things, FHLBank conflict of interests policies applicable to all employees, including specific limitations on executive officers and senior management and record retention. While some proposed revisions would codify existing guidance and practice, several of the proposed revisions could result in significant changes impacting the nomination, election and retention of directors for our board. Additional director eligibility requirements and limitations on and potential reductions or limitations to director compensation resulting from the proposed rule could hinder our ability to recruit and retain the talent and expertise that are critical to our ability to satisfy our mission, particularly given the growing complexities of the finance industry. We continue to analyze the impact that the proposed rule could have on us.

Risk Management

We have exposure to a number of risks in pursuing our business objectives. These risks may be broadly classified as market, credit, liquidity, operational, and business. Market risk is discussed in *Item 3. Quantitative and Qualitative Disclosures about Market Risk*. For additional information, see *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Management* in our 2023 Form 10-K.

Credit Risk Management. We face credit risk on advances and other credit products, investments, mortgage loans, derivative financial instruments, and AHP grants.

Advances and Other Credit Products.

Concentration. Our credit risk is magnified due to the concentration of advances in a few borrowers. As of September 30, 2024, our top borrower held 12% of total advances outstanding, at par, and our top five borrowers held 39% of total advances outstanding, at par. Because of this concentration in advances, we perform frequent credit and collateral reviews on our largest borrowers. In addition, we regularly analyze the implications to our financial management and profitability if we were to lose the business of one or more of these borrowers. The following table presents the par value of advances outstanding to our largest borrowers ($ amounts in millions).

	September 30, 2024	
Borrower	**Amount**	**% of Total**
Old National Bank	$ 4,475	12 %
Merchants Bank of Indiana	3,372	9 %
The Lincoln National Life Insurance Company	3,200	8 %
Delaware Life Insurance Company	2,038	5 %
Jackson National Life Insurance Company	1,960	5 %
Subtotal - five largest borrowers	15,045	39 %
Next five largest borrowers	7,618	20 %
Remaining borrowers	15,874	41 %
Total advances, par value	$ 38,537	100 %

Investments. We are also exposed to credit risk through our investment portfolio. Our policies restrict the acquisition of investments to high-quality, short-term money market instruments and high-quality long-term securities.

The following table presents the unsecured investment credit exposure to private counterparties, categorized by the domicile of the counterparty's ultimate parent, based on the lowest of the counterparty's NRSRO long-term credit ratings, stated in terms of the S&P equivalent. The table does not reflect the foreign sovereign government's credit rating ($ amounts in millions).

	September 30, 2024		
Country	**AA**	**A**	**Total**
Domestic	$ —	$ 1,022	$ 1,022
Australia	800	—	800
Canada	—	700	700
Finland	200	—	200
Netherlands	—	400	400
Total unsecured credit exposure	$ 1,000	$ 2,122	$ 3,122

Trading Securities. Our liquidity portfolio includes shorter-term U.S. Treasury obligations, which are direct obligations of the U.S. government and are classified as trading securities.

Other Investment Securities. Our long-term investments include MBS guaranteed by the housing GSEs (Fannie Mae and Freddie Mac), other U.S. obligations - guaranteed MBS (Ginnie Mae), longer-term U.S. Treasury obligations, and debentures issued by Fannie Mae, Freddie Mac, the TVA and the Federal Farm Credit Banks.

A Finance Agency regulation provides that the total amount of our investments in MBS, calculated using amortized historical cost excluding the impact of certain derivatives adjustments, must not exceed 300% of our total regulatory capital, as of the day we purchase the securities, based on the capital amount most recently reported to the Finance Agency. If our outstanding investments in MBS exceed the limitation at any time, but were in compliance at the time we purchased the investments, we would not be considered out of compliance with the regulation, but we would not be permitted to purchase additional investments in MBS until these outstanding investments were within the limitation. Generally, our goal is to maintain investments in MBS near the 300% regulatory limit in order to enhance earnings and capital for our members and diversify our revenue stream. At September 30, 2024, these investments totaled 295% of total regulatory capital.

The following table presents the carrying values of our investments, excluding accrued interest, grouped by credit rating and investment category. Applicable rating levels are determined using the lowest relevant long-term rating from S&P and Moody's, each stated in terms of the S&P equivalent. Rating modifiers are ignored when determining the applicable rating level for a given counterparty. Amounts reported do not reflect any subsequent changes in ratings, outlook, or watch status ($ amounts in millions).

	September 30, 2024			
Investment	**AA**	**A**	**Unrated[1]**	**Total**
Short-term investments:				
Interest-bearing deposits	$ —	$ 1,022	$ —	$ 1,022
Securities purchased under agreements to resell	—	6,600	400	7,000
Federal funds sold	1,000	1,100	—	2,100
Total short-term investments	1,000	8,722	400	10,122
Trading securities:				
U.S. Treasury obligations	1,101	—	—	1,101
Total trading securities	1,101	—	—	1,101
Other investment securities:				
U.S. Treasury obligations	5,825	—		5,825
GSE and TVA debentures	1,622	—	—	1,622
GSE MBS	9,181	—	—	9,181
Other U.S. obligations single-family MBS	3,704	—	—	3,704
Total other investment securities	20,332	—	—	20,332
Total investments, carrying value	$ 22,433	$ 8,722	$ 400	$ 31,555
Percentage of total	71 %	28 %	1 %	100 %

1 Although the counterparty is unrated, the underlying collateral supporting these investments are U.S. Treasury obligations with a rating of AA.

Mortgage Loans Held for Portfolio. The following table presents the changes in the LRA ($ amounts in millions).

LRA Activity	**Three Months Ended September 30, 2024**	**Nine Months Ended September 30, 2024**
Liability, beginning of period	$ 240	$ 243
Additions	10	24
Claims paid	—	—
Distributions to Participating Financial Institutions	(1)	(18)
Liability, end of period	$ 249	$ 249

Derivatives. The following table presents key information on derivative positions with counterparties on a settlement date basis using the lower credit rating from S&P and Moody's, stated in terms of the S&P equivalent ($ amounts in millions).

	September 30, 2024			
Counterparty and Credit Rating	**Notional Amount**	**Net Estimated Fair Value Before Collateral**	**Cash Collateral Pledged To (From) Counterparties**	**Net Credit Exposure**
Non-member counterparties:				
Asset positions with credit exposure				
Uncleared derivatives - A	$ 8,047	$ 114	$ (106)	$ 8
Cleared derivatives[1]	34,651	56	506	562
Liability positions with credit exposure				
Uncleared derivatives - A	9,543	(123)	124	1
Uncleared derivatives - BBB	1,213	(8)	9	1
Total derivative positions with credit exposure to non-member counterparties	53,454	39	533	572
Total derivative positions with credit exposure to member institutions[2]	44	—	—	—
Subtotal - derivative positions with credit exposure	53,498	$ 39	$ 533	$ 572
Derivative positions without credit exposure	23,353			
Total derivative positions	$ 76,851			

1 Represents derivative transactions cleared by two Clearinghouses, each rated AA-.
2 Includes MDCs from member institutions under our MPP.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Measuring Market Risks

To evaluate market risk, we utilize multiple risk measurements, including Value-at-Risk, duration of equity, convexity, changes in MVE, duration gap, and earnings at risk. Periodically, we conduct stress tests to measure and analyze the effects that extreme movements in the level of interest rates and the shape of the yield curve would have on our risk position.

Key Metrics. The following table presents certain market and interest-rate metrics under different interest-rate scenarios ($ amounts in millions).

	September 30, 2024				
Key Metric	**Down 200**	**Down 100**	**Base**	**Up 100**	**Up 200**
MVE	$ 4,502	$ 4,478	$ 4,426	$ 4,364	$ 4,293
Percent change in MVE from base	1.7 %	1.2 %	— %	(1.4)%	(3.0)%
MVE/book value of equity	100.3 %	99.7 %	98.6 %	97.2 %	95.6 %
Duration of equity	0.2	0.9	1.4	1.5	1.8

	December 31, 2023				
Key Metric	**Down 200**	**Down 100**	**Base**	**Up 100**	**Up 200**
MVE	$ 4,134	$ 4,153	$ 4,143	$ 4,108	$ 4,055
Percent change in MVE from base	(0.2)%	0.3 %	— %	(0.8)%	(2.1)%
MVE/book value of equity	100.5 %	101.0 %	100.7 %	99.9 %	98.6 %
Duration of equity	(0.9)	(0.1)	0.5	1.1	1.4

The changes in these key metrics from December 31, 2023 resulted primarily from the change in market value of the Bank's assets and liabilities in response to changes in the market environment, model enhancements, changes in portfolio composition and our hedging strategies.

Duration Gap. The base case duration gap at September 30, 2024 and December 31, 2023 was 0.05% and 0.00% , respectively.

For additional information about our use of derivative hedges, see *Item 7A. Quantitative and Qualitative Disclosures About Market Risk - Use of Derivative Hedges* in our 2023 Form 10-K.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We are responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in our reports filed under the Exchange Act is: (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (b) accumulated and communicated to our management, including our principal executive officer, principal financial officer, and principal accounting officer, to allow timely decisions regarding required disclosures.

As of September 30, 2024, we conducted an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (the principal executive officer), Chief Financial Officer (the principal financial officer) and Chief Accounting Officer (the principal accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. In making this assessment, our management used the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded that our disclosure controls and procedures were effective as of September 30, 2024.

Internal Control Over Financial Reporting

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting, as defined in rules 13a-15(f) and 15(d)-15(f) of the Exchange Act, that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls. We do not expect that our disclosure controls and procedures and other internal controls will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can only be reasonable assurance that any design will succeed in achieving its stated goals under all potential future conditions. Additionally, over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Part II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

In the ordinary course of business, we may from time to time become a party to lawsuits involving various business matters. We are unaware of any lawsuits presently pending which, individually or in the aggregate, could have a material effect on our financial condition or results of operations.

Item 1A. RISK FACTORS

There have been no material changes in the risk factors described in *Item 1A. Risk Factors* of our 2023 Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	**Description**
31.1	Certification of the President - Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Executive Vice President - Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	Certification of the Senior Vice President - Chief Accounting Officer pursuant to Section 302 of the Sarbanes - Oxley Act of 2002
32	Certification of the President - Chief Executive Officer, Executive Vice President - Chief Financial Officer, and Senior Vice President - Chief Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL)

* These documents are incorporated by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FEDERAL HOME LOAN BANK
OF INDIANAPOLIS

November 12, 2024	By:	/s/ K. LOWELL SHORT, JR.
	Name:	K. Lowell Short, Jr.
	Title:	Senior Vice President - Chief Accounting Officer

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Cindy L. Konich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Federal Home Loan Bank of Indianapolis;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2024

By: /s/ CINDY L. KONICH

Name: Cindy L. Konich

Title: President - Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Gregory L. Teare, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Federal Home Loan Bank of Indianapolis;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2024

By: /s/ GREGORY L. TEARE

Name: Gregory L. Teare

Title: Executive Vice President - Chief Financial Officer

Exhibit 31.3

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, K. Lowell Short, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Federal Home Loan Bank of Indianapolis;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2024

By: /s/ K. LOWELL SHORT, JR.

Name: K. Lowell Short, Jr.

Title: Senior Vice President - Chief Accounting Officer

Exhibit 32

SECTION 1350 CERTIFICATIONS

In connection with the quarterly report of the Federal Home Loan Bank of Indianapolis ("Bank") on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof ("Report"), each of the undersigned officers certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

By: /s/ CINDY L. KONICH
Cindy L. Konich
President - Chief Executive Officer
November 12, 2024

By: /s/ GREGORY L. TEARE
Gregory L. Teare
Executive Vice President - Chief Financial Officer
November 12, 2024

By: /s/ K. LOWELL SHORT, JR.
K. Lowell Short, Jr.
Senior Vice President - Chief Accounting Officer
November 12, 2024