



FEDERAL HOME LOAN BANK OF INDIANAPOLIS
Building Partnerships. Serving Communities.

NEWS RELEASE

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Federal Home Loan Bank of Indianapolis Announces Second Quarter 2006 Financial Filing

Indianapolis, IN— The Federal Home Loan Bank of Indianapolis (FHLBI) announced today the filing of its second quarter 2006 10-Q with the Securities and Exchange Commission (SEC).

The filing of the second quarter financials was delayed because of discussions with the SEC regarding the sufficiency the FHLBI's historical methods used to statistically measure hedge effectiveness prior to 2006 in significant portions of our derivatives portfolio. We recently completed discussions with the SEC regarding this issue and have determined that we do not need to restate our historical financial statements. At the end of the first quarter of 2006, we expanded our hedge effectiveness testing procedures to include additional statistical measures.

Detailed financial information can be found in the 10-Q filing, which can be accessed through the SEC's website at www.sec.gov.

Safe Harbor Statement

This document contains forward-looking statements concerning plans, objectives, goals, strategies, future events or performance, which are not statements of historical fact. The forward-looking statements contained in this release reflect our current beliefs and expectations. Actual results or performance may differ materially from what is expressed in the forward-looking statements. Readers are referred to the documents filed by us with the SEC, specifically reports on Form 10-K and Form 10-Q including risk factors that could cause actual results to differ from forward-looking statements. These reports are available at www.sec.gov.

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The Federal Home Loan Bank of Indianapolis is one of 12 regional banks that make up the Federal Home Loan Bank System. FHLBanks are government-sponsored enterprises created by Congress to ensure access to low-cost funding for insured financial institutions, such as commercial banks, savings institutions, credit unions, and insurance companies. FHLBanks are privately capitalized and funded, and receive no Congressional appropriations.

*The FHLBI promotes **Building Partnerships, Serving Communities** by serving as a wholesale source of funds for chartered financial institutions throughout Indiana and Michigan. For more information about the FHLBI, visit www.fhlbi.com.*