FOCUS ON FUNDAMENTALS

Strength and Stability for Farm Credit Associations

AGRIBANK 2018 QUARTERLY REPORT
MARCH 31, 2018

AgriBank
FARM CREDIT BANK

Copies of Quarterly and Annual Reports are available upon request by contacting AgriBank, FCB, 30 E. 7th Street, Suite 1600, St. Paul, MN 55101 or by calling (651) 282-8800. Reports are also available at www.AgriBank.com.

Management's Discussion and Analysis

AgriBank, FCB

(Unaudited)

The following commentary is a review of the financial condition and results of operations of AgriBank, FCB (AgriBank or the Bank). This information should be read in conjunction with the accompanying Financial Statements, the Notes to the Financial Statements and the 2017 Annual Report.

AgriBank is a funding Bank that supports and is primarily owned by 14 Farm Credit Associations. AgriBank and the 14 Associations are collectively referred to as the District. The District covers America's Midwest, a 15-state area stretching from Wyoming to Ohio and Minnesota to Arkansas. With about half of the nation's cropland located in the AgriBank District and over 100 years of experience, AgriBank and District Associations have significant expertise in providing financial products and services for rural communities and agriculture.

Chief Executive Officer Transition

In March 2018, Jeffrey R. Swanhorst was named as chief executive officer (CEO) of AgriBank effective April 2, 2018. Previously as chief credit officer, Mr. Swanhorst was responsible for all AgriBank credit functions and served on various System committees. Retiring CEO William J. Thone will remain with AgriBank through June 30, 2018 on a consulting basis to ensure a smooth leadership transition.

Forward-Looking Information

Any forward-looking statements in this Quarterly Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties. More information about these risks and uncertainties is contained in our 2017 Annual Report. AgriBank undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Financial Overview

Net income increased $16.4 million, or 12.7 percent, to $146.0 million for the three months ended March 31, 2018, compared to the same period of the prior year. The increase in net income was primarily due to an increase in non-interest income, and to a lesser extent, an increase in net interest income. The increase in non-interest income was primarily attributable to a non-recurring distribution received from the Farm Credit System Insurance Corporation (FCSIC) during the first three months of 2018 compared to the same period of the prior year.

Return on assets ratio of 57 basis points in 2018 remained above AgriBank's 50 basis point target. This ratio includes the impact of a non-recurring distribution from the FCSIC.

Loan portfolio credit quality remained strong with 99.5 percent of our total loan portfolio in the acceptable category. Credit quality of our retail loan portfolio (accounting for approximately 9 percent of our total loan portfolio) decreased slightly to 94.7 percent acceptable as of March 31, 2018, compared to 95.1 percent acceptable at December 31, 2017. Robust capital levels ensure we are well-positioned to manage the cyclicality that is characteristic of the agricultural market. Refer to the Loan Portfolio and Funding, Liquidity and Shareholders' Equity sections for further discussion.

Economic Conditions

Interest Rate Environment
U.S. economic activity is expected to continue advancing at a moderate pace, and the U.S. economy is forecasted to grow at 2.8 percent in 2018. U.S. economic growth is expected to be driven by consumer and investment spending. Consumer spending has remained strong due to consumer confidence, which is at elevated levels. Investment spending is expected to increase in 2018 due to the Tax Cuts and Jobs Act legislation that was passed in late 2017.

The Federal Open Market Committee (FOMC) of the Federal Reserve is expected to continue the process of normalizing the level of interest rates and continues winding down its balance sheet. After the 25 basis point (bp) rate increase in March 2018, the target range for the federal funds rate stands at 1.50 to 1.75 percent. The path for the federal funds rates is expected to remain data-dependent and, according to Federal Reserve communications, anticipated economic conditions will warrant only gradual increases in policy rates. The consensus forecast of economists suggests that the FOMC will increase the federal funds rate by an additional 50 bp before the end of 2018 to a target range of 2.00 to 2.25 percent. The U.S. Treasury yield curve has flattened due to the Federal Reserve's increases to short-term rates and a decline in inflation expectations, which has constrained long-term rates from moving significantly higher. Economists expect U.S. Treasury rates to move higher by the end of 2018 with the 2-year and 10-year rates approaching 2.70 and 3.15 percent, respectively.

We manage interest rate risk consistent with policies established by the AgriBank Board of Directors and limits established by AgriBank's Asset/Liability Committee (ALCO) (refer to Interest Rate Risk Management section of the 2017 Annual Report). While many factors can impact our net interest income, management expects that financial performance will remain relatively consistent under most interest rate environments over the next 12 months.

Agricultural Conditions
The U.S. Department of Agriculture's Economic Research Service (USDA-ERS) has forecasted U.S. net farm income to decrease $4.3 billion, or 6.7 percent, to $59.5 billion for 2018, from the latest 2017 estimate of $63.8 billion. As forecasted, 2018 net farm income would result in the lowest level since 2006 in nominal terms. The decline in the forecasted 2018 net farm income is largely driven by increased expenses, primarily due to higher labor costs and interest expense.

U.S. farm sector working capital has declined in recent years and is expected to continue to decline in 2018, perpetuated by diminished levels of cash and other short-term assets, sustained low commodity prices and growing short term debt.

While 2018 net farm income and working capital are expected to decline, a healthy U.S. economy is expected to support domestic demand for most agricultural commodities in the foreseeable future. The primary area of risk will remain the export component of the demand for U.S. agricultural commodities, with a stronger dollar and ongoing uncertainty surrounding the future of U.S. trade policy. Major cash crops in the United States are projected to remain at elevated supply levels following strong harvests in recent years. In addition to cash crops, pork, broilers and dairy are most heavily dependent upon exports and most susceptible to foreign trade-related disruptions in 2018. Continued low feed costs along with higher market prices in most major animal protein categories, and some new processing capacity in specific protein sectors should continue to drive increased production, giving rise to increased supply and creating price challenges for producers.

Producers who are able to realize cost-of-production efficiencies and market their farm products effectively are most likely to adapt to the current price environment. Optimal input usage, adoption of cost-saving technologies, negotiating adjustments to various business arrangements such as rental cost of agricultural real estate, and effective use of hedging and other price risk management strategies are all critical in yielding positive net income for producers.

Industry Conditions

There have been no changes in industry conditions from those observed at December 31, 2017. For analysis of industry conditions, refer to the Agricultural Conditions section of Management's Discussion and Analysis of the 2017 Annual Report.

Land Values

The AgriBank District continues to monitor agricultural land values. We conduct an annual Benchmark Survey, completed by licensed real estate appraisers, of a sample of benchmark farms selected to represent the lending footprint of District Associations. The District's most recent real estate market value survey based on the twelve-month period ending June 30, 2017 indicated that the District real estate value changes ranged from a negative 5.8 percent to positive 7.9 percent. AgriBank will conduct the next Benchmark Survey for the period ending June 30, 2018. Land value increases continue to be most common in areas heavily influenced by livestock operations, off-farm income and areas with crop production other than the major crops of corn, soybeans and wheat. Conversely, modest declines in values were concentrated primarily in areas of corn, soybean and wheat production.

The USDA 2017 land value survey, based primarily on agricultural producer opinions, indicated a 0.7 percent increase in farmland values and stable cropland values in the AgriBank District. While recent slight increases in values have been observed by the USDA, agriculture land values in the District have generally stabilized or trended downward since 2013. Land values in the District are expected to remain stable or soften over the next year, primarily due to anticipated continued low levels of net farm income in 2018 and beyond and, to a lesser extent, expected interest rate increases.

Loan Portfolio

Components of Loans

(in thousands)	March 31, 2018	December 31, 2017
Accrual loans:		
Wholesale loans	**$79,223,373**	$79,960,907
Retail loans:		
Real estate mortgage	**$3,709,636**	$3,910,060
Production and intermediate-term	**3,593,699**	3,710,514
Loans to other financing institutions (OFIs)	**505,799**	593,677
Other	**198,931**	146,727
Total retail loans	**8,008,065**	8,360,978
Nonaccrual loans	**57,155**	53,038
Total loans	**$87,288,593**	$88,374,923

The Other category is primarily composed of agribusiness, communication and rural residential real estate loans.

Loans totaled $87.3 billion at March 31, 2018, a decrease of $1.1 billion, or 1.2 percent, from December 31, 2017. The decrease in total loans was driven primarily by paydowns on wholesale loans reflecting seasonal repayments on operating lines in the production and intermediate-term sector at District Associations, partially offset by increased agribusiness volume at District Associations.

The credit quality of our total loan portfolio remained strong at 99.5 percent in the acceptable category at March 31, 2018, unchanged from December 31, 2017. Adversely classified loans were 0.3 percent at March 31, 2018 and December 31, 2017. As a majority of our loans are wholesale loans, we expect our credit quality will remain strong even as District Associations experience declines in their retail credit quality. District Associations each have allowances for loan losses, earnings and capital that absorb their credit losses before they would impact our wholesale loans. Credit quality of our retail loan portfolio declined slightly to 94.7 percent acceptable as of March 31, 2018, compared to 95.1 percent acceptable at December 31, 2017.

Components of Risk Assets

(in thousands)	March 31, 2018	December 31, 2017
Nonaccrual loans	**$57,155**	$53,038
Accruing restructured loans	**4,542**	4,588
Accruing loans 90 days or more past due	**841**	8
Total risk loans	**62,538**	57,634
Other property owned	**59**	78
Total risk assets	**$62,597**	$57,712
Risk loans as a % of total loans	**0.07%**	0.07%
Nonaccrual loans as a % of total loans	**0.07%**	0.06%
Delinquencies as a % of total loans	**0.06%**	0.05%

Note: Accruing loans include accrued interest receivable.

Risk assets remain at acceptable levels, and total risk loans as a percentage of total loans remains within our established risk management guidelines. Risk assets are primarily concentrated in the real estate mortgage and production and intermediate-term sectors. At March 31, 2018, 53.3 percent of nonaccrual loans were current as to principal and interest, compared to 61.2 percent at December 31, 2017.

Our accounting policy requires loans past due 90 days to be transferred into nonaccrual status unless adequately secured and in the process of collection. Based on our analysis, all accruing loans 90 days or more past due were eligible to remain in accruing status.

Allowance Coverage Ratios

	March 31, 2018	December 31, 2017
Allowance as a percentage of:		
Loans	**0.03%**	0.03%
Nonaccrual loans	**44.17%**	49.11%
Total risk loans	**40.37%**	45.19%
Adverse assets to capital and allowance for loan losses	**4.15%**	3.90%

The allowance for loan losses is an estimate of losses on loans in our portfolio as of the financial statement date. We determine the appropriate level of allowance for loan losses based on the periodic evaluation of factors such as loan loss history, estimated probability of default, estimated loss severity, portfolio quality, and current economic and environmental conditions. As of March 31, 2018, the allowance decreased $0.8 million, compared to December 31, 2017 and reflected net charge-offs for the three months ended March 31, 2018. As our credit quality remained stable during the three months ended March 31, 2018, we recorded no provision for loan losses during this time period.

Funding, Liquidity and Shareholders' Equity

We are responsible for meeting the District's funding, liquidity and asset/liability management needs. Access to the unsecured debt capital markets remains our primary source of liquidity. The System continues to have reliable access to the debt capital markets to support its mission of providing credit to farmers, ranchers and other eligible borrowers. During the three months ended March 31, 2018, investor demand for Systemwide Debt Securities remained favorable.

We also maintain a secondary source of liquidity through a high-quality investment portfolio and other short-term liquid assets. We manage liquidity for our operating and debt repayment needs through managing debt maturities, as well as forecasting and anticipating seasonal demands. We maintain maturing investments and bank balances of at least $500 million on hand each day to meet cash management and loan disbursement needs in the normal course of business.

We manage intermediate and longer-term liquidity needs through the composition of the liquidity investment portfolio, which is structured to meet both regulatory requirements and our operational demands. Specifically, we provide at least 15 days of liquidity coverage from cash, overnight investments and U.S. Treasury securities less than three years in maturity. Other short-term money market investments, as well as government and agency mortgage-backed securities (MBS), are positioned to cover regulatory requirements for 30- and 90-day intervals. Additionally, a supplemental liquidity buffer provides days coverage in excess of 90 days from money market instruments greater than 90 days in maturity and asset-backed securities (ABS). At March 31, 2018, we held qualifying assets in excess of each incremental level to meet the liquidity coverage intervals.

Our liquidity policy and Farm Credit Administration (FCA) regulations require maintaining minimum liquidity on a continuous basis of 120 days and 90 days, respectively. The days of liquidity measurement refers to the number of days that maturing debt is covered by liquid investments. As of March 31, 2018, we had sufficient liquidity to fund all debt maturing within 156 days.

We maintain a contingency funding plan (CFP) that helps inform our operating and funding needs and addresses actions we would consider in the event that there is not ready access to traditional funding sources. These potential actions include borrowing overnight via federal funds, using investment securities as collateral to borrow, using the proceeds from maturing investments and selling our liquid investments. We size our investment portfolio using the CFP to cover all operating and funding needs for a minimum of 30 days with a targeted $500 million buffer.

Total shareholders' equity at March 31, 2018 was $5.7 billion, a $66.8 million increase from December 31, 2017. The increase was primarily driven by comprehensive income, substantially offset by earnings reserved for patronage distributions and annual stock retirements during the period. The increase in patronage distributions for the three months ended March 31, 2018, compared to the same period of the prior year, was primarily due to an increase in the wholesale patronage distribution rate under our 2018 capital plan. The decrease in accumulated other comprehensive loss compared to the same period of the prior year was primarily due to increased unrealized gains from derivatives and hedging positions resulting from the increasing interest rate environment.

At March 31, 2018, we exceeded the regulatory minimum capital ratios. Refer to the Additional Regulatory Information section as well as Note 4 in the accompanying Financial Statements for further discussion of capital ratios.

Results of Operations

Net income for the three months ended March 31, 2018 was $146.0 million, a 12.7 percent increase, compared to $129.5 million for the same period in 2017. Return on assets ratio of 57 basis points in 2018 remained above AgriBank's 50 basis point target. This ratio includes the impact of a non-recurring distribution from the FCSIC.

Changes in Significant Components of Net Income

(in thousands) **For the three months ended March 31,**	**2018**	2017	Increase (Decrease) in Net Income
Net interest income	**$144,748**	$143,071	$1,677
Provision for loan losses	**--**	2,000	2,000
Non-interest income	**32,634**	19,589	13,045
Non-interest expense	**31,385**	31,112	(273)
Net income	**$145,997**	$129,548	$16,449

The increase in non-interest income was primarily due to the Allocated Insurance Reserve Account (AIRA) distribution received from the FCSIC during the first quarter of 2018. The AIRA was recently established by the FCSIC when premiums collected increased the level of the insurance fund beyond the required 2 percent of insured debt. Refer to the 2017 AgriBank Annual Report for additional information about the FCSIC. Non-interest income was impacted, to a lesser extent, by increased mineral income, primarily due to higher oil and gas prices and an increased level of leasing activity compared to the prior year.

Changes in Net Interest Income

(in thousands)

For the three months ended March 31,	**2018 vs 2017**		
Increase (decrease) due to:	**Volume**	**Rate**	**Total**
Interest income:			
Loans	**$13,390**	**$83,846**	**$97,236**
Investments	**1,723**	**20,062**	**21,785**
Total interest income	**15,113**	**103,908**	**119,021**
Interest expense:			
Systemwide debt securities and other	**(8,880)**	**(108,464)**	**(117,344)**
Net change in net interest income	**$6,233**	**$(4,556)**	**$1,677**

Net interest income (NII) for the three months ended March 31, 2018 increased slightly compared to the same period of 2017.

Increased NII was primarily attributable to loan and investment volume, significantly offset by the net impact of increased interest rates. Increased interest rates resulted in increased interest expense on Systemwide Debt Securities, which was substantially offset by increased interest income from our wholesale loans to District Associations and other financing institutions (OFIs) and, to a lesser extent, investments.

Information regarding the year-to-date average daily balances (ADBs) and annualized average rates earned and paid on our portfolio follows:

(in thousands)

For the three months ended March 31,	**2018**			2017		
	ADB	**Rate**	**NII**	ADB	Rate	NII
Interest earning assets:						
Wholesale loans	**$78,794,548**	**2.27%**	**$447,162**	$77,253,609	1.90%	$361,454
Retail accrual loans	**8,133,277**	**3.99%**	**81,067**	$7,509,557	3.76%	$69,614
Retail nonaccrual loans	**54,873**	**7.53%**	**1,032**	52,771	7.35%	956
Investment securities and federal funds	**15,767,142**	**1.67%**	**65,766**	15,139,156	1.18%	43,982
Total earning assets	**102,749,840**	**2.32%**	**595,027**	99,955,093	1.93%	476,006
Interest bearing liabilities	**97,391,584**	**1.88%**	**450,279**	94,895,505	1.42%	332,935
Interest rate spread	**$5,358,256**	**0.44%**		$5,059,588	0.51%	
Impact of equity financing		**0.13%**			0.07%	
Net interest margin		**0.57%**			0.58%	
Net interest income			**$144,748**			$143,071

Net interest margin for the three months ended March 31, 2018, decreased one basis point compared to the same period of the prior year. This decrease was primarily driven by the decreased interest rate spread. Equity financing represents the benefit of non-interest bearing funding, primarily shareholders' equity, and was up compared to the prior year due to higher equity volume and a higher level of interest rates.

Certification

The undersigned have reviewed the March 31, 2018 Quarterly Report of AgriBank, FCB, which has been prepared under the oversight of the Audit Committee and in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate and complete to the best of our knowledge and belief.

Matthew D. Walther
Chair of the Board
AgriBank, FCB
May 10, 2018

Jeffrey R. Swanhorst
Chief Executive Officer
AgriBank, FCB
May 10, 2018

Jeffrey L. Moore
Chief Financial Officer
AgriBank, FCB
May 10, 2018

Statements of Condition

AgriBank, FCB

(unaudited) (in thousands)	**March 31, 2018**	December 31, 2017
Assets		
Loans	**$87,288,593**	$88,374,923
Allowance for loan losses	**25,245**	26,047
Net loans	**87,263,348**	88,348,876
Investment securities	**14,770,533**	14,386,455
Cash	**268,132**	469,599
Federal funds	**663,000**	676,300
Accrued interest receivable	**520,242**	498,826
Derivative assets	**20,576**	8,956
Allocated prepaid pension costs	**37,756**	38,834
Cash collateral posted with counterparties	**25,236**	29,730
Other assets	**39,223**	87,149
Total assets	**$103,608,046**	104,544,725
Liabilities		
Bonds and notes	**$97,393,375**	$98,313,944
Accrued interest payable	**350,291**	288,978
Derivative liabilities	**16,102**	34,562
Cash collateral posted by counterparties	**2,600**	--
Accounts payable and other payables	**122,261**	246,388
Other liabilities	**14,776**	18,971
Total liabilities	**97,899,405**	98,902,843
Commitments and contingencies (Note 6)		
Shareholders' equity		
Perpetual preferred stock	**250,000**	250,000
Capital stock and participation certificates	**2,337,290**	2,345,655
Unallocated surplus	**3,178,884**	3,132,653
Accumulated other comprehensive loss	**(57,533)**	(86,426)
Total shareholders' equity	**5,708,641**	5,641,882
Total liabilities and shareholders' equity	**$103,608,046**	104,544,725

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

AgriBank, FCB

(unaudited)
(in thousands)

For the period ended March 31,	Three months 2018	Three months 2017
Interest income		
Loans	**$529,261**	$432,024
Investment securities	**65,766**	43,982
Total interest income	**595,027**	476,006
Interest expense	**450,279**	332,935
Net interest income	**144,748**	143,071
Provision for loan losses	**--**	2,000
Net interest income after provision for loan losses	**144,748**	141,071
Non-interest income		
Mineral income	**14,613**	10,247
Business services income	**5,766**	2,557
Loan prepayment and fee income	**1,915**	4,638
Allocated Insurance Reserve Accounts income	**9,302**	--
Miscellaneous income and other gains, net	**1,038**	2,147
Total non-interest income	**32,634**	19,589
Non-interest expense		
Salaries and employee benefits	**9,265**	10,161
Other operating expenses	**9,830**	9,225
Loan servicing and other fees paid to District Associations	**10,357**	8,780
Farm Credit System insurance expense	**1,933**	2,946
Total non-interest expense	**31,385**	31,112
Net income	**$145,997**	$129,548
Other comprehensive (loss) income		
Investments available-for-sale:		
Not-other-than-temporarily-impaired investments	**$(30,058)**	$8,649
Derivatives and hedging activity	**58,919**	4,748
Employee benefit plan activity	**32**	--
Total other comprehensive income	**28,893**	13,397
Comprehensive income	**$174,890**	$142,945

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

AgriBank, FCB

(unaudited) (in thousands)	Perpetual Preferred Stock	Capital Stock and Participation Certificates	Unallocated Surplus	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2016	$250,000	$2,183,701	$3,132,432	$(80,030)	$5,486,103
Net income			129,548		$129,548
Other comprehensive income				13,397	$13,397
Patronage			(85,437)		$(85,437)
Perpetual preferred stock dividends			(4,297)		$(4,297)
Capital stock/participation certificates issued		13,919			$13,919
Balance at March 31, 2017	250,000	2,197,620	3,172,246	(66,633)	5,553,233
Balance at December 31, 2017	$250,000	$2,345,655	$3,132,653	$(86,426)	$5,641,882
Net income			**145,997**		**145,997**
Other comprehensive income				**28,893**	**28,893**
Patronage			**(95,469)**		**(95,469)**
Perpetual preferred stock dividends			**(4,297)**		**(4,297)**
Capital stock/participation certificates issued		**9,026**			**9,026**
Capital stock/participation certificates retired		**(17,391)**			**(17,391)**
Balance at March 31, 2018	**$250,000**	**$2,337,290**	**$3,178,884**	**$(57,533)**	**$5,708,641**

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

AgriBank, FCB

(unaudited)
(in thousands)

For the three months ended March 31,	2018	2017
Cash flows from operating activities		
Net income	$145,997	$129,548
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation on premises and equipment	790	924
Provision for loan losses	--	2,000
Amortization of discounts on investments, net	(17,632)	(5,444)
Amortization of discounts on debt and deferred debt issuance costs, net	12,545	26,245
Loss (gain) on derivative activities, net	1,526	(890)
Insurance refund related to FCS Financial Assistance Corporation stock	(3,376)	--
Changes in operating assets and liabilities:		
Increase in accrued interest receivable	(435,496)	(346,345)
Decrease in other assets	48,919	15,836
Increase in accrued interest payable	61,313	48,091
Decrease in other liabilities	(19,112)	(29,982)
Net cash used in operating activities	(204,526)	(160,017)
Cash flows from investing activities		
Decrease in loans, net	1,499,608	1,361,149
Proceeds from sales of other property owned	30	1,040
Purchases of investment securities	(1,181,384)	(704,466)
Proceeds from maturing investment securities	784,883	1,301,293
Purchases of premises and equipment, net	(737)	(1,098)
Proceeds from insurance refund related to FCS Financial Assistance Corporation stock	3,376	--
Net cash provided by investing activities	1,105,776	1,957,918
Cash flows from financing activities		
Bonds and notes issued	25,783,953	42,287,150
Bonds and notes retired	(26,708,701)	(43,949,235)
Decrease in cash collateral posted with counterparties, net	4,494	3,664
Increase in cash collateral posted by counterparties	2,600	--
Variation margin settled on cleared derivatives, net	18,946	(2,049)
Patronage distributions paid	(204,647)	(122,597)
Preferred stock dividends paid	(4,297)	(4,297)
Capital stock/participation certificates (retired) issued, net	(8,365)	13,919
Net cash used in financing activities	(1,116,017)	(1,773,445)
Net (decrease) increase in cash and federal funds	(214,767)	24,456
Cash and federal funds at beginning of period	1,145,899	1,061,296
Cash and federal funds at end of period	$931,132	1,085,752
Supplemental non-cash investing and financing activities		
(Decrease) increase in shareholders' equity from investment securities	$(30,058)	8,649
Interest capitalized to loan principal	414,080	339,067
Patronage and preferred stock dividends accrued	99,824	89,734
Supplemental non-cash fair value changes related to hedging activities		
(Increase) decrease in derivative assets	$(28,325)	$2,757
Decrease in derivative liabilities	(20,702)	(2,729)
Decrease in bonds from derivative activity	(8,366)	(5,666)
Increase in shareholders' equity from cash flow derivatives	58,919	4,748
Supplemental Information		
Interest paid	$376,421	$258,599

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

AgriBank, FCB

(Unaudited)

NOTE 1

Organization and Significant Accounting Policies

AgriBank, FCB (AgriBank) is one of the Banks of the Farm Credit System (the System or FCS), a nationwide system of cooperatively owned Banks and Associations, established by Congress and subject to the provisions of the Farm Credit Act of 1971, as amended. The System specializes in providing financing and related services to qualified borrowers for agricultural and rural purposes. AgriBank and its District Associations are collectively referred to as the District. At March 31, 2018, the District had 14 Agricultural Credit Associations (ACA). Each parent ACA has wholly owned Federal Land Credit Association and Production Credit Association subsidiaries. AgriBank serves as the intermediary between the financial markets and the retail lending activities of the District Associations.

A description of our organization and operation, significant accounting policies followed, financial condition and results of operations as of and for the year ended December 31, 2017 are contained in the 2017 Annual Report. There have been no significant changes in our accounting policies since December 31, 2017. These unaudited first quarter 2018 Financial Statements should be read in conjunction with the Annual Report. The results for the three months ended March 31, 2018 do not necessarily indicate the results to be expected for the year ended December 31, 2018.

The accompanying Financial Statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations and conform to accounting principles generally accepted in the United States of America and prevailing practices within the financial services industry. The preparation of Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain amounts in prior year’s Financial Statements have been reclassified to conform to current year presentation.

Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined the following standards to be applicable to our business:

Standard and effective date	Description	Adoption status and financial statement impact
In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09 “Revenue from Contracts with Customers." This guidance was effective for public business entities on January 1, 2018.	This guidance governs revenue recognition from contracts with customers and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Financial instruments and other contractual rights within the scope of other guidance issued by the FASB are excluded from the scope of this new revenue recognition guidance. In this regard, a majority of contracts within the District are excluded from the scope of this new guidance.	We adopted this guidance on January 1, 2018, using the modified retrospective approach, as the majority of our revenues are not subject to the new guidance. The adoption of the guidance did not have a material impact on the financial condition, results of operations or cash flows.
In March 2017, the FASB issued ASU 2017-07 “Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Cost.” This guidance was effective for public business entities on January 1, 2018.	This guidance requires that an employer disaggregate the service cost component from the other components of net benefit cost. Specifically, the guidance requires non-service cost components of net benefit cost to be recognized in a non-operating income line item of the income statement and allow only the service cost component of net benefit cost to be eligible for capitalization.	We adopted this guidance on January 1, 2018. The adoption of the guidance did not impact our financial condition or cash flows, but did result in an immaterial change to the classification of certain items in the results of operations. The components of net periodic benefit cost other than the service cost component are included in the other operating expenses line item on the Statements of Comprehensive Income. As the change in classification was immaterial, there was no retroactive adjustments to the Statements of Comprehensive Income. There were no material changes to the financial statement disclosures.
In January 2016, the FASB issued ASU 2016-01 “Recognition and Measurement of Financial Assets and Financial Liabilities.” This guidance was effective for public business entities on January 1, 2018.	The guidance is intended to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The amendments address certain aspects of recognition, measurement, presentation, and disclosure in the financial statements.	We adopted this guidance on January 1, 2018. The adoption of this guidance did not impact our financial condition, results of operations or cash flows. Financial statement disclosures related to the methods and significant assumptions used to estimate fair value for financial instruments measured at amortized cost on the statement of condition are no longer required and will be excluded upon adoption of this guidance in the 2018 Annual Report.

Standard and effective date	Description	Adoption status and financial statement impact
In August 2016, the FASB issued ASU 2016-15 “Classification of Certain Cash Receipts and Cash Payments.” This guidance was effective for public business entities on January 1, 2018.	The guidance addresses specific cash flow issues with the objective of reducing the diversity in the classification of these cash flows. Included in the cash flow issues are debt prepayment or debt extinguishment costs and settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing.	We adopted this guidance on January 1, 2018. The adoption of this guidance did not impact the financial condition or results of operations. Debt extinguishment costs were previously disclosed as operating cash flows and will be reported as financing cash flows as a result of this guidance. However, no debt extinguishment costs were incurred during the last three-year period. Therefore, no changes in the classification of cash flows were required as a result of this guidance.
In February 2016, the FASB issued ASU 2016-02 "Leases." The guidance is effective for public business entities for our first quarter of 2019 and early adoption is permitted.	The guidance modifies the recognition and accounting for lessees and lessors and requires expanded disclosures regarding assumptions used to recognize revenue and expenses related to leases.	We have no plans to early adopt this guidance. Based on our preliminary review and analysis, this new guidance will not have a material impact on our financial condition, results of operations, and financial statement disclosures, and will have no impact on cash flows.
In August 2017, the FASB issued ASU 2017-12 “Targeted Improvements to Accounting for Hedging Activities.” This guidance is effective for public business entities for our first quarter of 2019 and early adoption is permitted.	The guidance better aligns an entity’s risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The amendments in this guidance require an entity to present the earnings effect of the hedging instrument in the same income statement line item in which the earnings effect of the hedged item is reported. This guidance also addresses the timing of effectiveness testing, qualitative and quantitative effectiveness testing and components that can be excluded from effectiveness testing.	We have no plans to early adopt this guidance. We expect an immaterial impact to our results of operations as all derivative gains and losses will be recognized in interest expense on the Statements of Comprehensive Income and modification to certain derivative-related financial statement disclosures. We do not expect an impact to our financial condition or cash flows.
In June 2016, the FASB issued ASU 2016-13 “Financial Instruments - Credit Losses." The guidance is effective for non-U.S. Securities Exchange Commission filers for our first quarter of 2021 and early adoption is permitted.	The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Credit losses relating to available-for-sale securities would also be recorded through an allowance for credit losses.	We have no plans to early adopt this guidance. We are currently evaluating the impact of the guidance on the financial condition, results of operations, cash flows, and other financial statement disclosures.

NOTE 2

Loans and Allowance for Loan Losses

Loans by Type

(in thousands)	March 31, 2018 Amount	%	December 31, 2017 Amount	%
Wholesale loans	**$79,223,373**	**90.8%**	$79,960,907	90.6%
Retail loans:				
Real estate mortgage	**3,728,748**	**4.3%**	3,928,551	4.4%
Production and intermediate-term	**3,631,680**	**4.2%**	3,744,997	4.2%
Loans to other financing institutions (OFIs)	**505,799**	**0.6%**	593,677	0.7%
Other	**198,993**	**0.1%**	146,791	0.1%
Total retail loans	**8,065,220**	**9.2%**	8,414,016	9.4%
Total loans	**$87,288,593**	**100.0%**	$88,374,923	100.0%

The Other category is primarily comprised of agribusiness, communication and rural residential real estate loans.

Participations

We may purchase participations from and sell participations to others, primarily District Associations. We had no purchases outside the System in the periods presented. Also, we did not have any participation interests sold in the periods presented.

Retail Loan Participations Purchased

(in thousands)	March 31, 2018	December 31, 2017
Real estate mortgage	**$3,728,539**	$3,928,341
Production and intermediate-term	**3,631,680**	3,744,997
Other	**198,993**	146,791
Total loans	**$7,559,212**	$7,820,129

Portfolio Performance

One credit quality indicator we use is the Farm Credit Administration (FCA) Uniform Loan Classification System, which categorizes loans into five categories. The categories are defined as follows:

- <u>Acceptable</u> – assets are non-criticized assets representing the highest quality. They are expected to be fully collectible. This category is further differentiated into various probability of default ratings.
- <u>Other Assets Especially Mentioned (Special Mention)</u> – are currently collectible, but exhibit some potential weakness. These assets involve increased credit risk, but not to the point of justifying a substandard classification.
- <u>Substandard</u> – assets exhibit some serious weakness in repayment capacity, equity and/or collateral pledged on the loan.
- <u>Doubtful</u> – assets exhibit similar weaknesses as substandard assets. However, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable.
- <u>Loss</u> – assets are considered uncollectible.

Credit Quality of Loans

(in thousands) As of March 31, 2018	Acceptable		Special mention		Substandard/Doubtful		Total	
Wholesale loans	**$79,670,531**	**100.0%**	**$ --**	**--**	**$ --**	**--**	**$79,670,531**	**100.0%**
Retail loans:								
Real estate mortgage	**3,524,862**	**93.6%**	**118,871**	**3.2%**	**121,504**	**3.2%**	**3,765,237**	**100.0%**
Production and intermediate-term	**3,464,921**	**95.0%**	**69,122**	**1.9%**	**111,305**	**3.1%**	**3,645,348**	**100.0%**
Loans to OFIs	**508,584**	**100.0%**	**--**	**--**	**--**	**--**	**508,584**	**100.0%**
Other	**193,966**	**97.1%**	**499**	**0.3%**	**5,130**	**2.6%**	**199,595**	**100.0%**
Total retail loans	**7,692,333**	**94.7%**	**188,492**	**2.4%**	**237,939**	**2.9%**	**8,118,764**	**100.0%**
Total loans	**$87,362,864**	**99.5%**	**$188,492**	**0.2%**	**$237,939**	**0.3%**	**$87,789,295**	**100.0%**

(in thousands) As of December 31, 2017	Acceptable		Special mention		Substandard/Doubtful		Total	
Wholesale loans	$80,374,997	100.0%	$ --	--	$ --	--	$80,374,997	100.0%
Retail loans:								
Real estate mortgage	3,752,062	94.5%	110,032	2.8%	110,385	2.8%	3,972,479	100.0%
Production and intermediate-term	3,574,347	95.0%	82,960	2.2%	105,227	2.8%	3,762,534	100.0%
Loans to OFIs	596,520	100.0%	--	--	--	--	596,520	100.0%
Other	141,723	96.2%	543	0.4%	5,090	3.5%	147,356	100.0%
Total retail loans	8,064,652	95.1%	193,535	2.3%	220,702	2.6%	8,478,889	100.0%
Total loans	$88,439,649	99.5%	$193,535	0.2%	$220,702	0.3%	$88,853,886	100.0%

Note: Accruing loans include accrued interest receivable.

We had no loans categorized as loss at March 31, 2018 or December 31, 2017.

Aging Analysis of Loans

(in thousands) As of March 31, 2018	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less than 30 Days Past Due	Total Loans	Accruing loans 90 days or more past due
Wholesale loans	**$ --**	**$ --**	**$ --**	**$79,670,531**	**$79,670,531**	**$ --**
Retail loans:						
Real estate mortgage	**11,475**	**6,373**	**17,848**	**3,747,389**	**3,765,237**	**475**
Production and intermediate-term	**24,789**	**13,470**	**38,259**	**3,607,089**	**3,645,348**	**366**
Loans to OFIs	**--**	**--**	**--**	**508,584**	**508,584**	**--**
Other	**243**	**26**	**269**	**199,326**	**199,595**	**--**
Total retail loans	**36,507**	**19,869**	**56,376**	**8,062,388**	**8,118,764**	**841**
Total loans	**$36,507**	**$19,869**	**$56,376**	**$87,732,919**	**$87,789,295**	**$841**

(in thousands) As of December 31, 2017	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less than 30 Days Past Due	Total Loans	Accruing loans 90 days of more past due
Wholesale loans	$ --	$ --	$ --	$80,374,997	$80,374,997	$ --
Retail loans:						
Real estate mortgage	7,482	6,046	13,528	3,958,951	3,972,479	--
Production and intermediate-term	21,953	10,718	32,671	3,729,863	3,762,534	8
Loans to OFIs	--	--	--	596,520	596,520	--
Other	597	26	623	146,733	147,356	--
Total retail loans	30,032	16,790	46,822	8,432,067	8,478,889	8
Total loans	$30,032	$16,790	$46,822	$88,807,064	$88,853,886	$8

Note: Accruing loans include accrued interest receivable.

Risk Loans

Risk loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms.

Risk Loan Information

(in thousands)	**March 31, 2018**	December 31, 2017
Nonaccrual loans:		
Current as to principal and interest	**$30,481**	$32,455
Past due	**26,674**	20,583
Total nonaccrual loans	**57,155**	53,038
Accruing restructured loans	**4,542**	4,588
Accruing loans 90 days or more past due	**841**	8
Total risk loans	**$62,538**	$57,634
Volume with specific reserves	**$31,571**	$30,075
Volume without specific reserves	**30,967**	27,559
Total risk loans	**$62,538**	$57,634
Specific reserves	**$5,202**	$5,052

Note: Accruing loans include accrued interest receivable.

Income on Risk Loans

For the three months ended March 31,	**2018**	2017
Income on accrual risk loans	**$74**	$53
Income on nonaccrual loans	**1,032**	956
Total income on risk loans	**$1,106**	$1,009
Average risk loans	**$60,448**	$57,052

Risk Loans by Type

(in thousands)	**March 31, 2018**	December 31, 2017
Nonaccrual loans:		
Real estate mortgage	**$19,112**	$18,491
Production and intermediate-term	**37,981**	34,483
Other	**62**	64
Total nonaccrual loans	**$57,155**	$53,038
Accruing restructured loans:		
Real estate mortgage	**$4,542**	$4,588
Total accruing restructured loans	**$4,542**	$4,588
Accruing loans 90 days or more past due:		
Real estate mortgage	**$475**	$ --
Production and intermediate-term	**366**	8
Total accruing loans 90 days or more past due	**$841**	$8
Total risk loans	**$62,538**	$57,634

Note: Accruing loans include accrued interest receivable.

We had no wholesale loans classified as risk loans at March 31, 2018 or December 31, 2017.

All risk loans are considered to be impaired loans.

Additional Impaired Loan Information by Loan Type

	As of March 31, 2018			For the three months ended March 31, 2018	
(in thousands)	**Recorded Investment[1]**	**Unpaid Principal Balance[2]**	**Related Allowance**	**Average Impaired Loans**	**Interest Income Recognized**
Impaired loans with a related allowance for loan losses:					
Real estate mortgage	**$2,626**	**$3,002**	**$754**	**$2,493**	**$ --**
Production and intermediate-term	**28,908**	**30,055**	**4,430**	**28,208**	**--**
Other	**37**	**41**	**18**	**96**	**--**
Total	**$31,571**	**$33,098**	**$5,202**	**$30,797**	**$ --**
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	**$21,503**	**$37,205**	**$ --**	**$20,414**	**$822**
Production and intermediate-term	**9,439**	**7,398**	**--**	**9,211**	**283**
Other	**25**	**214**	**--**	**26**	**1**
Total	**$30,967**	**$44,817**	**$ --**	**$29,651**	**$1,106**
Total impaired loans:					
Real estate mortgage	**$24,129**	**$40,207**	**$754**	**$22,907**	**$822**
Production and intermediate-term	**38,347**	**37,453**	**4,430**	**37,419**	**283**
Other	**62**	**255**	**18**	**122**	**1**
Total	**$62,538**	**$77,915**	**$5,202**	**$60,448**	**$1,106**

	As of December 31, 2017			For the three months ended March 31, 2017	
(in thousands)	Recorded Investment[1]	Unpaid Principal Balance[2]	Related Allowance	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for loan losses:					
Real estate mortgage	$2,752	$3,193	$747	$3,739	$ --
Production and intermediate-term	27,285	28,298	4,286	26,642	--
Other	38	42	19	40	--
Total	$30,075	$31,533	$5,052	$30,421	$ --
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	$20,327	$36,221	$ --	$18,136	$714
Production and intermediate-term	7,206	7,093	--	8,213	295
Other	26	214	--	282	--
Total	$27,559	$43,528	$ --	$26,631	$1,009
Total impaired loans:					
Real estate mortgage	$23,079	$39,414	$747	$21,875	$714
Production and intermediate-term	34,491	35,391	4,286	34,855	295
Other	64	256	19	322	--
Total	$57,634	$75,061	$5,052	$57,052	$1,009

[1] The recorded investment in the receivable is the face amount increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges and acquisition costs and may also reflect a previous direct write-down of the investment. The recorded investment may be less than the unpaid principal balance as payments on non-cash basis nonaccrual loans reduce the recorded investment.

[2] Unpaid principal balance represents the contractual principal balance of the loan.

We did not have any material commitments to lend additional money to borrowers whose loans were classified as risk loans as of March 31, 2018.

Troubled Debt Restructurings

Included within our loans are troubled debt restructurings (TDRs). These loans have been modified by granting a concession in order to maximize the collection of amounts due when a borrower is experiencing financial difficulties. All risk loans, including TDRs, are analyzed within our allowance for loan losses. The primary types of modification typically include forgiveness of interest, interest rate reduction below market or extension of maturity. Our loans classified as TDRs and activity on these loans were not material at any time during the three months ended March 31, 2018 or 2017. We did not have any material commitments to lend to borrowers whose loans have been modified as TDRs as of March 31, 2018.

Allowance for Loan Losses

Changes in Allowance for Loan Losses

(in thousands)

For the three months ended March 31,	2018	2017
Balance at beginning of period	**$26,047**	$21,282
Provision for loan losses	**--**	2,000
Charge-offs	**(981)**	(829)
Recoveries	**179**	223
Balance at end of period	**$25,245**	$22,676

Changes in Allowance for Loan Losses and Period End Recorded Investments by Loan Type

(in thousands)	Wholesale loans	Real estate mortgage	Production and intermediate-term	Loans to OFIs	Other	Total
Allowance for loan losses:						
Balance as of December 31, 2017	$ --	$2,298	$22,711	$425	$613	$26,047
(Reversal of) provision for loan losses	--	(12)	(205)	(91)	308	--
Charge-offs	--	(87)	(892)	--	(2)	(981)
Recoveries	--	62	115	--	2	179
Balance as of March 31, 2018	$ --	$2,261	$21,729	$334	$921	$25,245
As of March 31, 2018:						
Ending balance: individually evaluated for impairment	$ --	$754	$4,430	$ --	$18	$5,202
Ending balance: collectively evaluated for impairment	$ --	$1,507	$17,299	$334	$903	$20,043
Recorded investments in loans outstanding:						
Ending balance as of March 31, 2018	$79,670,531	$3,765,237	$3,645,348	$508,584	$199,595	$87,789,295
Ending balance for loans individually evaluated for impairment	$79,670,531	$24,129	$38,347	$ --	$62	$79,733,069
Ending balance for loans collectively evaluated for impairment	$ --	$3,741,108	$3,607,001	$508,584	$199,533	$8,056,226

(in thousands)	Wholesale loans	Real estate mortgage	Production and intermediate-term	Loans to OFIs	Other	Total
Allowance for loan losses:						
Balance as of December 31, 2016	$ --	$1,874	$18,930	$220	$258	$21,282
Provision for (reversal of) loan losses	--	94	1,841	(13)	78	2,000
Charge-offs	--	(41)	(787)	--	(1)	(829)
Recoveries	--	1	221	--	1	223
Balance as of March 31, 2017	$ --	$1,928	$20,205	$207	$336	$22,676
As of December 31, 2017:						
Ending balance: individually evaluated for impairment	$ --	$747	$4,286	$ --	$19	$5,052
Ending balance: collectively evaluated for impairment	$ --	$1,551	$18,425	$425	$594	$20,995
Recorded investments in loans outstanding:						
Ending balance as of December 31, 2017	$80,374,997	$3,972,479	$3,762,534	$596,520	$147,357	$88,853,886
Ending balance for loans individually evaluated for impairment	$80,374,997	$23,079	$34,491	$ --	$64	$80,432,631
Ending balance for loans collectively evaluated for impairment	$ --	$3,949,400	$3,728,043	$596,520	$147,293	$8,421,255

Note: Accruing loans include accrued interest receivable.

NOTE 3

Investment Securities

All investment securities are classified as available-for-sale (AFS).

Investment Securities

(in thousands) **As of March 31, 2018**	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Weighted Average Yield**
Mortgage-backed securities	**$6,081,621**	**$8,134**	**$91,554**	**$5,998,201**	**1.9%**
Commercial paper and other	**5,657,358**	**663**	**745**	**5,657,276**	**2.0%**
U.S. Treasury securities	**3,018,353**	**12**	**21,364**	**2,997,001**	**1.2%**
Asset-backed securities	**118,443**	**--**	**388**	**118,055**	**1.3%**
Total	**$14,875,775**	**$8,809**	**$114,051**	**$14,770,533**	**1.8%**

(in thousands) As of December 31, 2017	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
Mortgage-backed securities	$6,077,973	$8,670	$65,508	$6,021,135	1.6%
Commercial paper and other	5,221,146	169	637	5,220,678	1.6%
U.S. Treasury securities	2,934,886	3	17,489	2,917,400	1.2%
Asset-backed securities	227,636	--	394	227,242	1.3%
Total	$14,461,641	$8,842	$84,028	$14,386,455	1.5%

Commercial paper and other is primarily corporate commercial paper, certificates of deposit and term federal funds.

Contractual Maturities of Investment Securities

(in thousands) **As of March 31, 2018**	**Year of Maturity** **One Year or Less**	 **One to Five Years**	 **Five to Ten Years**	 **More Than Ten Years**	 **Total**
Mortgage-backed securities	**$389**	**$22,160**	**$832,371**	**$5,143,281**	**$5,998,201**
Commercial paper and other	**5,657,276**	**--**	**--**	**--**	**5,657,276**
U.S. Treasury securities	**1,862,451**	**1,134,550**	**--**	**--**	**2,997,001**
Asset-backed securities	**--**	**118,055**	**--**	**--**	**118,055**
Total	**$7,520,116**	**$1,274,765**	**$832,371**	**$5,143,281**	**$14,770,533**
Weighted average yield	**1.8%**	**1.5%**	**1.7%**	**1.9%**	**1.8%**

The expected average life is 0.3 years for asset-backed securities (ABS) and 4.0 years for mortgage-backed securities (MBS) at March 31, 2018. Expected maturities differ from contractual maturities because borrowers may have the right to prepay obligations.

A summary of the investment securities in an unrealized loss position presented by the length of time that the securities have been in a continuous unrealized loss position follows:

	Less than 12 months		**More than 12 months**	
(in thousands) **As of March 31, 2018**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Mortgage-backed securities	**$1,699,474**	**$21,411**	**$2,585,431**	**$70,143**
Commercial paper and other	**2,406,540**	**745**	**--**	**--**
U.S. Treasury securities	**762,621**	**7,159**	**2,185,291**	**14,205**
Asset-backed securities	**37,609**	**120**	**80,446**	**268**
Total	**$4,906,244**	**$29,435**	**$4,851,168**	**$84,616**

	Less than 12 months		More than 12 months	
(in thousands) As of December 31, 2017	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed securities	$1,654,394	$13,301	$2,615,875	$52,207
Commercial paper and other	3,589,901	637	--	--
U.S. Treasury securities	725,349	3,524	2,167,019	13,965
Asset-backed securities	166,823	313	60,418	81
Total	$6,136,467	$17,775	$4,843,312	$66,253

There were no AFS investment securities sold during the three months ended March 31, 2018 or 2017.

We evaluate our investment securities for other-than-temporary impairment (OTTI) on a quarterly basis. We have determined no securities were in an OTTI loss position at March 31, 2018 or at December 31, 2017.

There was no OTTI activity during the three months ended March 31, 2018 or 2017.

NOTE 4

Shareholders' Equity

Regulatory Capital Requirements and Ratios

	March 31, 2018	December 31, 2017	Regulatory Minimums	Capital Conservation Buffer [(1)]	Total
Risk-adjusted:					
Common equity tier 1 capital ratio	**17.8%**	18.2%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**18.6%**	19.0%	6.0%	2.5%	8.5%
Total capital ratio	**18.7%**	19.1%	8.0%	2.5%	10.5%
Permanent capital ratio	**18.7%**	19.0%	7.0%	0.0%	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**5.6%**	5.6%	4.0%	1.0%	5.0%
UREE[(2)] leverage ratio	**3.1%**	3.2%	1.5%	0.0%	1.5%

[(1)]The 2.5% capital conservation buffer over risk-adjusted ratio minimums is being phased in under the FCA capital requirements.
[(2)] Unallocated retained earnings and equivalents

If the capital ratios fall below the total requirements, including the buffer amounts, capital distributions (equity redemptions, dividends and patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

Protected participation certificates of $181 thousand are included in Capital Stock and Participation Certificates on the Statements of Changes in Shareholders' Equity as of March 31, 2018 and December 31, 2017.

NOTE 5

Employee Benefit Plans

We participate in District-wide employee benefit plans. The funded status of the post-employment benefit plans is recorded at the District-level. The components of net periodic benefit cost other than the service cost component are included in the line item "Other operating expenses" on the Statements of Comprehensive Income.

Components of District Net Periodic Benefit Cost

(in thousands)	Pension Benefits		Other Benefits	
For the three months ended March 31,	**2018**	2017	**2018**	2017
Service cost	**$7,570**	$7,134	**$66**	$109
Interest cost	**11,607**	11,726	**168**	256
Expected return on plan assets	**(16,415)**	(15,486)	**--**	--
Amortization of prior service credit	**(904)**	(972)	**--**	(96)
Amortization of net loss (gain)	**12,342**	9,786	**(428)**	(134)
Settlements and termination benefits	**--**	385	**--**	--
Net periodic benefit cost	**$14,200**	$12,573	**$(194)**	$135

Certain employees in the AgriBank District participate in the AgriBank District Retirement Plan, a governmental defined benefit retirement plan covering most of the District. The employers contribute amounts in accordance with the governing body's funding policy to provide the plan with sufficient assets to meet the benefits to be paid to participants. Refer to Note 8 in the 2017 Annual Report for a more complete description of the Employee Benefit Plans.

For the three months ended March 31, 2018, District employers have contributed $3.5 million to fund Pension Benefits and our share was $219 thousand. District employers anticipate contributing an additional $90.1 million to fund Pension Benefits in 2018. District employers typically fund 40 percent of their annual contributions to the AgriBank District Retirement Plan in June and the remaining 60 percent in December. The Nonqualified Pension plan is typically funded as benefits are paid.

NOTE 6

Commitments and Contingencies

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the Financial Statements. We do not anticipate any material losses because of the contingencies or commitments.

In November 2016 an alleged class action lawsuit was filed in New York state court against us by a purported beneficial owner of some of our Subordinated Notes. The plaintiff asserted a breach of contract claim and a breach of an implied covenant of good faith and fair dealing alleging that we impermissibly redeemed the Subordinated Notes. We removed the lawsuit to federal court in the Southern District of New York. Plaintiff requests damages in an amount to be determined at trial, reasonable attorneys' fees, and other relief. In October 2017, we filed an answer to the lawsuit. The lawsuit is in the early pleadings and discovery stage, and we intend to vigorously defend against these allegations. As of the date of these financial statements, the likelihood of any outcome of this proceeding cannot be determined.

Additionally, from time to time we may be named as defendants in certain lawsuits or legal actions in the normal course of business. At the date of these Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

While we are primarily liable for our portion of Systemwide bonds and notes, we are jointly and severally liable for the Systemwide bonds and notes of the other System Banks. The total bonds and notes of the System at March 31, 2018 was $269.4 billion.

NOTE 7

Fair Value Measurements

We use fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Assets and liabilities measured at fair value on a recurring and non-recurring basis consist of federal funds, investments available-for-sale, derivative assets and liabilities, impaired loans, other property owned, collateral assets and liabilities, impaired loans and other property owned. The fair value is also calculated and disclosed for other financial instruments that are not measured at fair value on the Statements of Condition. These assets and liabilities consist of cash, loans, bonds and notes and commitments to extend credit and letters of credit. Refer to Note 12 in the 2017 Annual Report for descriptions of the valuation methodologies we use for asset and liabilities recorded at fair value on a recurring or non-recurring basis.

A fair value hierarchy is used for disclosure of fair value measurements to maximize the use of observable inputs. The valuation hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. Refer to Note 2 within the 2017 Annual Report for a more complete description of these input levels.

Recurring Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

(in thousands)	Fair Value Measurement Using			Total Fair
As of March 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Value**
Assets:				
Federal funds	$ --	$663,000	$ --	$663,000
Investments available-for-sale:				
Mortgage-backed securities	--	5,998,201	--	5,998,201
Commercial paper and other	--	5,657,276	--	5,657,276
U.S. Treasury securities	--	2,997,001	--	2,997,001
Asset-backed securities	--	118,055	--	118,055
Total investments available-for-sale	--	14,770,533	--	14,770,533
Cash collateral posted with counterparties	25,236	--	--	25,236
Derivative assets	--	20,576	--	20,576
Total assets	$25,236	$15,454,109	$ --	$15,479,345
Liabilities:				
Cash collateral posted by counterparties	$2,600	$ --	$ --	$2,600
Derivative liabilities	--	16,102	--	16,102
Total liabilities	$2,600	$16,102	$ --	$18,702

(in thousands)	Fair Value Measurement Using			Total Fair
As of December 31, 2017	Level 1	Level 2	Level 3	Value
Assets:				
Federal funds	$ --	$676,300	$ --	$676,300
AgriBank investments available-for-sale:				
Mortgage-backed securities	--	6,021,135	--	6,021,135
Commercial paper and other	--	5,220,678	--	5,220,678
U.S. Treasury securities	--	2,917,400	--	2,917,400
Asset-backed securities	--	227,242	--	227,242
Total investments available-for-sale	--	14,386,455	--	14,386,455
Cash collateral posted with counterparties	29,730	--	--	29,730
Derivative assets	--	8,956	--	8,956
Total assets	$29,730	$15,071,711	$ --	$15,101,441
Liabilities:				
Derivative liabilities	$ --	$34,562	$ --	$34,562
Standby letters of credit	--		--	$ --
Total liabilities	$ --	$34,562	$ --	$34,562

We had no level 3 assets measured at fair value on a recurring basis at any time during the three months ended March 31, 2018.

There were no assets or liabilities transferred between levels during the three months ended March 31, 2018 or 2017.

Non-Recurring Measurements

Assets Measured at Fair Value on a Non-recurring Basis

	As of March 31, 2018			
	Fair Value Measurement Using			**Total Fair**
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Value**
Impaired loans	**$ --**	**$ --**	**$27,688**	**$27,688**

	As of December 31, 2017			
	Fair Value Measurement Using			Total Fair
(in thousands)	Level 1	Level 2	Level 3	Value
Impaired loans	$ --	$ --	$26,274	$26,274

Other Financial Instrument Measurements

Financial Instruments Not Measured at Fair Value on the Statements of Condition

(in thousands) **As of March 31, 2018**	**Total Carrying Amount**	**Fair Value Measurement Using**			**Total Fair Value**
		Level 1	**Level 2**	**Level 3**	
Assets:					
Cash	**$268,132**	**$268,132**	**$ --**	**$ --**	**$268,132**
Net loans	**87,236,979**	**--**	**--**	**86,286,991**	**86,286,991**
Total assets	**$87,505,111**	**$268,132**	**$ --**	**$86,286,991**	**$86,555,123**
Liabilities:					
Bonds and notes	**$97,393,375**	**$ --**	**$ --**	**$96,280,554**	**$96,280,554**
Total liabilities	**$97,393,375**	**$ --**	**$ --**	**$96,280,554**	**$96,280,554**
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		**$ --**	**$ --**	**$(29,021)**	**$(29,021)**

(in thousands) As of December 31, 2017	Total Carrying Amount	Fair Value Measurement Using			Total Fair Value
		Level 1	Level 2	Level 3	
Assets:					
Cash	$469,599	$469,599	$ --	$ --	$469,599
Net loans	88,323,853	--	--	87,813,307	87,813,307
Total assets	$88,793,452	$469,599	$ --	$87,813,307	$88,282,906
Liabilities:					
Bonds and notes	$98,313,944	$ --	$ --	$97,834,887	$97,834,887
Total liabilities	$98,313,944	$ --	$ --	$97,834,887	$97,834,887
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		$ --	$ --	$(27,991)	$(27,991)

NOTE 8

Derivative and Hedging Activity

Use of Derivatives

We maintain an overall interest rate risk management strategy that incorporates the use of derivative products to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. Our goals are to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain balance sheet assets and liabilities so that movements in interest rates do not adversely affect net interest margin. As a result of interest rate fluctuations, fixed-rate assets will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation is expected to be substantially offset by our gains or losses on the derivative instruments that are linked to fixed-rate liabilities. Another result of interest rate fluctuations is that the interest expense of floating-rate liabilities will increase or decrease. The effect of this variability in earnings is expected to be substantially offset by our gains and losses on the derivative instruments that are linked to these floating-rate liabilities. We consider the use of derivatives to be a prudent method of managing interest rate sensitivity, as it prevents earnings from being exposed to undue risk posed by changes in interest rates.

We primarily enter into derivative transactions, particularly interest rate swaps, to reduce funding costs, improve liquidity and manage interest rate sensitivity. We use various derivative instruments as follows:

- Interest rate swaps allow us to change the characteristics of fixed or floating debt we issue by swapping to a synthetic fixed or floating rate lower than those available to us if borrowings were made directly. Under interest rate swap arrangements, we agree with other parties to exchange, at specified intervals, payment streams calculated on a specified notional principal amount, with at least one stream based on a specified floating rate index.
- We also facilitate interest rate swaps to qualified borrowers of the District Associations. These swaps allow qualified borrowers to manage their interest rate risk and lock in a fixed interest rate similar to a fixed rate loan. We manage the interest rate risk from customer swaps with the execution of offsetting interest rate swap transactions.

Our derivative activities are monitored by our Asset/Liability Committee (ALCO) as part of the Committee's oversight of our asset/liability and treasury functions. Our hedging strategies are developed within limits established by our Board of Directors through our analysis of data derived from financial simulation models and other internal and industry sources. The resulting hedging strategies are then incorporated into our overall interest rate risk-management strategies. Refer to Note 13 of the 2017 Annual Report for additional information regarding counterparty risk and our risk mitigation practices.

Derivative Instruments Activity (in notional amount)

(in millions)	Receive-Fixed Swaps	Pay-Fixed Swaps	Floating-for-Floating	Other Derivatives	Total
As of December 31, 2016	$2,566	$2,088	$3,100	$90	$7,844
Additions	--	80	--	--	80
Maturities/amortization	(100)	--	--	--	(100)
As of March 31, 2017	$2,466	$2,168	$3,100	$90	$7,824
As of December 31, 2017	$2,617	$2,316	$2,700	$88	$7,721
Additions	**200**	**70**	**--**	**--**	**270**
Maturities/amortization	**(200)**	**(50)**	**--**	**--**	**(250)**
As of March 31, 2018	**$2,617**	**$2,336**	**$2,700**	**$88**	**$7,741**

Other derivatives consisted of retail customer derivative products.

Credit Risk Management

By using derivative instruments, we are subject to credit and market risk. If a counterparty is unable to perform under a derivative contract, our credit risk equals the net amount due to us. Generally, when the fair value of a derivative contract is positive, we have credit exposure to the counterparty, creating credit risk for us. When the fair value of the derivative contract is negative, we do not have credit exposure; however, there is a risk of our nonperformance under the terms of the derivative transaction.

To minimize the risk of credit losses, for non-customer bilateral derivatives we deal only with counterparties that have an investment-grade or better credit rating from a rating agency and we monitor the credit standing and levels of exposure to individual counterparties. At March 31, 2018, we do not anticipate nonperformance by any of these counterparties. We typically enter into master agreements that contain netting provisions. These provisions allow us to require the net settlement of covered contracts with the same counterparty in the event of default by the counterparty on one or more contracts. All such derivative contracts are supported by bilateral collateral agreements with counterparties requiring collateral to be posted in the event certain dollar thresholds of exposure of one party to the other are reached. These thresholds vary depending on the counterparty’s current credit rating.

Bilateral Interest Rate Swaps

(in thousands)	**March 31, 2018**	December 31, 2017
Notional amount	**$4,062,843**	$4,313,360
Cash collateral posted with counterparties	**$6,550**	$11,150
Cash collateral posted by counterparties	**$2,600**	--

We also clear derivative transactions through a futures commission merchant (FCM) with a clearinghouse or a central counterparty (CCP). When the swap is cleared by the two parties, the single bilateral swap is divided into two separate swaps with the CCP becoming the counterparty to both of the initial parties to the swap. CCPs have several layers of protection against default including margin, member capital contributions and FCM guarantees of their customers’ transactions with the CCP. FCMs also pre-qualify the counterparties to all swaps that are sent to the CCP from a credit perspective, setting limits for each counterparty and collecting initial and variation margin daily from each counterparty for changes in the value of cleared derivatives. The margin collected from both parties to the swap protects against credit risk in the event a counterparty defaults. The initial and variation margin requirements are set by and held for the benefit of the CCP. Additional initial margin may be required and held by the FCM, due to its guarantees of its customers' trades with the CCP. Typically, daily variation margin payments are recognized as settlements rather than collateral posted.

Centrally Cleared Interest Rate Swaps

(in thousands)	March 31, 2018	December 31, 2017
Notional Amount	$3,677,843	$3,408,360
Initial margin posted with counterparties	$18,686	$18,580

All margin posted by or with counterparties was in cash. AgriBank had no securities posted by counterparties or to counterparties for any year presented.

Financial Statement Impact of Derivatives

Refer to Notes 2 and 13 of the 2017 Annual Report for additional information regarding the accounting for derivatives.

The following tables present the gross fair value, offsetting and net exposure amounts of derivative assets and derivative liabilities. The fair value of our derivative contracts are presented as "Derivative assets" and "Derivative liabilities" on the Statements of Condition, and are presented on a net basis for counterparties with master netting agreements.

	March 31, 2018		December 31, 2017	
(in thousands)	Fair Value Assets	Fair Value Liabilities	Fair Value Assets	Fair Value Liabilities
Derivatives designated as hedging instruments:				
Receive-fixed swaps	$ --	$28,002	$ --	$18,276
Pay-fixed swaps	71,113	18,820	34,447	39,615
Floating-for-floating swaps	--	3,491	--	4,950
Total derivatives designated as hedging instruments	71,113	50,313	34,447	62,841
Derivatives not designated as hedging instruments:				
Pay-fixed swaps	4,998	--	3,670	--
Other derivative products	--	4,440	14	3,088
Total derivatives not designated as hedging instruments	4,998	4,440	3,684	3,088
Credit valuation adjustments	(179)	--	(49)	--
Total gross amounts of derivatives	$75,932	$54,753	$38,082	$65,929
Gross amounts offset in Statements of Condition	(38,651)	(38,651)	(29,126)	(29,126)
Variation margin settled	(16,705)	--	--	(2,241)
Net amounts in Statements of Condition	$20,576	$16,102	$8,956	$34,562

(in thousands)	March 31, 2018	December 31, 2017
Derivative assets, net	**$20,576**	$8,956
Derivative liabilities, net	**(16,102)**	(34,562)
Accrued interest payable on derivatives, net	**(5,856)**	(3,457)
Gross amounts not offset in Statements of Condition:		
Cash collateral posted by counterparties	**(2,600)**	--
Cash collateral posted with counterparties	**25,236**	29,730
Net exposure amounts	**$21,254**	$667

The fair value of derivatives includes credit valuation adjustments (CVA). The CVA reflects credit risk of each derivative counterparty to which we have exposure, net of any collateral posted by the counterparty, and an adjustment for our credit worthiness where the counterparty has exposure to us. The change in the CVA for the period is included in "Miscellaneous income and other gains, net" on the Statements of Comprehensive Income.

Fair-Value Hedges: We recorded $1.4 million of losses related to swaps for the three months ended March 31, 2018, compared to $897 thousand of gains for the same period in 2017. The gains and losses on the derivative instruments are recognized in "Interest expense" on the Statements of Comprehensive Income.

Cash Flow Hedges: The following table presents the amount of other comprehensive income (OCI) recognized on derivatives. During the next 12 months, no net losses in accumulated other comprehensive loss on derivative instruments that qualified as cash flow hedges are expected to be reclassified into earnings.

(in thousands) **For the three months ended March 31, 2018** **Cash Flow Hedging Relationships**	**Amount of Gain Recognized in OCI on Derivatives (Effective Portion)**
Pay-fixed swaps	**$57,460**
Floating-for-floating swaps	**1,459**
Total	**$58,919**

(in thousands) For the three months ended March 31, 2017 Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)
Pay-fixed swaps	$7,462
Floating-for-floating swaps	(2,714)
Total	$4,748

There were no amounts reclassified from accumulated other comprehensive income into income and there was no income recognized for ineffective derivatives for either three month period ended March 31, 2018 or 2017.

Derivatives not Designated as Hedges: We recorded $37 thousand of net losses on swaps for the three months ended March 31, 2018, compared to $32 thousand of net losses for same period in 2017. The gains and losses on the derivative instruments are recognized in "Miscellaneous income and other gains, net" on the Statements of Comprehensive Income.

NOTE 9

Accumulated Other Comprehensive Loss

Changes in Components of Accumulated Other Comprehensive (Loss) Income

(in thousands)	Not-other-than-temporarily-impaired Investments	Derivatives and Hedging Activity	Employee Benefit Plans Activity	Total
Balance at December 31, 2016	$(62,873)	$(17,157)	$ --	$(80,030)
Other comprehensive (loss) income	8,649	4,748	--	13,397
Balance at March 31, 2017	$(54,224)	$(12,409)	$ --	$(66,633)
Balance at December 31, 2017	$(75,184)	$(10,119)	$(1,123)	$(86,426)
Other comprehensive (loss) income before reclassifications	**(30,058)**	**58,919**	**--**	**28,861**
Amounts reclassified from accumulated other comprehensive income	--	--	**32**	**32**
Net other comprehensive (loss) income	**(30,058)**	**58,919**	**32**	**28,893**
Balance at March 31, 2018	**$(105,242)**	**$48,800**	**$(1,091)**	**$(57,533)**

There were no material reclassifications from AOCI in either period ending March 31, 2018 or 2017.

NOTE 10

Subsequent Events

We have evaluated subsequent events through May 10, 2018, which is the date the Financial Statements were available to be issued. There have been no material subsequent events that would require recognition in the Quarterly Financial Statements or disclosure in the Notes to those Financial Statements.

Additional Regulatory Information

AgriBank, FCB

(Unaudited)

The following information contains regulatory disclosures effective January 1, 2017, as required under Regulations 628.62 and 628.63, for risk-adjusted ratios, common equity tier 1, tier 1 capital and total capital ratios. Refer to Note 4 of the accompanying Financial Statements for information regarding the statutorily required permanent capital ratio. As required by FCA Regulations, these disclosures, including Regulatory Capital ratios are made available for at least three years and can be accessed at www.AgriBank.com.

Scope of Application

As of March 31, 2018, the AgriBank District has 14 Agricultural Credit Associations, each of which has wholly owned Farm Land Credit Association and Production Credit Association subsidiaries. AgriBank is primarily owned by these 14 Farm Credit Associations. AgriBank is the primary funding source for all District Associations. AgriBank has no subsidiaries; therefore, the financial statements are only those of AgriBank and are not consolidated with any other entity.

Capital Structure

Refer to Note 4 of the accompanying financial statements and Note 7 of the 2017 Annual Report for a description of capital structure.

Regulatory Capital Structure

(in thousands) As of March 31, 2018	(3-month average daily balance)
Common Equity Tier 1 Capital (CET1)	
Common Cooperative Equities:	
Statutory minimum purchased borrower stock	$27
Other required member purchased stock	1,112,595
Allocated equities:	
Allocated stock subject to retirement	1,222,830
Unallocated retained earnings as regulatorily prescribed	3,176,671
Regulatory adjustments and deductions made to CET1	(5,221)
Total CET1	$5,506,902
Tier 1 Capital	
Non-cumulative perpetual preferred stock	$250,000
Total additional tier 1 capital	250,000
Total Tier 1 Capital	$5,756,902
Total Capital	
Allowance for loan losses	$25,590
Total tier 2 capital	25,590
Total Capital	$5,782,492

Capital Adequacy and Capital Buffers

Risk-Weighted Assets

(Risk-weighted 3-month average daily balance in thousands)	
As of March 31,2018	
Exposures to:	
Cash held at depository institutions	**$1,876**
Securities avaliable for sale, excluding securitizations	**5,317,194**
Securitization exposures	**167,147**
Wholesale exposures to Farm Credit Institutions	**16,732,133**
Retail exposures, including OFIs	**8,602,198**
Derivative exposures	**10,402**
Intrasystem equity investments	**5,221**
All other assets	**58,959**
Deductions:	
Regulatory adjustments and deductions made to CET1	**5,221**
Regulatory adjustments and deductions made to AT1 (1)	--
Regulatory adjustments and deductions made to T2 (2)	--
Total standardized risk-weighted assets	**$30,889,909**

(1) AT1 capital is additional tier 1 capital

(2) T2 is tier 2 capital

As of March 31, 2018, the Bank was well-capitalized and exceeded all capital requirements to which it was subject, including applicable capital buffers. Because capital exceeded the buffer requirements, the Bank currently has no limitations on its distributions and discretionary bonus payments. The aggregate amount of eligible retained income was $162.2 million as of March 31, 2018.

Regulatory Capital Requirements and Ratios

	Regulatory Minimums	Required Buffer	As of March 31, 2018	Calculated Buffer
Common equity tier 1 capital ratio*	4.5%	1.3%	**17.8%**	**13.3%**
Tier 1 capital ratio*	6.0%	1.3%	**18.6%**	**12.6%**
Total capital ratio*	8.0%	1.3%	**18.7%**	**10.7%**
Capital conservation buffer				**10.7%**
Tier 1 leverage ratio	4.0%	1.0%	**5.6%**	**1.6%**
Leverage buffer				**1.6%**

*The capital conservation buffer over risk-adjusted ratio minimums continues to be phased in under the Farm Credit Administration capital requirements, up to 2.5% beginning in 2020.

Credit Risk

Refer to Note 2 of the accompanying Financial Statements for amounts of impaired loans with and without related allowance, loans in nonaccrual status and greater than 90 day past due, loans past due greater than 90 days and still accruing, the allowance at the end of each reporting period, charge-offs during the period, and changes in components of our allowance for credit losses. Allowance is determined individually by loan or by pool based on homogeneous characteristics such as probability of default (PD) and loss given default (LGD). Allowance needs by geographic region are only considered in rare circumstances that may not otherwise be reflected in the PD and LGD (flooding, drought, etc.) There was no allowance attributed to a geographic area as of March 31, 2018. Refer to Note 3 for a summary of the contractual maturity, amortized cost, fair value and weighted average yield of investment securities by type.

Refer to the Capital Adequacy and Capital Buffers section for information regarding types of credit risk exposures.

Exposures by Contractual Maturity

(in thousands) **As of March 31, 2018**	One Year or Less	Over One Year but Less than Five Years	Five Years or More	Total
Wholesale loans	**$15,986,134**	**$63,684,397**	**$ --**	**$79,670,531**
Retail loans	**720,383**	**3,591,737**	**3,806,644**	**8,118,764**
Investments (including federal funds)	**8,183,116**	**1,274,766**	**5,975,651**	**15,433,533**
Wholesale loan commitments	**2,082,977**	**19,837,376**	**--**	**21,920,353**
Retail loan and other commitments	**473,404**	**603,895**	**133,126**	**1,210,425**
Cleared derivative notional	**635,000**	**1,886,000**	**1,156,843**	**3,677,843**
Bilateral derivative notional	**400,000**	**2,289,000**	**1,373,843**	**4,062,843**

Note: Accruing loans include accrued interest receivable.

Retail Portfolio Distribution

As of March 31, 2018			
Commodity Distribution		**Geographic Distribution**	
Crops	**56%**	Minnesota	**14%**
Cattle	**10%**	Illinois	**14%**
Dairy	**8%**	Wisconsin	**11%**
OFIs	**6%**	Iowa	**8%**
Investor real estate	**4%**	Nebraska	**7%**
Other	**16%**	Michigan	**5%**
Total	**100%**	Indiana	**4%**
		Other	**37%**
		Total	**100%**

Counterparty Credit Risk and Credit Risk Mitigation

Credit Risk Mitigation Related to Derivatives

We have not entered into any credit default swap agreements to mitigate our credit exposure to counterparties.

Refer to Note 8 of the accompanying Financial Statements for the gross positive fair value of contracts, collateral held and the net unsecured credit exposure.

Current credit exposure is the greater of zero or the fair market value of a derivative contract.

Current Credit Exposure

(in thousands)	As of March 31, 2018
Interest rate contracts	$80,989

Credit Risk Mitigation Related to Loans

Financial collateral is not used to mitigate credit risk in our loan portfolio.

Loan and Commitment Exposures Covered by Guarantees

(in thousands) **As of March 31, 2018**	3-month Average Daily Balance	Risk-adjusted 3-month Average Daily Balance
Conditionally guaranteed		
Loans	$51,899	$10,380
Commitments	32,914	1,317
Total	$84,813	$11,697

Credit Risk Mitigation Related to Investments

Financial collateral is not used to mitigate credit risk in our investment portfolio.

Investment Exposures Covered by Guarantees

(in thousands) **As of March 31, 2018**	3-month Average Daily Balance	Risk-adjusted 3-month Average Daily Balance
Unconditionally guaranteed	$6,281,946	$ --
Conditionally guaranteed	5,021,409	1,004,282
Total	$11,303,355	$1,004,282

Securitization

Securitization Exposures

(3-month average daily balance in thousands) **As of March 31, 2018**	**Exposure**	**Weighted average risk-weight factor**	**Risk adjusted assets**
Gross up capital approach	**$167,147**	**100%**	**$167,147**

Equities

We are a limited partner in certain Rural Business Investment Companies (RBIC) for various relationship and strategic reasons. These investments are not publicly traded, and the book value approximates fair value. There have been no sales or liquidations of these investments during the period.

Equity Investments included in Capital Ratios

(in thousands) **As of March 31, 2018**	**Disclosed in Other Assets**	**Life-to-Date losses recognized in Retained Earnings**[1]
RBIC	**$12,277**	**$(520)**

[1] Retained earnings is included in common equity tier 1, tier 1 and total capital ratios

Interest Rate Risk

NII Sensitivity Analysis

	Basis Point Interest Rate Change		
As of March 31, 2018	**Down 86**	**Up 100**	**Up 200**
Immediate Change (Shock):			
NII sensitivity	**(2.7%)**	**0.4%**	**0.6%**
Board policy	**(15.0%)**		**(15.0%)**
Gradual Change (Ramp):			
NII sensitivity	**(11.4%)**	**0.7%**	**1.4%**

Economic Value of Equity (EVE) Sensitivity Analysis

	Basis Point Interest Rate Change		
As of March 31, 2018	**Down 86**	**Up 100**	**Up 200**
Immediate Change (Shock):			
EVE sensitivity	**7.2%**	**(4.3%)**	**(7.2%)**
Board policy	**(12.0%)**		**(12.0%)**