



## About the Cover

# ALWAYS THERE

The Federal Home Loan Banks were created by Congress in 1932, at the height of the Great Depression, to ensure reliable funding for mortgages. In each of the 75 years since, FHLBank Pittsburgh has affirmed its mission to provide ready, affordable liquidity to enhance members' businesses and vitalize their communities. Never has the importance of the FHLBanks been more pronounced than in 2007 when a credit crisis proved that, regardless of circumstance, FHLBank funding is always there.

The cover graph—which depicts FHLBank Pittsburgh advances as a percentage of assets from 1962 through 2007, with the center line marking 50 percent—demonstrates FHLBank's reliability through all economic cycles.

# Financial results

*(dollars in millions, except per-share data)*

	2007	2006	2005	2004	2003
<b>BALANCES AT YEAR-END</b>					
Loans to members	\$ 68,798	\$49,335	\$47,493	\$38,980	\$34,662
Mortgage loans held for portfolio, net	6,220	6,966	7,652	8,645	8,016
Total assets	101,190	77,376	72,898	61,069	53,158
Total capital	4,285	3,634	3,260	2,761	2,334
<b>FOR THE YEAR</b>					
Net income	\$ 236.9	\$ 216.5	\$ 191.8	\$ 118.9	\$ 68.7
Earnings per share	\$ 6.98	\$ 6.76	\$ 6.72	\$ 4.53	\$ 2.99
Weighted average dividend rate	5.96%	4.69%	2.82%	1.69%	2.20%
<b>PERFORMANCE RATIOS</b>					
Return on average capital	6.47%	6.29%	6.41%	4.46%	3.01%
Return on average assets	0.29%	0.29%	0.29%	0.20%	0.13%
Net interest margin	0.45%	0.47%	0.47%	0.52%	0.55%

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# To our stockholders



**John R. Price**  
*President and Chief Executive Officer*



**Dennis S. Marlo**  
*Chairman of the Board of Directors*

The year 2007 will go into the record books for significant market disruptions related to a credit crisis. It will go into FHLBank lore as the 75th anniversary of the Banks and the year that proved their enduring relevance in a huge and historic measure. During a period of stress in the capital markets, which began last summer and continues still today, the FHLBanks are doing precisely what they were designed to do: provide liquidity for nearly 8,100 financial institutions that are both owners and customers. Rarely has the power of partnership been as clear; FHLBank remains a trusted business partner, provider of competitively priced liquidity, partner in community development and a satisfactory risk-adjusted investment.

## PERFORMANCE

For FHLBank Pittsburgh, 2007 was a historic year. Net income of \$236.8 million surpassed last year's previous record of \$216.5 million by 9.4 percent and marked a 23.5 percent increase from \$191.8 million in 2005. Operating results

enabled FHLBank to set aside \$26.4 million for affordable housing, compared to \$24.2 million in 2006 and \$21.4 million in 2005. Total assets were \$101.2 billion at year-end 2007, a 30.8 percent increase from \$77.4 billion at year-end 2006 and a 38.8 percent increase from \$72.9 billion in 2005. Return on average capital was 6.47 percent in 2007, up from 6.29 percent in 2006 and 6.41 percent in 2005. Weighted average dividend rate—dividends paid over average capital stock balance—was 5.96 percent for 2007, compared to 4.69 percent in 2006 and 2.82 percent in 2005.

Yet the real story of 2007 was advances, which many members relied upon during market disruptions in the last half of the year. We assured a reliable flow of credit to our members and the communities they serve, even as other sources of liquidity dried up or became prohibitively expensive. Advances grew from \$49.3 billion at year-end 2006 to \$68.8 billion at year-end 2007, demonstrating the *magnitude* of our impact, and 79.5 percent of our members borrowed during the year 2007, demonstrating the *breadth* of our impact as well.

The Mortgage Partnership Finance Program<sup>®</sup>, MPF<sup>®</sup>, welcomed 17 new members, bringing to 73 the number of customers who find the MPF Program a profitable way for community lenders to offer long-term fixed-rate mortgages to their customers. Bank4Banks<sup>®</sup>.com enjoyed another successful year with 99 percent of all members using this convenient informational and transactional Web site, which was redesigned and reintroduced in the fourth quarter.

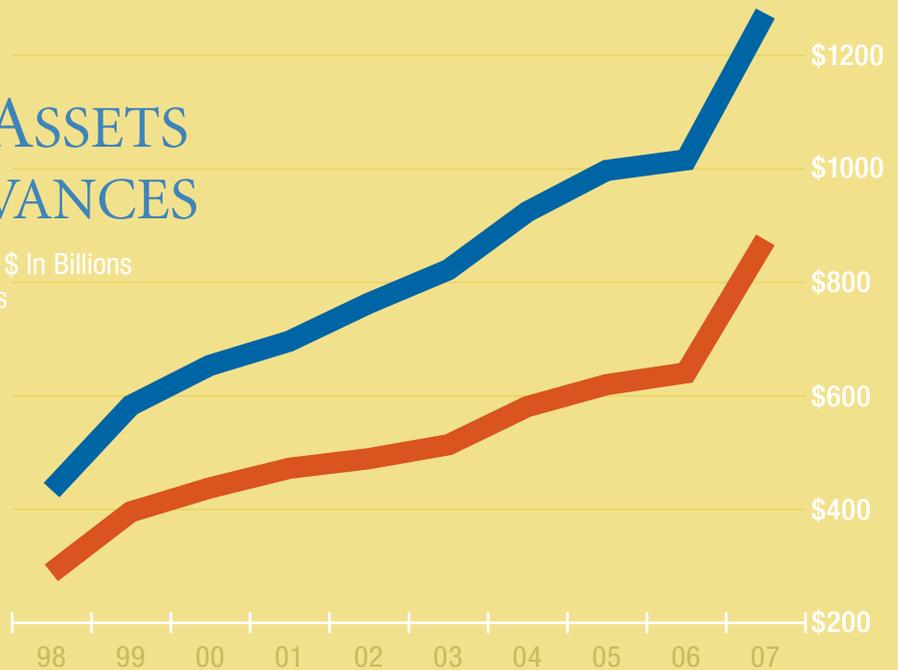
## COMMUNITY DEVELOPMENT

In 2007, we awarded \$17.8 million in AHP grants, helping to make 2,112 units of housing affordable through members across our region. Banking On Business approved recoverable assistance to 60 employers to create or retain 587 jobs. First Front Door committed a record \$8.1 million to help 1,639 first-time buyers become homeowners. Blueprint Communities was introduced into West Virginia in 2007, where ten communities completed training to establish sustainable vitality in their neighborhoods. We look forward to similar success in Delaware in 2008.

# SYSTEM ASSETS AND ADVANCES

At Year-End, \$ In Billions

■ Advances  
■ Assets



## WE MEAN BUSINESS

Our unyielding commitment to member/stockholders is our value proposition: competitive advance pricing, reliable liquidity, new products and services, community and economic development programs and a suitable dividend. We continue to seek appropriate ways to make our advances as competitive as possible, yet we also know that prudent management requires, today more than ever, alignment of our collateral practices with today's business realities. We are also aware that external opportunities and challenges impact our business. Certainly, GSE legislation, if and when it comes, will be important, as will the outcome of pending legislation to permit the members of the FHLBanks to use our letter of credit for tax-exempt bonds in support of community and economic development where it is needed most—at the local level. As always, we continue to work with our housing and economic development partners to enhance our members' businesses and vitalize the communities of our region.

## ALWAYS THERE

As we close the books on 2007, we feel a sense of satisfaction—not because of record earnings, which were owing in large part to the severe credit upheaval, but because we stepped up and did our job well. On December 11, 2007 under the headline “Co-op Banks Keep U.S. Afloat,” the *Financial Times* wrote that the FHLBanks played “a critical role in keeping the private sector US mortgage industry open for business.” We will leave it to others to judge the historic impact of 2007 and simply say this: in our 75th year, we were called upon to serve our membership in a significant way, and we met that challenge.

Going forward, as markets, customer needs, political and regulatory environments and technologies continue to evolve, we understand that assuring the flow of ample and affordable credit in all market cycles is as relevant today as it was 75 years ago. We rely on our talented staff to realize this mission every day, and on the Board of Directors for wisdom, guidance and outreach. We thank Basil Battaglia and Gov. Cecil Underwood, whose terms expired, and Fred Marcell,

who retired, for their invaluable help and expertise during their time as directors. A special word of gratitude goes to our outgoing Chairman, Skip Schoenhals, for his leadership and inspiration to the Board during years of unprecedented change. We also acknowledge our Affordable Housing Advisory Council, our community partners and, most of all, our members. From 1932 right through the present moment, from the largest money center bank to the smallest community financial institution, and for members that borrow every week and those that never borrow but sleep better just knowing they can, your FHLBank is always there.

Dennis S. Marlo  
Chairman of the Board of Directors

John R. Price  
President and Chief Executive Officer

March 24, 2008

# Profitable growth is a constant shared goal.



**Jim Gibson**  
*Chairman, President and CEO*  
*Integrity Bank*

**F**or Integrity Bank of Camp Hill, PA, *Always There* means profitable growth. Although no longer technically a *de novo* bank, four-and-a-half-year-old Integrity Bank considers its relationship with FHLBank a key reason for its unequalled success early on. Jim Gibson notes that *de novo* banks often find it difficult to fund loan growth without paying high rates for deposit specials or non-core deposits. He credits FHLBank advances as an important component of managing his cost of funds.

Rather than expend energy to focus on gathering high-cost deposits, Integrity Bank's management team can focus on executing the bank's business model. "I'm not lying awake deciding between paying high rates or purposefully slowing my loan growth," says Gibson. "I know that FHLBank funding is available while I focus on growing a solid and profitable bank."

In addition to managing profitability by using advances in lieu of high-cost deposits, Integrity Bank also uses advances for arbitrage, and has used FHLBank's AAA letter of credit to securitize municipal deposits. All of this, Gibson notes, has helped Integrity in achieving unparalleled success in a brief time.

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**"WE ARE THE MOST PROFITABLE  
DE NOVO IN PA HISTORY, YEAR  
AFTER YEAR. A KEY REASON IS  
FHLBANK FUNDING."**

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Beginning in the second half of 2007, the weakening U.S. mortgage market and resulting credit market deterioration has had only minor impact for Integrity Bank, which is located in a generally recession-proof area of central Pennsylvania. Yet, as some mortgage companies closed their doors, Integrity

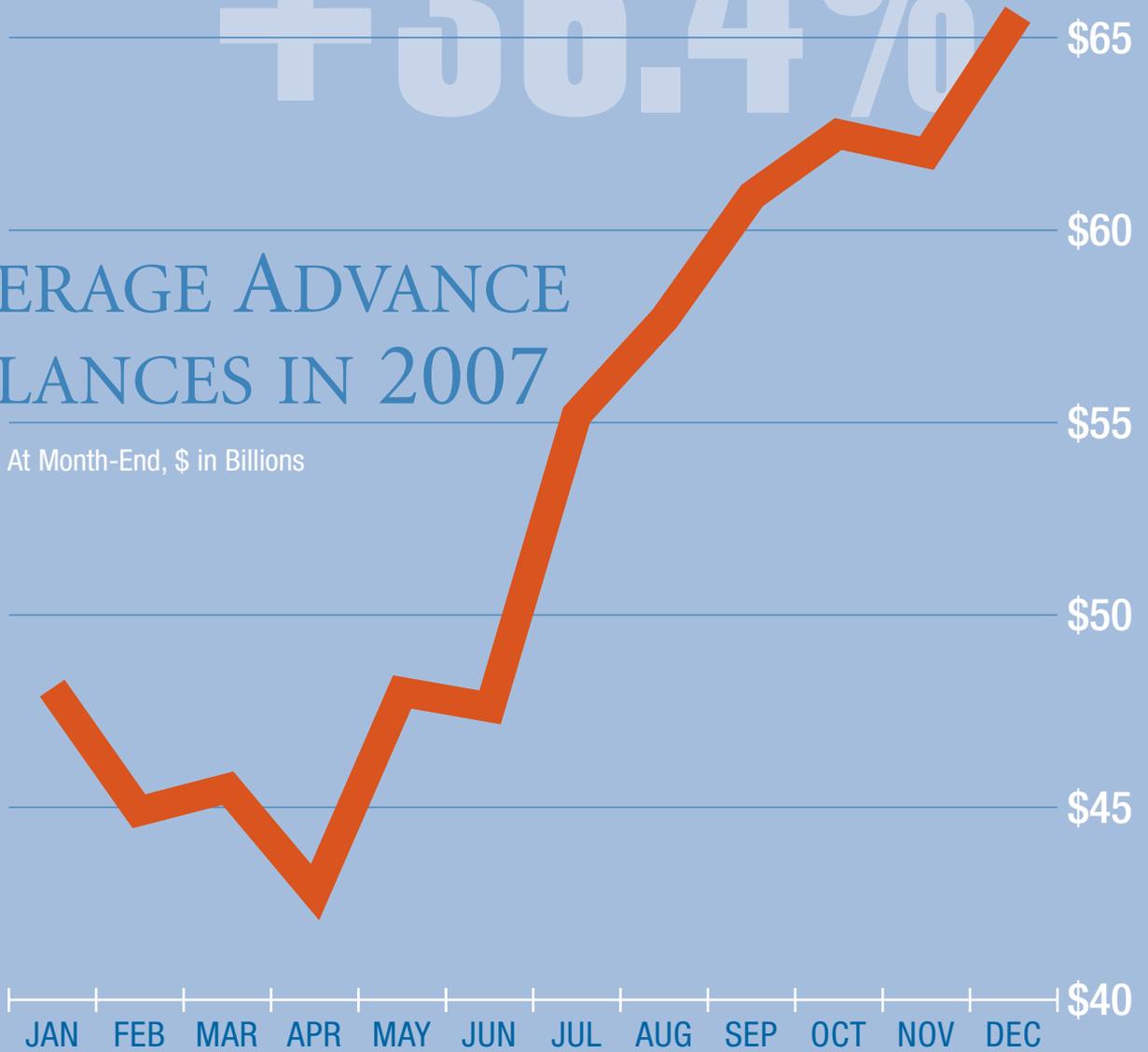
has experienced an increase in mortgage originations and deposit growth.

During this period of market turmoil, Gibson refers to the FHLBank system's role as vital in stabilizing the banking industry. Further, he believes the FHLBanks helped avoid what he called a true financial crisis in the economy. Though optimistic that the current cycle will end early in 2009, he adds, "It's difficult to find the right words to describe the critical importance of the FHLBank system through this turbulent time."

# +36.4%

## AVERAGE ADVANCE BALANCES IN 2007

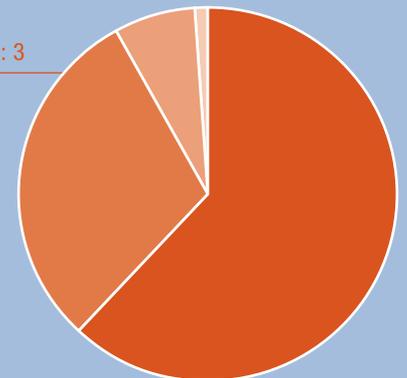
At Month-End, \$ in Billions



### Charters of Members at 12/31/07

- Commercial Banks: 206
- Thrifts: 100
- Credit Unions: 23
- Insurance Companies: 3

Total Members: 332



# Funding mortgages is our enduring core strength.



**Maria Rueda**  
*Chief Financial Officer*  
ING DIRECT

**F**or ING DIRECT, headquartered in Wilmington, DE, FHLBank is *Always There* as a reliable source of mortgage funding. As a direct bank, ING DIRECT offers customers a transparent, easy-to-understand mortgage product online and utilizes wholesale funding to support a growing business. Maria Rueda, who describes ING DIRECT as the nation's largest community bank, notes that ING DIRECT provides suitable mortgages and holds them in portfolio, which, in turn, creates a need for consistent, reliable sources of wholesale funding.

Like most community banks, ING DIRECT has always looked carefully at underwriting criteria and the qualifications of borrowers. In addition, because online originations do not require branches, ING DIRECT is a low-cost model, creating a good value proposition for

customers. "Our mortgage originations are up," she says, "because ING is recognized in the marketplace for a straight shot and a good deal."

Referring to FHLBank as ING DIRECT's preferred alternative wholesale funding source, Rueda notes that the Bank provides responsive service, competitive pricing

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**"FHLBANK HELPS US PROVIDE  
CHEAP CREDIT FOR GOOD  
CREDIT, AND THAT'S THE  
BUSINESS WE'RE IN."**

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and a consistent source of liquidity, which drives her decision to use advances. "I am happy to be an equity owner of FHLBank Pittsburgh, happy to have you as a dependable funding source, and happy that you supply stability in the marketplace," she says.

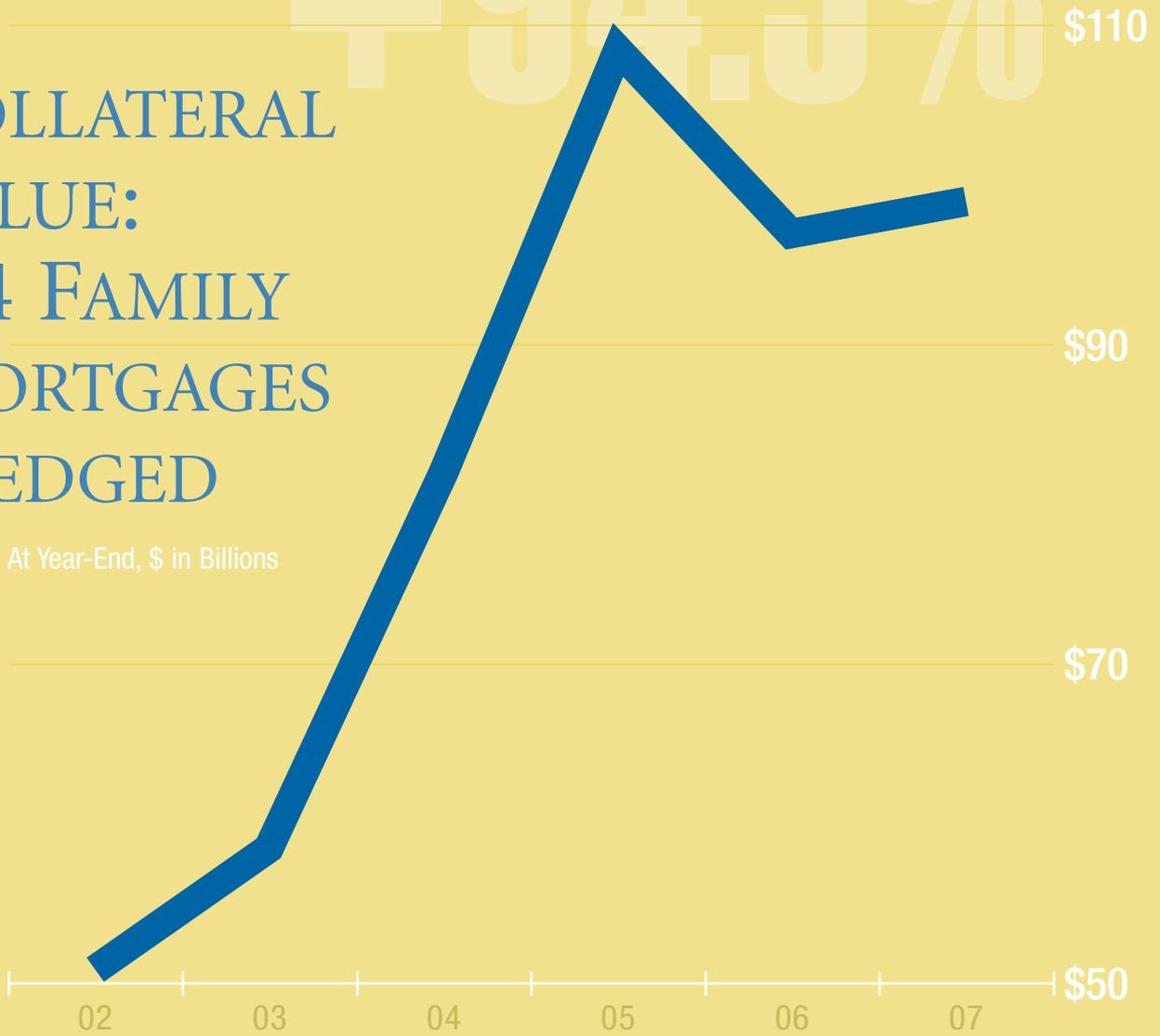
Rueda notes that ING DIRECT is one of the few online mortgage originators that has not experienced a change in its business as a result of the market turmoil in the second half of 2007. She believes that their prudent underwriting has paid off in the current market and that ING DIRECT is perceived as a safe haven for customers. As a result, their need for wholesale funding has increased along with their mortgage originations.

Throughout the difficult environment in the current financial markets, Rueda states that she views the FHLBank as a steadfast source of liquidity and a key contributor to keeping the market in balance. As a direct bank with customers nationwide, she appreciates this stabilizing impact. "When people were reading in the paper about turmoil in the industry, the FHLBank was doing what it was set up to do."

+94.5%

# COLLATERAL VALUE: 1-4 FAMILY MORTGAGES PLEDGED

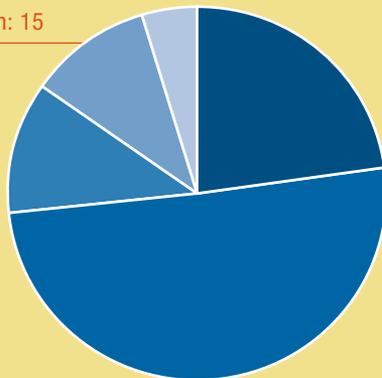
At Year-End, \$ in Billions



## Total Members by Asset Size at 12/31/07

- Less than \$100 million: 76
- Between \$100 and \$500 million: 168
- Between \$500 and \$1 billion: 38
- Between \$1 and \$5 billion: 35
- Greater than \$5 billion: 15

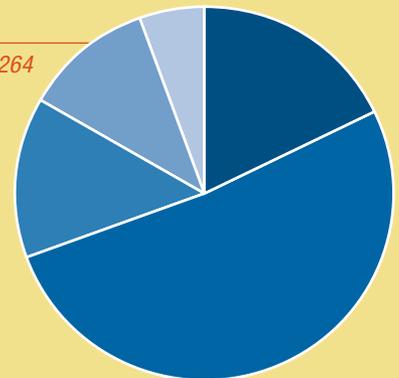
Total Members: 332



## Borrowing Members by Asset Size at 12/31/07

- Less than \$100 million: 47
- Between \$100 and \$500 million: 137
- Between \$500 and \$1 billion: 36
- Between \$1 and \$5 billion: 30
- Greater than \$5 billion: 14

Total Borrowing Members: 264



# Supporting small business is always good business.



**Richard A. Lucas**  
*President and CEO*  
*Main Street Bank*

**F**or Main Street Bank in Wheeling, WV, *Always There* means funding that results in a guaranteed spread on commercial loans. As a small community bank, Main Street Bank understands the importance of helping local businesses grow and thrive. Rich Lucas says that they practice what they preach in relation to helping the community, and sometimes this means providing very small commercial loans. “People in our communities realize they can rely on Main Street Bank to underwrite even a \$10,000 loan for a new truck rather than having to put that amount on a credit card,” says Lucas. “Nothing is too small for our effort.”

Lucas match-funds commercial loans and commercial real estate with FHLBank advances to provide guaranteed spreads, matching his prices to FHLBank prices. By eliminating guesswork, Main Street

Bank has been able to grow without concern for how to fund their loan growth. He notes that using FHLBank advances in this way allows Main Street to offer very competitive market products and fund cash flow timing differences as they arise.

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**“NO MATTER WHAT HAPPENS  
IN THE MARKET, WE KNOW  
FHLBANK IS RELIABLE WHEN  
WE GET IN ON MONDAY MORN-  
ING AND WHEN WE LEAVE  
FRIDAY AFTERNOON.”**

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Lucas says that FHLBank advances are the easiest and most reliable source of funds, but is quick to add that advances are only one of the products Main Street uses on a regular basis. Depository services, electronic funds transfer, daily Demand

Deposit Accounts and Community Investment products are also key to Main Street Bank’s success over the years.

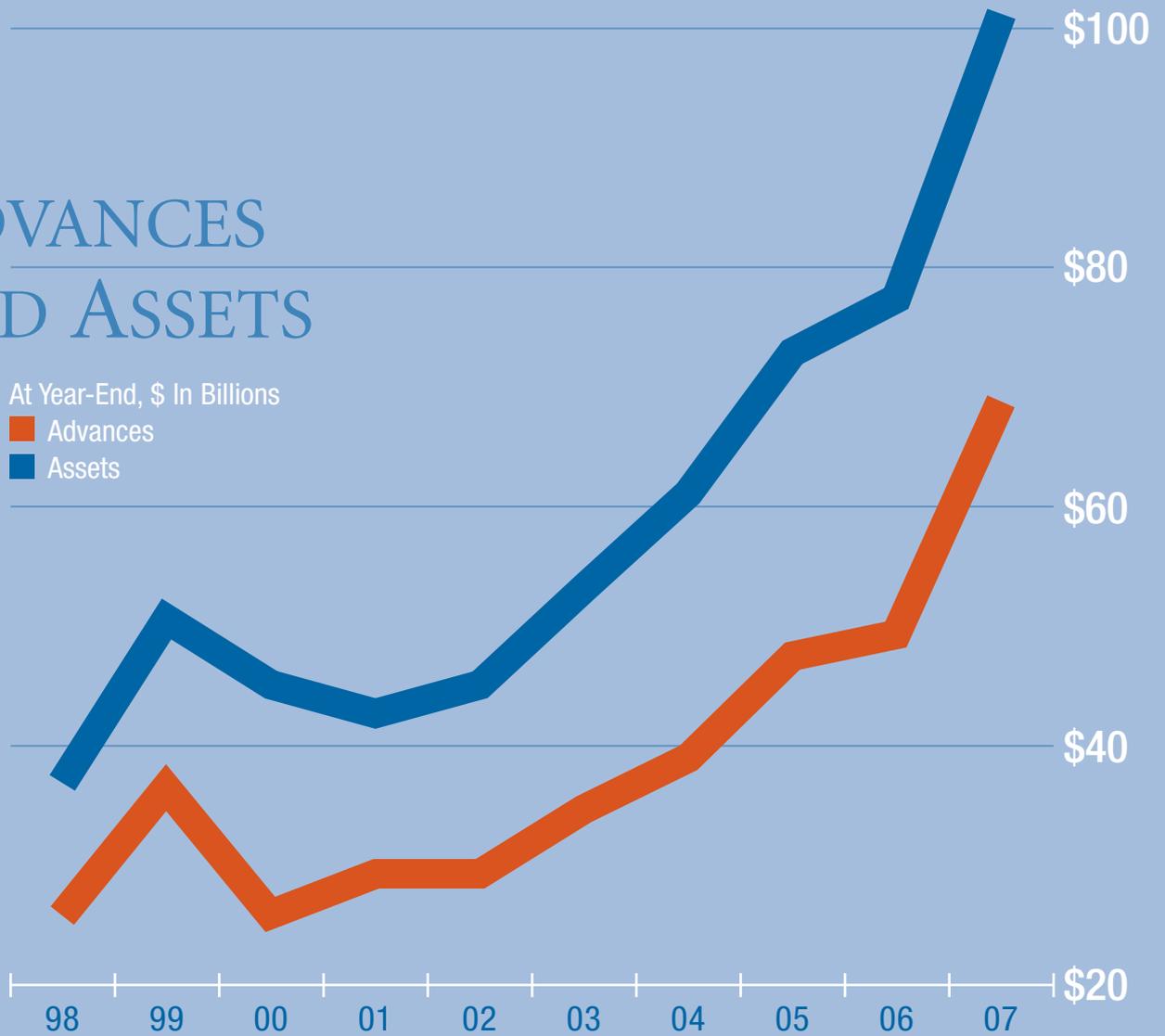
Market disruptions beginning in the second half of 2007 have had little impact on what Lucas describes as “a true community bank in stable markets.” He recalls a WV bank directors’ college back in May 2007 at which a presenter stated that the FHLBanks were created to ensure the flow of credit during all economic cycles. Even before the current crisis emerged to prove the point, he says, the instructor was teaching that the FHLBank system was built to be a stabilizing factor in the U.S. economy. He adds, “It’s good to see that management can have confidence you’ll always be there.”

# ADVANCES AND ASSETS

At Year-End, \$ In Billions

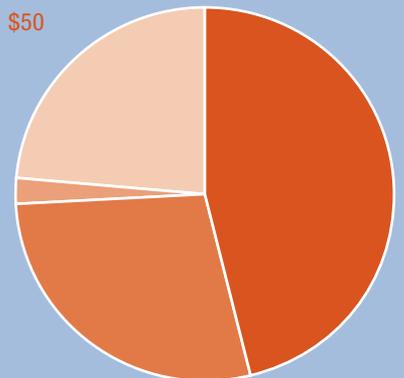
Advances

Assets



## Qualifying Collateral (\$ Billions)

- Single-family mortgage loans: \$99
- High-quality securities: \$60
- FHLBank deposits and multi-family mortgages: \$5
- Other real estate related collateral (ORERC): \$50



# A/L management is an ongoing strategic benefit.



**William J. Reuter**  
*Chairman, President and CEO*  
*Susquehanna Bancshares*

**F**or Susquehanna Bancshares, headquartered in Lititz, PA, FHLBank is *Always There* as a strategic partner in asset/liability management. As a regional financial holding company, Susquehanna Bancshares understands the benefit of being able to obtain sizeable blocks of funding at competitive pricing levels. Bill Reuter appreciates the relationships at FHLBank Pittsburgh, and his staff works closely with the Money Desk staff to find advantages. “We view FHLBank as a strategic partner in our asset/liability management,” he says.

By using various advance structures, Susquehanna can grow its business in an increasingly competitive market. Short-term and long-term advances, structures with embedded derivatives, swaps—all of these provide Susquehanna management with flexibility to execute their strategic business plan.

Reuter also points to prudent collateral policies, competitive pricing and customer service as reasons to fund his banks with FHLBank advances. In addition, Susquehanna has used the Bank’s letter of credit and Community Investment

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**“WE VIEW FHLBANK  
PITTSBURGH AS A STRATEGIC  
PARTNER, ESSENTIAL TO  
OUR SUCCESS.”**

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programs. “The Bank is multifaceted,” he says, noting that access to funding, although key, is but one of the Bank’s important strategic advantages.

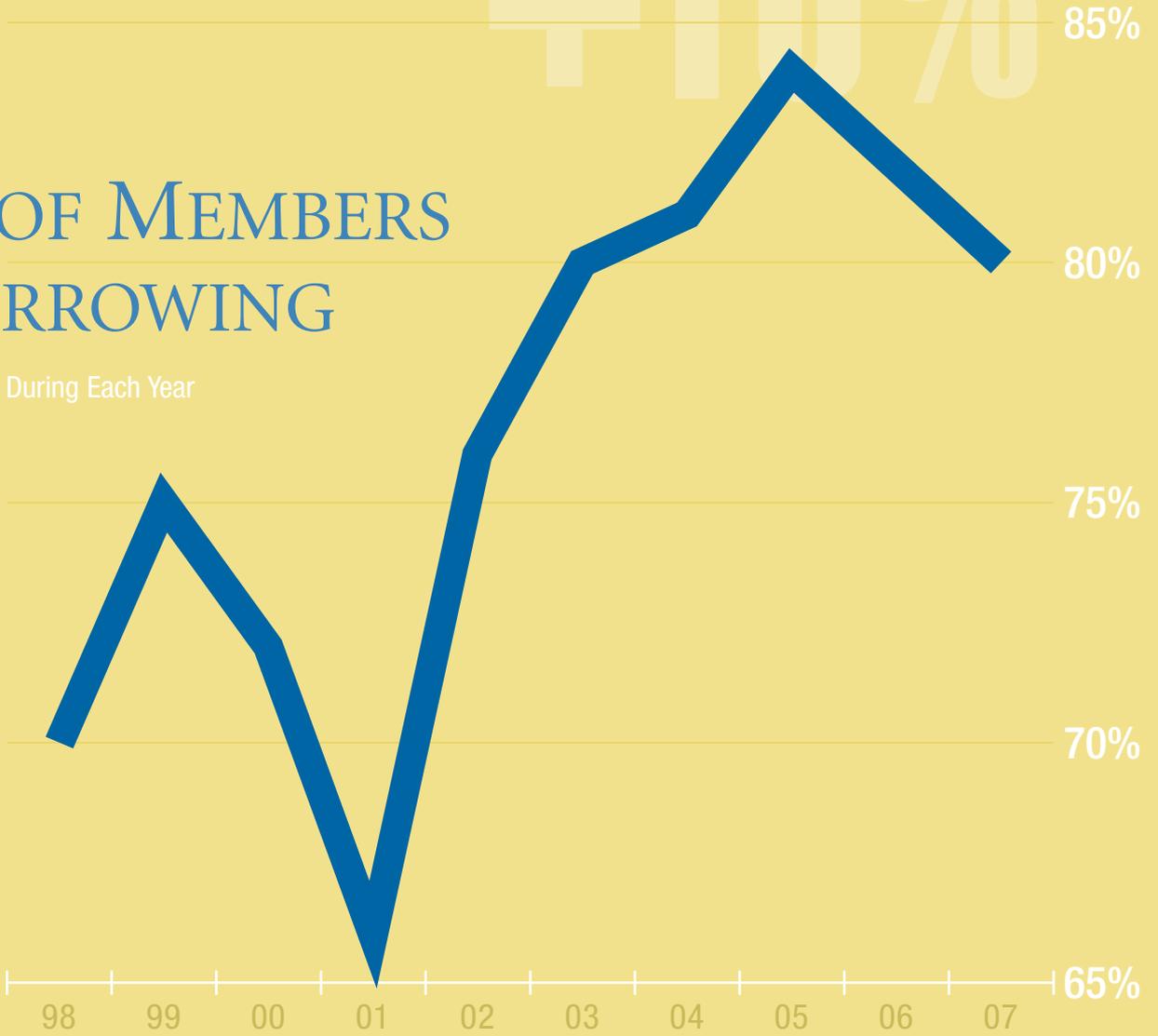
During the disruption in the financial markets, Susquehanna has been very liquid and able to service its mortgage needs. In this regard, Reuter says that

FHLBank has been as important as ever to Susquehanna. He also believes there is more opportunity in traditional mortgage lending and that many consumers are coming back to banks because they are seeking stability.

Reuter notes that virtually all banks have been affected by recent market turmoil—that at a minimum, stock prices have been affected and access to capital markets has become more expensive. In such times, the FHLBank’s key role is making access to borrowings easy and affordable to institutions of all sizes. Reuter adds, “We appreciate our partnership with FHLBank Pittsburgh in all economic cycles.”

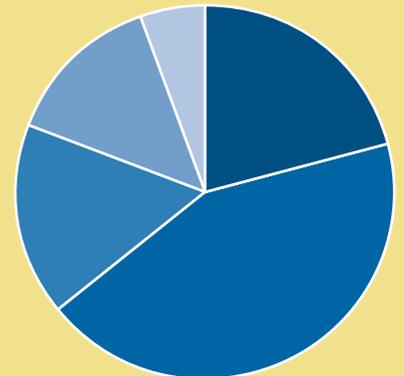
# % OF MEMBERS BORROWING

During Each Year



## Advance Types: % of Advance Portfolio at 12/31/07

- RepoPlus: 21%
- Mid-Term RepoPlus: 43%
- Term Loans: 17%
- Option-embedded: 14%
- Returnable: 5%



# Board of Directors

**Dennis S. Marlo – Chairman**

*Executive Vice President*  
Sovereign Bank  
Wyomissing, Pennsylvania

**H. Charles Maddy III – Vice Chairman**

*President and Chief Executive Officer*  
Summit Financial Group, Inc.  
Moorefield, West Virginia

**Patrick A. Bond**

*General Partner*  
Mountaineer Capital, LP  
Charleston, West Virginia

**The Reverend Luis A. Cortés Jr.**

*President*  
Nueva Esperanza and Esperanza USA  
Philadelphia, Pennsylvania

**Walter D'Alessio**

*Vice Chairman*  
NorthMarq Capital  
Philadelphia, Pennsylvania

**John K. Darr**

*Director*  
Manna, Inc.  
Washington, D.C.

**David R. Gibson**

*Executive Vice President and  
Chief Financial Officer*  
Wilmington Trust Company  
Wilmington, Delaware

**Brian A. Hudson**

*Executive Director and  
Chief Executive Officer*  
Pennsylvania Housing Finance Agency  
Harrisburg, Pennsylvania

**Glenn B. Marshall**

*President and Chief Executive Officer*  
First Resource Bank  
Exton, Pennsylvania

**Edward J. Molnar**

*Chairman of the Board*  
Harleysville Savings Bank  
Harleysville, Pennsylvania

**Sarah E. Peck**

*President*  
Progressive Housing Ventures, LLC  
Malvern, Pennsylvania

**Paul E. Reichart**

*Chairman of the Board*  
Columbia County Farmers National Bank  
Bloomsburg, Pennsylvania

**Patrick J. Ward**

*Chairman of the Board and  
Chief Executive Officer*  
Penn Liberty Bank  
Wayne, Pennsylvania

# Advisory Board Consultants

**David W. Curtis**

*Executive Vice President*  
Leon N. Weiner & Associates, Inc.  
Wilmington, Delaware

**Gerard M. Thomchick**

*Former President and  
Chief Executive Officer*  
First Commonwealth Bank  
*Former Chief Operating Officer*  
First Commonwealth Financial  
Corporation  
Indiana, Pennsylvania

# Board Committees

## AUDIT COMMITTEE

The Audit Committee serves the Board of Directors by providing general oversight of FHLBank Pittsburgh's financial reporting processes and the audit of FHLBank's financial statements, including the integrity of FHLBank's financial statements; FHLBank's administrative, operating and internal accounting controls; FHLBank's compliance with legal and regulatory requirements; the independent auditors' qualifications and independence; and the performance of FHLBank's internal audit function and independent auditors.

*Chairman: B. Hudson*

*Vice Chairman: P. Ward*

*Members: W. D'Alessio, J. Darr, D. Gibson, G. Marshall, W. Eayre (secretary)*

*Advisory Board Consultant: D. Curtis*

## COMMUNITY INVESTMENT AND PUBLIC POLICY COMMITTEE

The Community Investment and Public Policy Committee serves the Board of Directors by providing guidance and oversight of FHLBank Pittsburgh's fulfillment of its affordable housing and community investment mission; the relationship between the Board and the Affordable Housing Advisory Council; actions to enhance public awareness of FHLBank and its contributions in both the private and public sector; and legislative and regulatory developments which affect FHLBank's mission or influence its definition.

*Chairman: P. Reichart*

*Vice Chairman: L. Cortés Jr.*

*Members: W. D'Alessio, B. Hudson, S. Peck, J. Bendel (secretary)*

*Advisory Board Consultant: D. Curtis*

## EXECUTIVE COMMITTEE

The Executive Committee exercises all of the powers of the Board of Directors in the management and direction of the affairs of FHLBank Pittsburgh during the intervals between the regular meetings of the Board of Directors in all cases in which specific directions were not provided for by the Board of Directors.

*Chairman: D. Marlo*

*Vice Chairman: H. Charles Maddy III*

*Members: D. Gibson, P. Bond, E. Molnar,*

*P. Ward, P. Reichart, B. Hudson*

*D. Yealy (secretary)*

## FINANCE AND RISK MANAGEMENT COMMITTEE

The Finance and Risk Management Committee serves the Board of Directors of FHLBank Pittsburgh by providing guidance and oversight of the management of the balance sheet and all risk management issues. The Committee monitors the comprehensive risk governance structure, promotes effective management of all risk categories, and fosters the establishment and maintenance of a risk culture throughout the Bank.

*Chairman: D. Gibson*

*Vice Chairman: P. Ward*

*Members: P. Bond, J. Darr, G. Marshall,*

*M. Auron (secretary)*

*Advisory Board Consultant: G. Thomchick*

## GOVERNANCE COMMITTEE

The Governance Committee serves the Board of Directors by developing and maintaining best practices in governing FHLBank Pittsburgh. In this role, the Governance Committee monitors a process to assess board effectiveness and develops and implements the Bank's corporate governance guidelines. The Committee assists the Board by overseeing the election of directors process and also by serving as the nominating committee for the appointment of members to committees and for the election of chair and vice chair of the Board of Directors.

*Chairman: P. Bond*

*Vice Chairman: E. Molnar*

*Members: L. Cortés Jr., S. Peck, P. Reichart,*

*D. Yealy (secretary)*

*Advisory Board Consultant: G. Thomchick*

## HUMAN RESOURCES COMMITTEE

The Human Resources Committee serves the Board of Directors by providing oversight and guidance with respect to Human Resources policies and practices; assuring that FHLBank Pittsburgh creates and maintains competitive programs which attract, develop, motivate, reward and retain employees committed to superior performance and the highest professional and ethical standards; that the Human Resources policies support FHLBank's strategic mission and comply with all applicable legal and regulatory requirements; that a senior leadership succession plan is in place; and for the review of FHLBank officer appointments and executive compensation and benefits.

*Chairman: E. Molnar*

*Vice Chairman: P. Bond*

*Members: L. Cortés Jr., W. D'Alessio,*

*D. Gibson, S. Peck, TBA (secretary)*

*Advisory Board Consultant: D. Curtis*

## PRODUCTS AND SERVICES COMMITTEE

The Products and Services Committee has the general responsibility to assist the Board of Directors on matters pertaining to FHLBank Pittsburgh's member-facing activities, including all member products and services, new product developments and sales and marketing strategies. The Committee oversees the member products policies, product pricing strategies and collateral practices.

*Chairman: P. Ward*

*Vice Chairman: J. Darr*

*Members: B. Hudson, G. Marshall,*

*P. Reichart, C. Howie (secretary)*

*Advisory Board Consultant: G. Thomchick*

# Affordable Housing Advisory Council

## **Glenn Brooks, Chair**

*Senior Vice President*

Leon N. Weiner & Associates, Inc.  
Wilmington, Delaware

## **Brenda Wells, Vice Chair**

*Director, Western PA Region*

Pennsylvania Housing Finance Agency  
Pittsburgh, Pennsylvania

## **Fred Banuelos**

*President*

Hispanic Business Ventures, LLC  
Allentown, Pennsylvania

## **Daniel Betancourt**

*President and Chief Executive Officer*

Community First Fund  
Lancaster, Pennsylvania

## **Paul Calistro Jr.**

*Executive Director*

West End Neighborhood House, Inc.  
Wilmington, Delaware

## **Beverly Coleman**

*Executive Director*

NeighborhoodsNow  
Philadelphia, Pennsylvania

## **Penny Eddy**

*Executive Director*

McKean County Redevelopment  
& Housing Authority  
Smethport, Pennsylvania

## **Kelly Goes**

*Cabinet Secretary*

West Virginia Department of Commerce  
Charleston, West Virginia

## **Gloria Guard**

*President*

People's Emergency Center  
Philadelphia, Pennsylvania

## **Christopher Gulotta**

*Executive Director*

Cumberland County Redevelopment  
& Housing Authority  
Carlisle, Pennsylvania

## **Mary Hunt-Lieving**

*Program Officer*

Claude Worthington Benedum  
Foundation  
Pittsburgh, Pennsylvania

## **Lamont McClure**

*Executive Director*

Carbon County Housing Authority  
Lehighon, Pennsylvania

## **Ronald Miller**

*Executive Director*

Neighborhood Housing Services  
of Reading, Inc.  
Reading, Pennsylvania

## **Larry Segal**

*President*

Impact Pennsylvania Strategies, LLC  
Wayne, Pennsylvania

## **Nathan Yoder**

*Executive Vice President*

Susquehanna Valley Development Group  
Turbotville, Pennsylvania

# Management Committee

## **John R. Price**

*President and Chief Executive Officer*

Joined the Bank in January 2006

## **William G. Batz**

*Chief Operating Officer*

Joined the Bank in November 1988

## **Marshal S. Auron**

*Chief Risk Officer*

Joined the Bank in May 1992

## **Paul H. Dimmick**

*Managing Director, Capital Markets*

Joined the Bank in August 2003

## **Teresa M. Donatelli**

*Chief Information Officer*

Joined the Bank in November 1992

## **Craig C. Howie**

*Group Director, Member Market Access*

Joined the Bank in December 1990

## **Kristina K. Williams**

*Chief Financial Officer*

Joined the Bank in December 2004

## **Dana A. Yealy**

*Managing Director, General Counsel  
and Corporate Secretary*

Joined the Bank in May 1986

# Products and Services

## BANKING SERVICES

Bank4Banks®, FHLBank Pittsburgh's private transactional Web site, allows authorized users to view and print reports, execute transactions and access information. The members-only secure site provides convenient access to many products and banking services. FHLBank's Safekeeping department, with more than \$29 billion in securities safekeeping for approximately 200 customers, has the experience and know-how to handle even the most specialized safekeeping needs, in real time and at affordable rates. FHLBank Pittsburgh also offers customers an array of other banking services including depository services and electronic funds transfer.

## CREDIT PRODUCTS

The credit resources of FHLBank Pittsburgh provide funding to help members manage liquidity, improve interest rate risk profiles, manage the mix of assets and liabilities, improve margins and enhance profitability. Products available through FHLBank's Member Money Desk include RepoPlus, Open RepoPlus and Mid-Term Repo advances, adjustable- and fixed-rate loans, amortizing loans, Convertible Select, Hedge Select, and returnable loans, interest rate exchange products and Letters of Credit.

## MORTGAGE PARTNERSHIP FINANCE® (MPF®) PROGRAM

FHLBank Pittsburgh offers members the MPF Program as an alternative for selling long-term fixed-rate mortgages, with options that include closed-loan purchases and actual/actual or scheduled/scheduled remittance. The program will fund conforming fixed-rate mortgages with terms up to 30 years. Through the program, members are paid a fee for assuming a portion of the credit risk while FHLBank takes on the interest rate risk of the mortgage.

## COMMUNITY INVESTMENT

FHLBank Pittsburgh works to foster affordable housing and community development opportunities in very-low-, low- and moderate-income areas through advocacy, creative financing and technical assistance. FHLBank offers the Affordable Housing Program, Banking On Business program, the Community Lending Program and First Front Door. The districtwide Pillars of the Community awards honor community investment development projects each year.

*"Bank4Banks" is a registered trademark of the Federal Home Loan Bank of Pittsburgh.*

*"Mortgage Partnership Finance" and "MPF" are registered trademarks of the Federal Home Loan Bank of Chicago.*

# Audit Committee Report

The Audit Committee of the Board of Directors of the Federal Home Loan Bank of Pittsburgh for 2007 was composed of six directors, two public interest and four industry directors. The members of the Audit Committee at year-end 2007 were H. Charles Maddy III, Basil R. Battaglia, David R. Gibson, Brian A. Hudson, Dennis S. Marlo and Patrick J. Ward.

The 2008 Audit Committee is comprised of six directors, three public interest and three industry directors. Both the 2007 and 2008 Audit Committee members are independent, as defined by the Finance Board.

The Audit Committee oversees the FHLBank's financial reporting process; reviews compliance with laws, regulations, policies and procedures; and evaluates

the adequacy of administrative, operating and internal accounting controls. The Audit Committee has adopted and is governed by a written charter, and has satisfied its responsibilities during 2007 in compliance with the charter. In fulfilling its responsibilities, the Audit Committee has reviewed and discussed the audited financial statements with management. The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61 and SAS No. 90, *Audit Committee Communications*. The Audit Committee has also received the written disclosures and the letter from the independent auditors required by Independent Standards Board Standard No. 1, and has discussed with the auditors the auditors' independence.

Based on the review and discussion referred to above, the 2008 Audit Committee recommends to the Board of Directors that the financial statements be included in the FHLBank's Form 10-K filed with the Securities and Exchange Commission.

## THE AUDIT COMMITTEE

*Brian A. Hudson, Chairman*

*Patrick J. Ward, Vice Chairman*

*Walter D'Alessio*

*John K. Darr*

*David R. Gibson*

*Glenn B. Marshall*

# Corporate Information

## CONTACT INFORMATION

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**E-mail:** [pr@fhlb-pgh.com](mailto:pr@fhlb-pgh.com)

## INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP

## INTERNET ACCESS

[www.fhlb-pgh.com](http://www.fhlb-pgh.com)  
[www.bank4banks.com](http://www.bank4banks.com)  
*(private transactional Web site for members only)*

## INVESTOR INFORMATION AND PUBLICATIONS

Submit requests for copies of communications to stockholders via:

**Phone:** 412-288-3400  
**Toll-free:** 1-800-288-3400  
**Fax:** 412-288-2899  
**E-mail:** [pr@fhlb-pgh.com](mailto:pr@fhlb-pgh.com)  
**Internet:**  
[www.fhlb-pgh.com/contact\\_fhlb.html](http://www.fhlb-pgh.com/contact_fhlb.html)

## PROFILE

The Federal Home Loan Bank of Pittsburgh is one of twelve Federal Home Loan Banks created by Congress in 1932 to promote housing finance. Each FHLBank, named for the city in which it resides, serves its own geographic region. FHLBank Pittsburgh serves 332 member financial institutions in Delaware, Pennsylvania and West Virginia. The Bank's employees work with members as strategic business partners to provide tailored solutions to customers' business challenges, helping them meet the specialized credit needs of the communities they serve.

The Federal Home Loan Bank of Pittsburgh is an Equal Opportunity Employer and takes employment action without regard to race, religion, color, sex, national origin, age, disability, veteran's status, ancestry or sexual preference.



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