

**Federal Home Loan Bank of  
New York**  
Financial Statements  
March 31, 2005

**Federal Home Loan Bank of New York**  
**Statements of Condition – Unaudited (in thousands, except par values)**  
**March 31, 2005 and December 31, 2004**

	<b>March 31, 2005</b>	<b>December 31, 2004</b>
<b>Assets</b>		
Cash and due from banks	\$ 27,814	\$ 22,376
Interest-bearing deposits, includes \$0.5 billion pledged at March 31, 2005, and \$1.1 billion at December 31, 2004	3,976,271	2,806,870
Federal funds sold	3,090,000	2,972,000
Available-for-sale securities, net of unrealized gain of \$2.5 million at March 31, 2005 and \$2.2 million at December 31, 2004	678,620	713,363
Held-to-maturity securities, includes \$0 pledged at March 31, 2005 and December 31, 2004	11,509,871	11,870,674
Advances	62,711,092	68,507,487
Mortgage loans, net of allowance for credit losses of \$541 at March 31, 2005, and \$507 at December 31, 2004	1,307,578	1,178,083
Accrued interest receivable	323,415	315,768
Premises and equipment, net	12,598	13,030
Derivative assets	11,627	11,048
Other assets	27,829	28,261
<b>Total assets</b>	<b>\$ 83,676,715</b>	<b>\$ 88,438,960</b>
<b>Liabilities and capital</b>		
<b>Liabilities</b>		
Deposits		
Interest-bearing demand	\$ 2,250,410	\$ 2,194,359
Non-interest bearing demand	1,139	1,660
Term	20,600	101,000
Total deposits	2,272,149	2,297,019
Consolidated obligations		
Bonds	59,940,328	60,515,356
Discount Notes	16,080,634	19,641,626
Total consolidated obligations	76,020,962	80,156,982
Mandatorily redeemable capital stock	35,728	126,581
Accrued interest payable	478,606	437,743
Affordable Housing Program	83,025	81,580
Payable to REFCORP	13,497	9,966
Derivative liabilities	869,403	1,372,195
Other liabilities	85,055	77,764
<b>Total liabilities</b>	<b>79,858,425</b>	<b>84,559,830</b>
<b>Commitments and Contingencies</b>		
<b>Capital</b>		
Capital stock (\$100 par value), putable, issued and outstanding 35,515 at March 31, 2005, and 36,550 at December 31, 2004	3,551,541	3,655,047
Unrestricted retained earnings	253,925	223,434
Restricted retained earnings	1,343	-
Accumulated other comprehensive income (loss)		
Net unrealized gain on available-for-sale securities	2,527	2,240
Net unrealized gain on hedging activities	11,443	898
Additional minimum liability on benefits equalization plan	(2,489)	(2,489)
<b>Total capital</b>	<b>3,818,290</b>	<b>3,879,130</b>
<b>Total liabilities and capital</b>	<b>\$ 83,676,715</b>	<b>\$ 88,438,960</b>

**Federal Home Loan Bank of New York**  
**Statements of Income – Unaudited (in thousands, except per share data)**  
**For the three months ended March 31, 2005 and 2004**

	For the three months ended	
	March 31,	
	2005	2004
Interest income		
Advances	\$ 458,763	\$ 265,509
Interest-bearing deposits	23,345	7,597
Federal funds sold	14,405	2,173
Available-for-sale securities	5,044	-
Held-to-maturity securities	149,945	125,123
Mortgage loans and participations, including fees	16,017	9,182
Loans to other FHLBanks	-	37
Other	9	13
<b>Total interest income</b>	<b>667,528</b>	<b>409,634</b>
Interest expense		
Consolidated obligations	557,298	351,551
Deposits	12,100	4,719
Other borrowings	675	1,363
Cash collateral held	10	-
<b>Total interest expense</b>	<b>570,083</b>	<b>357,633</b>
<b>Net interest income before provision for credit losses</b>	<b>97,445</b>	<b>52,001</b>
Provision for credit losses on mortgage loans	34	-
<b>Net interest income after provision for credit losses</b>	<b>97,411</b>	<b>52,001</b>
Other income		
Service fees	1,141	1,149
Net realized and unrealized gain (loss) on derivatives and hedging activities	1,055	(1,094)
Other, net	(3,755)	-
<b>Total other income</b>	<b>(1,559)</b>	<b>55</b>
Other expenses		
Operating	14,652	12,103
Finance Board and Office of Finance	1,521	1,406
<b>Total other expenses</b>	<b>16,173</b>	<b>13,509</b>
<b>Income before assessments</b>	<b>79,679</b>	<b>38,547</b>
Affordable Housing Program	6,663	3,311
REFCORP	14,825	6,786
<b>Total assessments</b>	<b>21,488</b>	<b>10,097</b>
<b>Income before cumulative effect of change in accounting principle</b>	<b>58,191</b>	<b>28,450</b>
Cumulative effect of change in accounting principle	1,109	(1,305)
<b>Net income</b>	<b>\$ 59,300</b>	<b>\$ 27,145</b>
Basic earnings per share:		
Earnings before cumulative effect of change in accounting principle	\$ 1.62	\$ .84
Cumulative effect of change in accounting principle	0.03	(0.04)
<b>Net earnings per share</b>	<b>\$ 1.65</b>	<b>\$ .80</b>

**Federal Home Loan Bank of New York**  
**Statements of Capital – Unaudited (in thousands, except per share data)**  
**For the three months ended March 31, 2005 and 2004**

	Capital Stock*		Retained Earnings**	Accumulated	Total Capital	Total Comprehensive Income
	Shares	Par Value		Other Comprehensive Income (Loss)		
Balance, December 31, 2003	36,386	\$ 3,638,720	\$ 126,697	\$ (2,026)	\$ 3,763,391	
Proceeds from sale of capital stock	4,005	400,472	-	-	400,472	
Redemption of capital stock	(3,449)	(344,997)	-	-	(344,997)	
Net Income	-	-	27,145	-	27,145	\$ 27,145
Net Shares reclassified to mandatorily redeemable capital stock	(3,579)	(357,887)	-	-	(357,887)	
Other comprehensive income (loss)						
Net unrealized (loss) on hedging activity	-	-	-	(532)	(532)	(532)
Additional minimum liability on Benefit Equalization Plan	-	-	-	-	-	
Cash dividends (\$1.45 per share) on capital stock	-	-	(12,543)	-	(12,543)	
						<u>\$ 26,613</u>
Balance, March 31, 2004	33,363	3,336,308	141,299	(2,558)	3,475,049	
Proceeds from sale of capital stock	17,737	1,773,698	-	-	1,773,698	
Redemption of capital stock	(14,550)	(1,454,959)	-	-	(1,454,959)	
Net Income	-	-	134,132	-	134,132	134,132
Other comprehensive income (loss)						
Net unrealized gain on available-for-sale securities	-	-	-	2,240	2,240	2,240
Net unrealized gain on hedging activity	-	-	-	1,443	1,443	1,443
Additional minimum liability on Benefit Equalization Plan	-	-	-	(476)	(476)	(476)
Cash dividends (\$1.83 per share) on capital stock	-	-	(51,997)	-	(51,997)	
						<u>\$ 137,339</u>
Balance, December 31, 2004	36,550	3,655,047	223,434	649	3,879,130	
Proceeds from sale of capital stock	4,734	473,421	-	-	473,421	
Redemption of capital stock	(5,769)	(576,926)	-	-	(576,926)	
Transfer of mandatorily redeemable stock					-	
Net Income			59,300	-	59,300	59,300
Net shares reclassified to mandatorily redeemable capital stock						
Other comprehensive income (loss)						
Net unrealized gain on available-for-sale securities	-	-	-	287	287	287
Net unrealized gain on hedging activities	-	-	-	10,545	10,545	10,545
Additional minimum liability on Benefit Equalization Plan	-	-	-	-	-	
Cash dividends (\$3.05 per share) on capital stock	-	-	(27,467)	-	(27,467)	
						<u>\$ 70,132</u>
Balance, March 31, 2005	35,515	\$ 3,551,542	\$ 255,267	\$ 11,481	\$ 3,818,290	

\* putable

\*\* Includes restricted retained earnings of \$1,343 at March 31, 2005 and \$0 at March 31, 2004 and December 31, 2004.

**Federal Home Loan Bank of New York**  
**Statements of Cash Flows – Unaudited (in thousands, except per share data)**  
**For the three months ended March 31, 2005 and 2004**

	Three months ended March 31,	
	2005	2004
<b>Operating Activities</b>		
Net Income	\$ 59,300	\$ 27,145
Cumulative effect of change in accounting principle	(1,109)	1,305
Income before cumulative effect of change in accounting principle	<u>58,191</u>	<u>28,450</u>
Adjustments to reconcile net income before cumulative effect of change in accounting principle to net cash provided by operating activities		
Depreciation and amortization		
Net premiums and discounts on consolidated obligations, investments, and mortgage loans	34,742	784
Concessions on consolidated obligations	2,763	5,489
Amortization of basis on hedges	(183)	-
Premises and equipment	1,035	922
Provision for credit losses on mortgage loans	34	
Loss (gain) due to change in net fair value adjustments on derivatives and hedging activities	(8,605)	439
Losses on extinguishment of debt	3,760	-
(Decrease) increase in accrued interest receivable	(7,648)	6,157
(Decrease) in derivative assets, net accrued interest	(59,480)	(20,946)
Increase (decrease) in derivative liabilities, net accrued interest	14,968	(14,952)
(Increase) decrease in other assets	(2,389)	11,918
(Decrease) increase in Affordable Housing Program liability	1,445	(6,145)
Increase in accrued interest payable	39,615	17,784
Increase in REFCORP liability	3,532	6,786
Increase in other liabilities	7,555	28,744
Total adjustments	<u>31,144</u>	<u>36,980</u>
<b>Net cash provided by operating activities</b>	<u>89,335</u>	<u>65,430</u>
<b>Investing activities</b>		
Net (increase) in interest-bearing deposits	(1,169,402)	(4,203,414)
Net (increase) decrease in Federal funds sold	(118,000)	1,049,000
Purchase of held-to-maturity securities	(381,260)	(1,004,627)
Proceeds from maturities of held-to-maturity securities	742,945	816,829
Proceeds from maturities of available-for-sale securities	35,023	-
Principal collected on advances	114,843,709	147,462,261
Advances made	(109,694,477)	(148,013,703)
Purchase of mortgage loans held for investment	(162,873)	(276,339)
Principal collected on mortgage loans held for investment	33,866	181,576
Principal collected on other loans made	59	54
Net decrease in deposits with other FHLBanks' mortgage programs	-	(65)
(Increase) in premises and equipment	(603)	(164)
<b>Net cash (used in) provided by investing activities</b>	<u>4,128,987</u>	<u>(3,988,592)</u>

**Federal Home Loan Bank of New York**  
**Statements of Cash Flows – Unaudited (in thousands, except per share data)**  
**For the three months ended March 31, 2005 and 2004**

	Three months ended March 31,	
	2005	2004
<b>Financing activities</b>		
Net (decrease) increase in deposits	\$ (26,491)	\$ 771,984
Net increase in other borrowings	1,020	1,352
Net increase in loans from other FHLBanks	-	300,000
Net proceeds from issuance of consolidated obligation bonds	6,552,171	7,593,717
Net proceeds from issuance of consolidated obligation discount notes	158,998,377	263,161,148
Payments for maturing consolidated obligation bonds	(6,916,327)	(7,760,600)
Payments for maturing/retiring consolidated obligation discount notes	(162,599,809)	(260,171,628)
Proceeds from issuance of capital stock	473,421	400,472
Payments for redemption of capital stock	(576,926)	(344,997)
Payments for redemption of mandatorily redeemable capital stock	(90,853)	(15,761)
Cash dividends paid	(27,467)	(12,543)
<b>Net cash provided by (used in) financing activities</b>	<b>(4,212,884)</b>	<b>3,923,144</b>
Net increase (decrease) in cash and cash equivalents	5,438	(18)
Cash and cash equivalents at beginning of the period	22,376	20,793
Cash and cash equivalents at end of the period	<b>\$ 27,814</b>	<b>\$ 20,775</b>
<b>Supplemental disclosures:</b>		
Interest paid	\$ 342,900	\$ 398,629
AHP payments*	5,218	9,457
REFCORP payments (Receipt)**	11,294	(14,785)

\*AHP payments = (beginning accrual - ending accrual) + AHP assessment for the year, and represents funds released to the AHP program

\*\* Third quarter 2003 loss resulted in an overpayment of REFCORP and subsequent receivable at March 31, 2004.