



Announcements

April 4, 2007

On March 30, 2007 the Bank mailed to you our 2006 Annual Report and our Affordable Housing Advisory Council Annual Report. Both reports will provide you with an introduction to our board of directors and management team, a sense of our member-focused operating philosophy, and an excellent overview of our financial performance and community investment programs.

We hope you will take the time to review the Financial Highlights and Discussion on page 6 of the Bank's Annual Report, which includes a five-year summary of financial information and an explanation of the impact of the Bank's restatement of financial reports completed in connection with its SEC registration in 2006. Due to the loss of hedge accounting for the derivative structures used to hedge market risk exposure on its mortgage portfolio and subsequent steps taken to reduce future volatility of GAAP income, the Bank recorded an exceptionally high level of income in 2005 from the acceleration of income that would have otherwise been recorded in future years.

Net income in 2006 returned to a level more consistent with historical performance. The Bank's return on average assets in 2006 at 0.20% as compared to the average ROA of 0.22% for the three years prior to 2005. The annualized dividend rate in 2006 at 3.83% compared favorably with the average dividend rate for the prior four year period.

For additional information, we recommend that you review our Form 10-K filed on March 30, 2007 with the SEC at www.sec.gov or go to our home page at www.fhlbdm.com and click on a direct link to the Form 10-K report.

The Des Moines Bank is well positioned for the future. As we move forward in 2007, we will continue to strengthen our performance by providing attractively priced advances and opportunities for our 1,250 members to meet the housing and economic development needs in the communities we serve together.