



FEDERAL HOME LOAN BANK OF INDIANAPOLIS

Building Partnerships. Serving Communities.

April 18, 2005

FIRST QUARTER DIVIDEND

To the Stockholders:

The board of directors of the FHLBI declared a stock dividend on B-1 stock at a rate of 4.25%. Additionally, B-2 stock will be paid 3.40%. The dividend on B-1 stock will be paid in the form of capital stock, with fractional shares paid in cash. The dividend on B-2 stock will be paid in cash. The dividend covers the 90-day period commencing on December 31, 2004. The amount of each shareholder's dividend will be available via the Secured Services section of our website, www.FHLBI.com, or from the Finance Division* by close of business on April 19, 2005, and will be credited to each member effective on April 21, 2005.

Please note that dividends paid in the form of stock are subject to the same five-year redemption period that is applicable to all stock under the FHLBI's capital plan, which is available on FHLBI's website. If holding this additional stock is not consistent with your plans, you may request that the FHLBI repurchase your new shares according to our board's policy. To make this request, notify us in writing of your desire for your stock dividend to be repurchased. Please fax this request to the attention of Jonathan Griffin, Vice President, at 317-465-0473. Please note that this request must be received on or before May 5, 2005, to be considered for repurchase under the board's stock dividend repurchase policy. The repurchase is not automatic and will remain in the FHLBI's sole discretion. The FHLBI will act on these requests by May 12, 2005.

Sincerely,

Martin L. Heger
President and CEO

*Cash Management Toll Free Line:
1-800-765-0465