



## FOR IMMEDIATE RELEASE

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## **Federal Home Loan Bank of Des Moines Announces Second Quarter 2025 Financial Results, Declares Dividend**

### **Second Quarter 2025 Highlights**

- Net income of \$194 million
- Affordable Housing Program (AHP) assessments of \$21 million
- Voluntary community and housing contributions of \$43 million
- Advances totaled \$114.8 billion
- Mortgage loans held for portfolio, net totaled \$13.2 billion
- Letters of credit totaled \$17.7 billion
- Retained earnings totaled \$3.6 billion

### **Dividend**

The Board of Directors approved a second quarter 2025 dividend to be paid at an annualized rate of 9.75% on average activity-based stock and 6.00% on average membership stock, unchanged from the prior quarter. The Federal Home Loan Bank of Des Moines (the Bank) expects to make dividend payments totaling \$145 million on August 12, 2025.

### **Liquidity Mission**

The Bank provides liquidity to its members to support the housing, business, and economic development needs of their communities. Members pledge mortgage loans and other collateral to access the Bank's core liquidity products of advances, letters of credit, and purchased mortgage loans under the Mortgage Partnership Finance<sup>®</sup> Program. During the six months ended June 30, 2025, advance balances averaged \$104.0 billion, letters of credit averaged \$19.2 billion, purchased mortgage loan balances averaged \$12.4 billion, and the Bank held an average of \$27.7 billion of short-term assets as a ready source of liquidity for its members.

### **Affordable Housing and Community Impact**

The Bank's housing and community development programs are central to its mission. The Bank contributes 10% of its net income each year to its AHP, a grant program that supports the creation, preservation, or purchase of affordable housing. This program includes a competitive AHP and two down payment assistance products called Home\$tart and the Native American Homeownership Initiative. During the three and six months ended June 30, 2025, the Bank accrued statutory AHP assessments of \$21 million and \$44 million and voluntarily accrued \$5 million and \$6 million, to be awarded in 2026 through this program.

In addition to its AHP, the Bank offers its members voluntary programs to further its housing mission. During the three and six months ended June 30, 2025, the Bank recorded a total of \$43 million and \$55 million in voluntary community and housing contributions, including the voluntary AHP contribution. Through its voluntary programs in 2025, the Bank:

- provided \$20 million in 0% rate advances to members that originated or purchased mortgage loans from a Habitat for Humanity® affiliate and recorded \$4 million in subsidy expense;
- funded \$232 million of home mortgages with an interest rate lower than the current market rate under the Mortgage Rate Relief program, which provided \$19 million in grants, including \$18 million during the second quarter, to those seeking affordable homeownership; and
- recorded contributions of \$26 million, including \$20 million during the second quarter, to its Member Impact Fund to match member donations to local housing and community development organizations.

## **Financial Results Discussion**

**Net Income** - For the three and six months ended June 30, 2025, the Bank recorded net income of \$194 million and \$399 million compared to \$230 million and \$504 million for the same periods in 2024.

**Net Interest Income** - For the three and six months ended June 30, 2025, the Bank recorded net interest income of \$289 million and \$537 million, a decrease of \$30 million and \$131 million when compared to the same periods in 2024. The decrease was due to the yield on interest-earning assets declining at a quicker pace than the cost of interest-bearing liabilities driven primarily by changes in interest rates, which also reduced earnings on invested capital, and a decline in longer-term advances. The decline in net interest income was offset in part by mortgage loan and mortgage-backed security portfolio growth, as well as the call of higher-costing consolidated obligation bonds. In addition, during the three months ended June 30, 2025, the decline was offset by an increase in market value adjustments on the Bank's fair value hedge relationships.

**Net Interest Spread and Margin** - Net interest spread was 0.38 percent and 0.35 percent for the three and six months ended June 30, 2025, a decrease of 0.07 percent and 0.10 percent when compared to the same periods in 2024. Net interest margin was 0.64 percent and 0.61 percent for the three and six months ended June 30, 2025, a decrease of 0.11 percent and 0.13 percent when compared to the same periods in 2024. The declines in net interest spread and margin were driven by the decrease in net interest income discussed above. The Bank's cost of funds does not include net interest settlements on economic hedges, which are recorded in other income (loss). As a result, net interest spread and margin do not reflect the full impact of the Bank's funding and hedging strategies and may experience volatility as interest rates change.

**Other Income (Loss)** - For the three and six months ended June 30, 2025, the Bank recorded other income of \$16 million and \$57 million, an increase of \$25 million and \$62 million when compared to the same periods in 2024, primarily due to the net changes in fair value on the Bank's trading securities, fair value option instruments, and economic derivatives.

**Other Expense** - For the three and six months ended June 30, 2025, the Bank recorded other expense of \$90 million and \$151 million, an increase of \$35 million and \$46 million when compared to the same periods in 2024, primarily driven by an increase in voluntary community and housing contributions.

**Assets** - The Bank's total assets increased to \$190.0 billion at June 30, 2025, from \$165.3 billion at December 31, 2024, driven primarily by an increase in advances and investments. Advances increased \$14.9 billion due mainly to an increase in borrowings by large depository institution members and insurance companies. Investments increased \$9.3 billion due in part to an increase in short-term investments, mainly federal funds sold and securities purchased under agreements to resell, as well as the purchase of agency mortgage-backed securities and U.S. Treasury obligations.

**Capital** - Total capital increased to \$10.2 billion at June 30, 2025, from \$9.5 billion at December 31, 2024, primarily due to an increase in activity-based capital stock resulting from an increase in advance balances.

**Federal Home Loan Bank of Des Moines**  
**Financial Highlights**  
**(preliminary and unaudited)**  
*Dollars in millions*

<b>Selected Balance Sheet Items</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Advances	\$ 114,845	\$ 99,951
Investments	61,353	52,032
Mortgage loans held for portfolio, net	13,197	11,896
Total assets	190,022	165,253
Consolidated obligations	176,770	153,251
Capital stock - Class B putable	6,660	5,989
Retained earnings	3,617	3,491
Total capital	10,225	9,451
Total regulatory capital <sup>1</sup>	10,311	9,489
Regulatory capital ratio	5.43 %	5.74 %

<sup>1</sup> Total regulatory capital includes capital stock, mandatorily redeemable capital stock, and retained earnings. The regulatory capital ratio is calculated as regulatory capital as a percentage of period end assets.

	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
<b>Operating Results</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net interest income	\$ 289	\$ 319	\$ 537	\$ 668
Provision (reversal) for credit losses on mortgage loans	—	(1)	—	(2)
Other income (loss)	16	(9)	57	(5)
Other expense	90	55	151	105
Affordable Housing Program assessments	21	26	44	56
Net income	\$ 194	\$ 230	\$ 399	\$ 504
<b>Performance Ratios</b>				
Net interest spread	0.38 %	0.45 %	0.35 %	0.45 %
Net interest margin	0.64	0.75	0.61	0.74
Return on average equity (annualized)	7.86	9.57	8.20	10.47
Return on average assets (annualized)	0.42	0.53	0.45	0.55

The financial results reported in this earnings release for the second quarter of 2025 are preliminary until the Bank announces unaudited financial results in its Second Quarter 2025 Form 10-Q filed with the Securities and Exchange Commission, expected to be available next month at [www.fhlbdm.com](http://www.fhlbdm.com) and [www.sec.gov](http://www.sec.gov).

*The Bank is a member-owned cooperative whose mission is to be a reliable provider of funding, liquidity, and services for its members so that they can meet the housing, business, and economic development needs of the communities they serve. The Bank is wholly owned by nearly 1,250 members, including commercial banks, savings institutions, credit unions, insurance companies, and community development financial institutions. The Bank serves Alaska, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, and the U.S. Pacific territories of American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The Bank is one of 11 regional banks that make up the Federal Home Loan Bank System.*

*Statements contained in this announcement, including statements describing the objectives, projections, estimates, or future predictions in the Bank's operations, may be forward-looking statements. These statements may be identified by the use of forward-looking terminology, such as believes, projects, expects, anticipates, estimates, intends, strategy, plan, could, should, may, and will or their negatives or other variations on these terms. By their nature, forward-looking statements involve risk or uncertainty, and actual results could differ materially from those expressed or implied or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. As a result, you are cautioned not to place undue reliance on such statements. A detailed discussion of the more important risks and uncertainties that could cause actual results and events to differ from such forward-looking statements can be found in the "Risk Factors" section of the Bank's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC. These forward-looking statements apply only as of the date they are made, and the Bank undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.*