

FEDERAL HOME LOAN BANK OF INDIANAPOLIS
POLICY PROHIBITING INSIDER TRADING
OF SECURITIES

Policy Statement

Federal securities laws make it illegal for any director, officer or employee of FHLBI to buy or sell securities at a time when that person possesses “material nonpublic information” relating to the issuer of such securities. This conduct is known as “insider trading.” Passing such material nonpublic information on to someone else who may buy or sell securities – which is known as “tipping” – is also illegal. These prohibitions apply to the capital stock of FHLBI, the debt securities issued by the FHLBank System, and any other securities issued by FHLBI or the FHLBank System. The prohibitions also apply to securities of FHLBI member institutions (including their holding companies and member affiliates), counterparties, vendors or other companies if that person learns something in the course of his or her duties for FHLBI that may affect the value of these securities.

FHLBI is adopting this Policy to avoid even the appearance of improper conduct on the part of anyone employed by or associated with FHLBI. Failure to comply with this policy could result in dismissal from employment or removal from the Board of Directors, in addition to any penalties that may be imposed by law in any civil or criminal proceeding brought by the SEC or other appropriate authorities.

Insider Trading

A. *Restrictions on Trading.* If a director, officer or any employee has material nonpublic information related to FHLBI, its members, the Office of Finance or any other FHLBank or the System, neither that person nor any related person (as defined below) may: (1) buy or sell securities of FHLBI or the debt securities of the System, or engage in any other action to take advantage of that information, or (2) communicate that information to other persons, unless disclosure is required for legitimate, FHLBI-related reasons. This restriction also applies to information obtained through the course of the person’s duties for FHLBI that relates to any FHLBI member (its holding company or member affiliates), counterparty, vendor or other company from which FHLBI receives material nonpublic information. The restrictions on FHLBI stock trading are subject to a limited ordinary course of business exception as discussed on page 3 below.

B. *Material Nonpublic Information Defined.* Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell a

security. Examples include: unpublished financial results; nonpublic projections of future earnings or losses; significant sale of assets; changes in dividends; changes in management; or the gain or loss of a substantial customer or counterparty. This list is not exhaustive and additional examples are set forth in FHLBI's Disclosure Policy.

Information is "nonpublic" if it is not available to the general public. In order for information to be considered public, it must be broadly disseminated or made widely available to the general public, such as by filing a Form 8-K, by distributing a press release through a widely disseminated news or wire service or by any other non-exclusionary method of disclosure that is reasonably designed to provide broad public access – such as announcement at a conference of which the public had notice and to which the public was granted access, either by personal attendance or telephonic or electronic access.

C. *Transactions by a Director's Institution.* The restrictions set forth above apply to the member institution(s) where an FHLBI director serves as an officer or director. Directors should not use in connection with their activities at their institution(s), or discuss with the individuals at their institution(s), material nonpublic information about an issuer of securities, which information came to such director through his or her relationship with the Bank. Directors are responsible for the compliance of their institution(s), including where applicable their holding company or FHLBI member affiliates.

D. *Transactions by Related Persons.* The restrictions set forth above apply to related persons, which are defined as immediate family members and other family members if living in the same household. Directors, officers and employees are expected to be responsible for the compliance of related persons and should not discuss material nonpublic information with such related persons.

E. *Disclosing Information to Others.* Where the information is proprietary or could have an impact on the desire to buy, hold or sell FHLBI stock or debt securities, such information should not be passed on to others unless disclosure is required for legitimate FHLBI-related reasons. Such information should also not be discussed in public places where it might be overheard, such as elevators, restaurants, taxis and airplanes. A director, officer or employee who improperly reveals material nonpublic information to another person can be held liable for the trading activities of his or her "tippee" and any other person with whom the tippee shares the information. This liability applies even if the tipper does not benefit financially from the trading activity and whether or not the tipper knew or intended that the other person would take action based upon the supplied information. To avoid even the appearance of impropriety, directors, officers and employees should refrain from providing advice or making recommendations regarding the purchase or sale of FHLBI stock (except with respect to the required purchase of stock as an incident to routine member transactions) or System debt securities, even if not then in possession of material nonpublic information.

F. *Trading in Securities of Members, Vendors and Others.* The penalties for insider trading and FHLBI's Securities Trading Policy apply equally to material nonpublic information concerning FHLBI member institutions, their holding companies or member affiliates, vendors, counterparties and other companies if obtained as a result of a person's duties for FHLBI. Officers, employees and appointed directors are prohibited from trading in the securities of FHLBI member institutions (including their holding companies and member affiliates). Elected directors and their member institutions must refrain from trading securities of a member institution while the director is in possession of material nonpublic information concerning such institution, and the director must not disclose such information to others unless the person has a need to know the information for legitimate FHLBI-related reasons. Directors, officers and employees must also refrain from trading securities of any FHLBI vendors, counterparties or other companies while in possession of material nonpublic information concerning such entity and should refrain from disclosing such information except when required for legitimate FHLBI-related reasons.

G. *Previously Nonpublic Information.* Any director, officer, employee, director's institution or related person that is aware of material nonpublic information regarding FHLBI, the FHLBank System, members (including their holding companies or affiliates), counterparties, vendors or other companies, may not enter into any transactions related to the securities of these entities immediately following public disclosure of the information. The public must be afforded sufficient time to receive and act upon the information. Although the amount of time varies with the type and complexity of the information released, it is generally appropriate to wait until the third business day following the public disclosure of the information before engaging in a transaction involving securities of such entity.

Trading Blackout

In order to avoid even the appearance of improper trading, it is the policy of FHLBI that no FHLBI member institution (or member affiliate) of which a FHLBI director is an officer or director may buy shares of stock of FHLBI, buy or sell any debt securities of the System, request the transfer of capital stock to another member or prospective member or request the repurchase of any excess shares of FHLBI stock during a blackout period.

A. *Automatic:* A blackout will begin on the date the Board or committee package containing the dividend analysis, draft 10-Q, or draft 10-K is mailed to directors containing material, nonpublic information, and end after the third full business day following FHLBI's issuance of its quarterly dividend release, 10-K, 10-Q, 8-K, or other press release made to the public.

B. *Discretionary:* The Board or an FHLBI Ethics Officer may, with advance notice to the directors, establish a trading blackout from time to time when material nonpublic information is shared with the directors and it will stay in effect until the third business day following the date the information is made public.

C. *Ordinary Course of Business Exception:* During a blackout period, a FHLBI director's member institution (or member affiliate) may purchase activity-based capital stock (either in an individual transaction or a series of transactions), if the purchases are in the ordinary course of the institution's business and that the total purchases do not increase the number of shares of FHLBI capital stock owned by such institutions by more than 5%.

Firewall

If an elected director's institution certifies to FHLBI that it has established a firewall that ensures that the director, or anyone else with whom the director has shared material nonpublic information about FHLBI or the System, does not participate in decisions regarding transactions with FHLBI, any blackout period established pursuant to this Policy shall not apply to such institution.

Certification and Training

Directors, officers and employees will be required to certify that they understand their obligations under this Policy and that they have complied and will continue to comply with this Policy on an annual basis. The Ethics Officers are responsible for conducting annual director and staff training, and for the collection and retention of the certifications. The Ethics Officers will provide an annual status report to the Disclosure Committee.

General Questions

Any person who has any questions about specific transactions or general questions about this Policy may obtain additional guidance from FHLBI's General Counsel. The ultimate responsibility for compliance, however, remains with the director, officer or employee.

Effective Date

This Policy shall be effective on July 1, 2006, and on that date will supersede the policy approved by the Board on March 17, 2006.