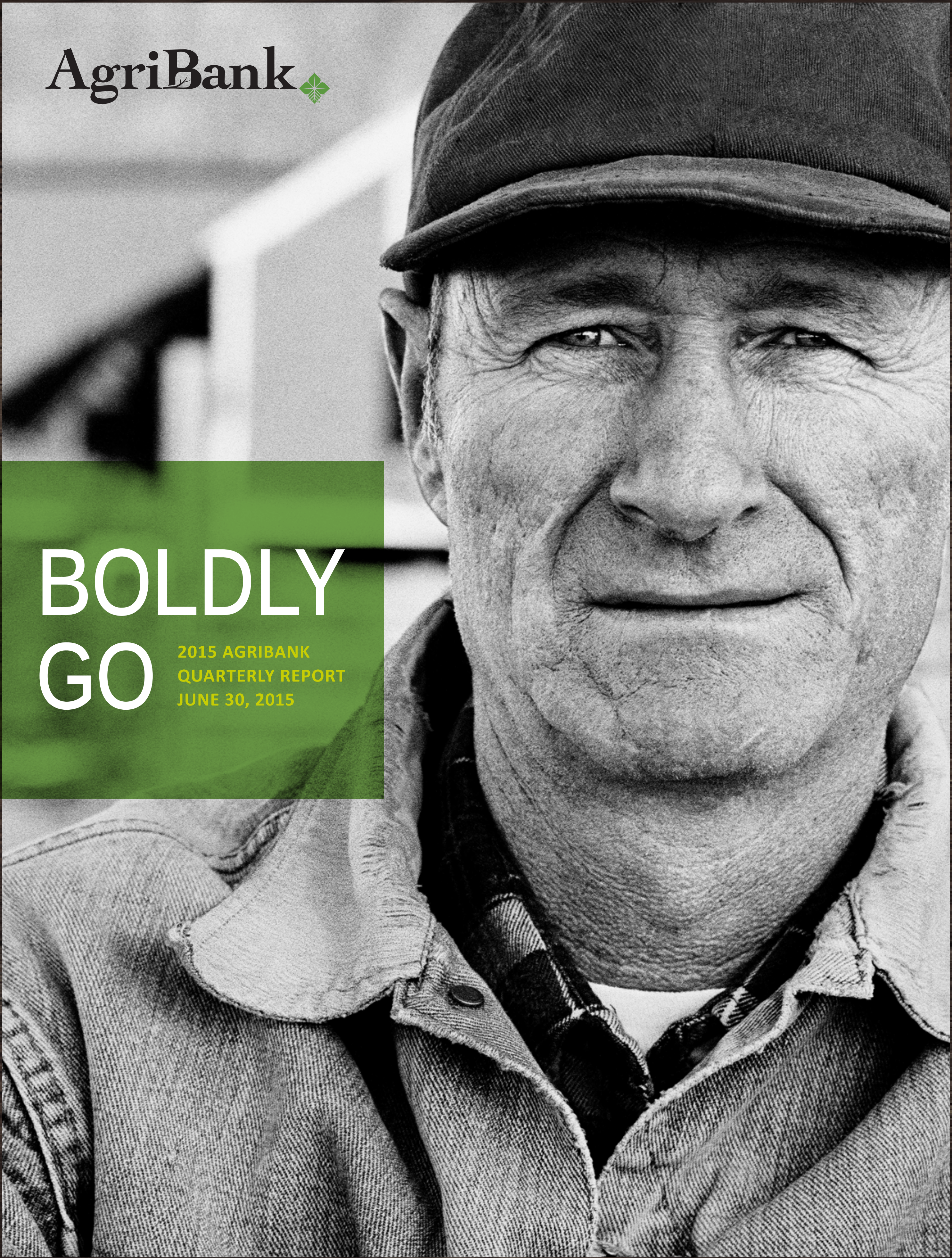

BOLDLY GO

2015 AGRIBANK
QUARTERLY REPORT
JUNE 30, 2015

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

The following discussion is a review of the financial position and results of operations of AgriBank, FCB (AgriBank). This information should be read in conjunction with the accompanying Financial Statements, the Notes to the Financial Statements and the 2014 Annual Report.

AgriBank is one of the Banks of the Farm Credit System (the System). We serve customers in states across America's heartland. AgriBank provides funding to, and is primarily owned by, its affiliated Associations. AgriBank and its affiliated Associations are collectively referred to as the District. The affiliated Associations are chartered to serve customers in substantially all of Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Wisconsin and Wyoming. The affiliated Associations provide credit and financial services to farmers, ranchers, rural residents, agribusinesses and other eligible customers.

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 2014 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 decreased $24.9 million, or 9.3 percent, to $241.7 million for the six months ended June 30, 2015, as compared to the same period of the prior year. The decrease in net income was primarily due to a decrease in mineral income driven by continued low oil prices and reduced mineral leasing activity. Net interest income remained relatively stable compared to the same period of the prior year. Refer to the Results of Operations section for further discussion.

Loan portfolio credit quality remains strong and robust capital levels ensure we are well positioned to manage the potentially volatile agricultural market. Refer to the Loan Portfolio and Funding, Liquidity and Shareholders' Equity sections for further discussion.

Agricultural Conditions

The U.S. Department of Agriculture's Economic Research Service (USDA-ERS) projects U.S. aggregate net farm income (NFI) to decline from the forecasted $108.0 billion in 2014 to $73.6 billion in 2015. The overall decline in 2015 NFI is driven by the expected decline in crop prices and a retreat from the record livestock and dairy prices of 2014. Production cost increases are expected to moderate in 2015, partially due to lower energy costs, but are still projected to show a minimal 1.0 percent increase. Despite the significant expected decline in 2015 farm incomes, the U.S. farm economy entered 2015 in perhaps its strongest financial condition in over 50 years.

The margin outlook for most crop producers looks challenging for the next five years with most forecasters projecting corn and soybean prices to be at or near break-even levels. Producers may benefit from USDA commodity title programs under the Agricultural Act of 2014 which could be triggered by lower commodity prices. These programs, combined with disciplined risk management practices and the generally strong financial condition of borrowers comprising the District's crop portfolio, are expected to mitigate the initial impact of lower margins.

The outlook for pork has declined since early 2015 to neutral as of June 30, 2015. This change has been driven by the strength of the U.S. dollar dampening export demand coupled with an increasing pork supply as the industry has recovered from the reduced production of 2014 driven by the PED-virus. Most recently, margins are beginning to rebound as domestic demand is expected to increase throughout 2015 and into 2016. Many producers in this industry have strong financial profiles as a result of record profitability in 2014 and typically engage in disciplined risk management practices, which should minimize the impact of price declines over the next year.

While challenging to the individual operations directly impacted, the recent avian influenza outbreak appears to have abated in recent weeks, with minor impacts to overall supplies. Egg-laying chickens have been impacted more than commercial turkey flocks, while broilers were mostly unaffected.

Refer to the Agricultural Conditions section of Management's Discussion & Analysis of the 2014 Annual Report for further analysis of industry conditions.

Land Values

The AgriBank District routinely monitors agricultural land values. As part of this monitoring, the District conducts an annual Benchmark Survey, completed by licensed real estate appraisers, of a sample of benchmark farms selected to represent the lending footprint of the affiliated Associations throughout the District. The District will complete its annual survey as of June 30, 2015, which will be released during the third quarter of 2015.

Qualitative surveys of lending officers compiled by the Federal Reserve Banks of Chicago, Kansas City, and St. Louis as of the end of the first quarter 2015 indicated steady to slightly declining farmland values. The Federal Reserve Banks surveys cited year-over-year changes in the average value of non-irrigated farmland of -2.5 percent to +0.9 percent.

Declining land values are a potential lending risk following periods of sustained, rapid land value increases. Nominal and real (inflation-adjusted) agricultural land values increased in proportions greater than other asset classes such as stocks and urban residential and commercial land during the past decade. However, District agricultural land values escaped, for the most part, the valuation declines that other assets suffered during the Great Recession of 2008-2009. This is largely because the agricultural sector, particularly crop farming, remained profitable throughout the economic crisis period, and demand for agricultural land remained very strong. Current indications are that reduced net farm income is weakening demand to purchase farmland and affecting farmland values. The USDA-ERS projects farm real estate values will decline by 0.8 percent ($18.8 billion) in 2015. This modest decline is generally consistent with our expectations on farm real estate valuation and is not expected to have a significant impact on the credit quality of the loan portfolio.

Refer to the Credit Risk Management section of the 2014 Annual Report for discussion of our risk management practices related to collateral values, particularly land values.

Loan Portfolio

Components of Loans

(in millions)	**June 30, 2015**	December 31, 2014
Accrual loans:		
Wholesale loans	**$69,812.4**	$69,523.5
Real estate mortgage	**3,679.5**	3,955.9
Production and intermediate term	**3,162.7**	3,186.4
Agribusiness	**115.0**	126.6
Loans to other financing institutions (OFIs)	**683.7**	665.6
Other	**49.5**	50.4
Nonaccrual loans	**42.7**	37.8
Total loans	**$77,545.5**	$77,546.2

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

Loans totaled $77.5 billion at June 30, 2015, a decrease of $643 thousand, from December 31, 2014. The decrease in total loans resulted primarily from payments received on real estate mortgage participations purchased through the Asset Pool program, significantly offset by advances on wholesale loans to affiliated Associations.

Credit quality on loans remained very strong with 99.7 percent of our portfolio in the acceptable category at June 30, 2015 and December 31, 2014. Adversely classified loans were 0.2 percent at June 30, 2015 and December 31, 2014. Due to the strong credit quality at June 30, 2015, and given the current outlook for commodity prices, we expect to continue to see the adverse credit quality and related allowance for loan losses and provision for loan losses increase from the historically low levels seen at December 31, 2014.

Components of Risk Assets

(in millions)	**June 30, 2015**	December 31, 2014
Nonaccrual loans	**$42.7**	$37.8
Accruing restructured loans	**4.3**	17.2
Accruing loans 90 days or more past due	**0.1**	0.3
Total risk loans	**47.1**	55.3
Other property owned	**0.3**	1.8
Total risk assets	**$47.4**	$57.1
Risk loans as a % of total loans	**0.06%**	0.07%
Nonaccrual loans as a % of total loans	**0.06%**	0.05%
Delinquencies as a % of total loans	**0.04%**	0.03%

Note: Accruing loans include accrued interest receivable.

Risk assets have decreased from December 31, 2014, remaining at historically low levels. Total risk loans as a percentage of total loans remains within our established risk management guidelines. At June 30, 2015, 64.6

percent of nonaccrual loans were current as to principal and interest compared to 69.6 percent at December 31, 2014.

Our accounting policy requires accruing 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.

As of June 30, 2015, no affiliated Associations were declared in default of any covenants. No affiliated Associations are currently paying a risk premium.

Allowance Coverage Ratios

	June 30, 2015	December 31, 2014
Allowance as a percentage of:		
Loans	**0.02%**	0.02%
Nonaccrual loans	**33.15%**	33.12%
Total risk loans	**30.06%**	22.65%
Adverse assets to risk funds*	**2.53%**	2.45%

*Risk funds includes total capital and allowance for loan losses.

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 June 30, 2015, the allowance increased slightly compared to December 31, 2014. This was primarily due to $3.0 million provision for loan losses related to a slight deterioration in credit quality of the AgDirect portfolio, partially offset by charge-offs during the period. We believe the allowance for loan losses is reasonable in relation to the risk in the portfolio at June 30, 2015.

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 six months ended June 30, 2015, investor demand for System-wide debt securities has 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 by forecasting, preparing and meeting seasonal demands. We maintain maturing investments and bank balances of at least $500 million on hand each day to meet cash management and loan disbursements needs in the normal course of business.

The composition of the liquidity investment portfolio is structured to meet both regulatory requirements and our operational demands. Specifically, it provides 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, 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 certain money market instruments, asset-backed securities and non-agency mortgage-backed securities. At June 30, 2015 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 a minimum of 90 days of liquidity on a continuous basis. The days of liquidity measurement refers to the number of days that maturing debt is covered by liquid investments. As of June 30, 2015, we had sufficient liquidity to fund all debt maturing within 173 days.

We maintain a contingency funding plan that 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.

Total shareholders' equity at June 30, 2015 was $5.0 billion, a $125.9 million increase from December 31, 2014. The increase was primarily driven by net income for the period, partially offset by earnings reserved for patronage distributions and preferred stock dividends.

At June 30, 2015, we exceeded the regulatory minimum capital ratios. Refer to Note 4 in the accompanying Financial Statements for further discussion.

Results of Operations

Net income for the six months ended June 30, 2015 was $241.7 million, a 9.3 percent decrease, compared to $266.6 million for the same period in 2014. The return on average assets was 0.53 percent for the six months ended June 30, 2015, compared to 0.62 percent for the same period in 2014.

Changes in Significant Components of Net Income

(in millions) **For the six months ended June 30,**	**2015**	2014	Increase (Decrease) in Net Income
Net interest income	**$255.3**	$258.3	$(3.0)
Provision for loan losses	**3.0**	2.5	(0.5)
Non-interest income	**48.3**	63.4	(15.1)
Non-interest expense	**58.9**	52.6	(6.3)
Net income	**$241.7**	$266.6	$(24.9)

Net interest income (NII) for the six months ended June 30, 2015 decreased slightly compared to the same period of 2014. NII was negatively impacted primarily by an increase in interest expense on System-wide debt securities, and to a lesser extent, our changing product mix and lower interest rates earned on our retail loan portfolio due to increased competitive pressures. These negative variances were partially offset by increases in loan and investment volume. In addition, we recorded $3.3 million of non-recurring investment interest income on impaired securities due to a change in our methodology for recognizing cash received on fully impaired securities, which further offset the negative impacts on NII. This change in methodology is reflective of the economics of the current environment for previously impaired securities.

Changes in NII

(in millions) **For the six months ended June 30,**	**2015 vs 2014**		
Increase (decrease) due to:	**Volume**	**Rate**	**Total**
Interest income:			
Loans	**$32.7**	**$(3.6)**	**$29.1**
Investments	**6.3**	**7.1**	**13.4**
Total interest income	**39.0**	**3.5**	**42.5**
Interest expense:			
System-wide debt securities and other	**(29.5)**	**(16.0)**	**(45.5)**
Net change in NII	**$9.5**	**$(12.5)**	**$(3.0)**

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

(in millions) **For the six months ended June 30,**	**2015**			2014		
	ADB	**Rate**	**NII**	ADB	Rate	NII
Interest earning assets:						
Wholesale loans	**$68,191.0**	**1.60%**	**$539.8**	$64,299.8	1.57%	$501.9
Retail accrual loans	**7,739.5**	**3.65%**	**140.1**	8,010.5	3.73%	148.1
Retail nonaccrual loans	**40.6**	**6.75%**	**1.4**	38.0	11.41%	2.2
Investment securities and federal funds	**15,843.1**	**0.64%**	**50.1**	13,631.9	0.54%	36.7
Total earning assets	**91,814.2**	**1.61%**	**731.4**	85,980.2	1.62%	688.9
Interest bearing liabilities	**87,242.2**	**1.10%**	**476.1**	81,605.8	1.06%	430.6
Interest rate spread	**$4,572.0**	**0.51%**		$4,374.4	0.56%	
Impact of equity financing		**0.05%**			0.05%	
Net interest margin		**0.56%**			0.61%	
Net interest income			**$255.3**			$258.3

As expected, we have continued to see net interest margin compression through the six months ended June 30, 2015. Net interest margin decreased five basis points compared to the same period last year. The positive impact of the higher loan volume was offset by our changing earning asset mix. Earning asset mix changes were driven by increases in lower yielding assets held in the liquidity investment portfolio and loans to affiliated Associations. In addition, competitive pressures on the AgDirect equipment and retail loan portfolios lead to compressed spreads. Equity financing represents the benefit of non-interest rate bearing funding, which was comparable to the prior year due to relatively consistent equity positioning and continued low interest rates. Interest rate spreads are expected to further decline in 2015 due to continued reduction in the positive impact of our funding actions through callable debt replacement activity, portfolio composition and continued competitive pressures on retail assets.

We recorded a $3.0 million provision for loan losses during the six months ended June 30, 2015. Refer to the Loan portfolio section for further discussion.

The decrease in non-interest income was primarily due to a decline in mineral income for the six months ended June 30, 2015 compared to the same period of 2014, driven by a decline in oil prices and mineral leasing activity in the latter part of 2014 and into the first half of 2015. This trend is expected to continue throughout 2015.

The increase in non-interest expense was primarily related to an increase in salaries and benefits expense driven by an increase in pension benefits expense due to a decrease in the discount rate and revised actuarial assumptions used during 2015, and to a lesser extent, annual merit increases in employee salaries. In addition, other operating expenses also increased primarily due to increases in purchased services related to various strategic initiatives, strategic sponsorships and our share of allocated System expense.

Additional Regulatory Information

On May 8, 2014, the FCA Board approved a proposed rule to modify the regulatory capital requirements for System Banks and Associations. The stated objectives of the proposed rule are as follows:

- To modernize capital requirements while ensuring that institutions continue to hold sufficient regulatory capital to fulfill their mission as a government-sponsored enterprise,
- To ensure that the System's capital requirements are comparable to the Basel III framework and the standardized approach that the federal banking regulatory agencies have adopted, but also to ensure that the rules recognize the cooperative structure and the organization of the System,
- To make System regulatory capital requirements more transparent, and
- To meet the requirements of section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

On June 15, 2015, the FCA Board voted to reopen the public comment period from June 26 through July 10, 2015. The initial comment period on the proposed rule, after extension, closed February 16, 2015.

The proposed rule to modify regulatory capital requirements, if adopted in its current form, would have an impact on the capital treatment of our subordinated debt.

On June 12, 2014, the FCA Board approved a proposed rule to revise the requirements governing the eligibility of investments for System Banks and Associations. The stated objectives of the proposed rule are as follows:

- To strengthen the safety and soundness of System Banks and Associations,
- To ensure that System Banks hold sufficient liquidity to continue operations and pay maturing obligations in the event of market disruption,
- To enhance the ability of the System Banks to supply credit to agricultural and aquatic producers,
- To comply with the requirements of section 939A of the Dodd-Frank Act,
- To modernize the investment eligibility criteria for System Banks, and
- To revise the investment regulation for System Associations to improve their investment management practices so they are more resilient to risk.

The public comment period ended on October 23, 2014.

Certification

The undersigned have reviewed the June 30, 2015 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.

Douglas A. Felton
Chair of the Board
August 7, 2015

L. William York
Chief Executive Officer
August 7, 2015

Brian J. O'Keane
Executive Vice President, Banking and Finance and Chief Financial Officer
August 7, 2015

Statements of Condition

AgriBank, FCB

(Dollars in thousands)
(unaudited)

	June 30, 2015	December 31, 2014
Assets		
Loans	**$77,545,512**	$77,546,155
Allowance for loan losses	**14,154**	12,520
Net loans	**77,531,358**	77,533,635
Investment securities	**14,488,137**	14,294,777
Cash	**286,364**	780,948
Federal funds	**1,173,789**	1,336,780
Accrued interest receivable	**357,059**	350,211
Derivative assets	**12,590**	15,383
Other property owned	**330**	1,822
Debt issuance costs	**34,329**	31,832
Allocated prepaid pension costs	**29,488**	30,123
Cash collateral pledged to counterparties	**20,654**	22,018
Other assets	**26,954**	27,865
Total assets	**$93,961,052**	$94,425,394
Liabilities		
Bonds and notes	**$88,042,858**	$88,583,553
Subordinated notes	**500,000**	500,000
Accrued interest payable	**222,655**	204,659
Derivative liabilities	**28,567**	44,562
Cash collateral pledged by counterparties	**3,660**	7,280
Accounts and other payables	**103,488**	151,190
Other liabilities	**17,907**	18,105
Total liabilities	**88,919,135**	89,509,349
Commitments and contingencies	**--**	--
Shareholders' equity		
Perpetual preferred stock	**250,000**	250,000
Capital stock and participation certificates	**1,953,629**	1,944,292
Unallocated surplus	**2,860,673**	2,766,818
Accumulated other comprehensive loss	**(22,385)**	(45,065)
Total shareholders' equity	**5,041,917**	4,916,045
Total liabilities and shareholders' equity	**$93,961,052**	$94,425,394

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

Statements of Comprehensive Income

AgriBank, FCB

(Dollars in thousands)
(unaudited)

	Three months		Six months	
For the periods ended June 30,	**2015**	2014	**2015**	2014
Interest income				
Loans	**$344,378**	$328,501	**$681,239**	$652,125
Investment securities	**24,071**	18,626	**50,135**	36,721
Total interest income	**368,449**	347,127	**731,374**	688,846
Interest expense	**241,395**	215,826	**476,115**	430,564
Net interest income	**127,054**	131,301	**255,259**	258,282
Provision for loan losses	**1,000**	2,000	**3,000**	2,500
Net interest income after provision for loan losses	**126,054**	129,301	**252,259**	255,782
Non-interest income				
Mineral income	**13,680**	26,549	**30,566**	46,917
Loan prepayment and fee income	**3,814**	3,352	**8,248**	7,904
Business services income	**3,737**	3,899	**7,412**	7,780
Miscellaneous income and other gains, net	**665**	47	**2,125**	770
Total non-interest income	**21,896**	33,847	**48,351**	63,371
Non-interest expense				
Salaries and employee benefits	**9,889**	8,832	**19,530**	17,344
Other operating expenses	**9,154**	7,703	**17,708**	14,992
Loan servicing and other fees paid to affiliated Associations	**8,439**	8,639	**16,258**	15,107
Farm Credit System insurance expense	**2,622**	2,517	**5,340**	5,010
Net impairment losses recognized in earnings	--	--	**73**	150
Total non-interest expense	**30,104**	27,691	**58,909**	52,603
Net income	**$117,846**	$135,457	**$241,701**	$266,550
Other comprehensive income (loss)				
Investments available-for-sale:				
Not-other-than-temporarily-impaired investments	**$(10,687)**	$4,571	**$4,681**	$16,666
Other-than-temporarily-impaired investments	**(2,861)**	5,673	**(2,989)**	13,242
Derivatives and hedging activity	**43,704**	(16,482)	**20,988**	(38,013)
Total other comprehensive income (loss)	**30,156**	(6,238)	**22,680**	(8,105)
Comprehensive income	**$148,002**	$129,219	**$264,381**	$258,445

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

Statements of Changes in Shareholders' Equity

AgriBank, FCB

(Dollars in thousands)
(unaudited)

	Perpetual Preferred Stock	Capital Stock and Participation Certificates	Unallocated Surplus	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2013	$250,000	$2,109,843	$2,552,005	$9,470	$4,921,318
Net income			266,550		266,550
Other comprehensive loss				(8,105)	(8,105)
Patronage			(158,172)		(158,172)
Perpetual preferred stock dividends			(8,594)		(8,594)
Perpetual preferred stock issuance costs			(48)		(48)
Capital stock/participation certificates issued		73,669			73,669
Capital stock/participation certificates retired		(306,048)			(306,048)
Balance at June 30, 2014	$250,000	$1,877,464	$2,651,741	$1,365	$4,780,570
Balance at December 31, 2014	$250,000	$1,944,292	$2,766,818	$(45,065)	$4,916,045
Net income			**241,701**		**241,701**
Other comprehensive income				**22,680**	**22,680**
Patronage			**(139,252)**		**(139,252)**
Perpetual preferred stock dividends			**(8,594)**		**(8,594)**
Capital stock/participation certificates issued		**48,971**			**48,971**
Capital stock/participation certificates retired		**(39,634)**			**(39,634)**
Balance at June 30, 2015	**$250,000**	**$1,953,629**	**$2,860,673**	**$(22,385)**	**$5,041,917**

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

Statements of Cash Flows

AgriBank, FCB

(Dollars in thousands)

(unaudited)

For the six months ended June 30,	**2015**	2014
Cash flows from operating activities		
Net income	**$241,701**	$266,550
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation on premises and equipment	**1,459**	1,859
Gain on sales of premises and equipment	**--**	(1)
Provision for loan losses	**3,000**	2,500
Loss (gain) on sales of other property owned	**9**	(123)
Net impairment losses recognized in earnings	**73**	150
Gain on sale of investment securities, net	**(1,324)**	--
Amortization of premiums and discounts on investments, net	**8,188**	9,825
Gain on derivative activities	**(364)**	(370)
Changes in operating assets and liabilities:		
Increase in accrued interest receivable	**(540,124)**	(490,219)
(Increase) decrease in other assets	**(1,410)**	9,176
Increase in accrued interest payable	**17,996**	2,458
Decrease in other liabilities	**(5,274)**	(6,311)
Net cash used in operating activities	**(276,070)**	(204,506)
Cash flows from investing activities		
Decrease in loans, net	**528,984**	1,177,310
Proceeds from sales of other property owned	**1,799**	1,069
Increase in investment securities, net	**(225,021)**	(1,415,130)
Proceeds from the sale of investment securities	**29,669**	--
Purchases of premises and equipment, net	**(1,000)**	(1,051)
Net cash provided by (used in) investing activities	**334,431**	(237,802)
Cash flows from financing activities		
Consolidated bonds and notes issued	**93,948,370**	134,161,283
Consolidated bonds and notes retired	**(94,480,915)**	(133,447,024)
Decrease in cash collateral pledged by counterparties	**(3,620)**	(13,360)
Decrease (increase) in cash collateral pledged to counterparties	**1,364**	(8,731)
Patronage distributions paid	**(181,878)**	(171,278)
Preferred stock issuance costs paid	**--**	(48)
Preferred stock dividends paid	**(8,594)**	(6,972)
Capital stock/participation certificates issued (retired), net	**9,337**	(279,902)
Net cash (used in) provided by financing activities	**(715,936)**	233,968
Net decrease in cash and federal funds	**(657,575)**	(208,340)
Cash and federal funds at beginning of period	**2,117,728**	1,985,836
Cash and federal funds at end of period	**$1,460,153**	$1,777,496
Supplemental schedule of non-cash activities		
Decrease in derivative assets	**$2,793**	$42,595
(Decrease) increase in derivative liabilities	**(15,995)**	15,966
Decrease in bonds from derivative activity	**(8,150)**	(20,918)
Increase (decrease) in shareholders' equity from cash flow derivatives	**20,988**	(38,013)
Increase in shareholders' equity from investment securities	**1,692**	29,908
Loans transferred to other property owned	**316**	1,322
Interest capitalized to loan principal	**530,023**	496,217
Preferred stock dividends accrued	**4,297**	4,297
Patronage refunds payable to owners	**74,995**	83,716
Stock patronage issued	**--**	47,523
Supplemental information		
Interest paid	**$458,119**	$428,106

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

Notes to Financial Statements

AgriBank, FCB

NOTE 1

Organization and Significant Accounting Policies

AgriBank, FCB (AgriBank) is one of the Banks of the Farm Credit System (the System), 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 affiliated Associations are collectively referred to as the District. At June 30, 2015, the District had 17 Agricultural Credit Association parent Associations, each of which 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, 2014 are contained in the 2014 Annual Report. These unaudited second quarter 2015 Financial Statements should be read in conjunction with the Annual Report. The results for the six months ended June 30, 2015 are not necessarily indicative of the results to be expected for the year ended December 31, 2015.

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.

Recently Issued or Adopted Accounting Pronouncements

In April 2015, the FASB issued, "Interest–Imputation of Interest." The guidance requires debt issuance costs be presented in the balance sheet as a direct deduction from the carrying value of the debt liability. Prior to the issuance of the standard, debt issuance costs were required to be presented in the balance sheet as a deferred charge (asset). The guidance is effective for public entities for annual and interim periods beginning after December 15, 2015. Early adoption is allowed, including in any interim period. The adoption of this guidance will not have a material impact on the Statements of Condition.

In February 2015, the FASB issued, "Consolidation-Amendments to the Consolidation Analysis." The guidance modifies the assessment of Variable Interest Entity (VIE) characteristics as well as the assessment of related parties. The guidance is effective for public entities for annual periods beginning after December 15, 2015. Early adoption is allowed, including in any interim period. We are currently evaluating the impact on the Statements of Condition, Comprehensive Income and Notes to Financial Statements for this recent accounting pronouncement.

In August 2014, the FASB issued guidance, "Presentation of Financial Statements-Going Concern." The guidance requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year after the date the Financial Statements are issued or within one year after the Financial Statements are available to be issued, when applicable. Substantial doubt to continue as a going concern exists if it is probable that the entity will be unable to meet its obligations for the assessed period.

This guidance becomes effective for all entities for interim and annual periods ending after December 15, 2016, and early application is permitted. The adoption of this guidance will not have a material impact on the Notes to Financial Statements.

In May 2014, the FASB issued guidance entitled, "Revenue from Contracts with Customers." The 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 our contracts would be excluded from the scope of this new guidance. The guidance is effective for public entities for the first interim reporting period within the annual reporting periods after December 15, 2016. In July 2015 the FASB approved a one year deferral of the effective date. We are in the process of reviewing contracts to determine the effect, if any, on our Statements of Condition or Comprehensive Income.

NOTE 2

Loans and Allowance for Loan Losses

Loans by Type

(in thousands)	June 30, 2015		December 31, 2014	
	Amount	**%**	Amount	%
Wholesale loans	**$69,812,382**	**90.0%**	$69,523,491	89.6%
Real estate mortgage	**3,708,410**	**4.8%**	3,985,435	5.1%
Production and intermediate term	**3,176,417**	**4.1%**	3,194,263	4.1%
Agribusiness	**115,022**	**0.1%**	126,612	0.2%
Loans to other financing institutions (OFIs)	**683,711**	**0.9%**	665,574	0.9%
Other	**49,570**	**0.1%**	50,780	0.1%
Total loans	**$77,545,512**	**100.0%**	$77,546,155	100.0%

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

Participations

We may purchase participations from and sell participations to others, primarily affiliated Associations. We have no purchases outside of the System in the periods presented.

Participations Purchased

(in thousands)	June 30, 2015	December 31, 2014
Real estate mortgage	**$3,707,893**	$3,984,667
Production and intermediate term	**3,176,417**	3,194,263
Agribusiness	**115,022**	126,612
Other	**49,570**	50,780
Total loans	**$7,048,902**	$7,356,322

We did not have any participation interests sold as of June 30, 2015 or December 31, 2014.

Portfolio Performance

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

- Acceptable – assets are non-criticized assets representing the highest quality. They are expected to be fully collectible. This category is further differentiated into various probabilities of default;
- Other Assets Especially Mentioned (Special Mention) – are currently collectible but exhibit some potential weakness. These assets involve increased credit risk, but not to the point of justifying a substandard classification;
- Substandard – assets exhibit some serious weakness in repayment capacity, equity and/or collateral pledged on the loan;
- Doubtful – 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; and
- Loss – assets are considered uncollectible.

Credit Quality of Loans

(in thousands) **As of June 30, 2015**	**Acceptable**		**Special mention**		**Substandard/Doubtful**		**Total**	
Wholesale loans	**$70,085,499**	**100.0%**	**$ --**	**--**	**$ --**	**--**	**$70,085,499**	**100.0%**
Real estate mortgage	**3,610,446**	**96.4%**	**61,175**	**1.6%**	**75,802**	**2.0%**	**3,747,423**	**100.0%**
Production and intermediate term	**3,128,631**	**97.8%**	**24,711**	**0.8%**	**43,611**	**1.4%**	**3,196,953**	**100.0%**
Agribusiness	**108,301**	**93.7%**	**--**	**--**	**7,273**	**6.3%**	**115,574**	**100.0%**
Loans to OFIs	**685,293**	**100.0%**	**--**	**--**	**--**	**--**	**685,293**	**100.0%**
Other	**48,316**	**97.4%**	**363**	**0.7%**	**956**	**1.9%**	**49,635**	**100.0%**
Total loans	**$77,666,486**	**99.7%**	**$86,249**	**0.1%**	**$127,642**	**0.2%**	**$77,880,377**	**100.0%**

(in thousands) As of December 31, 2014	Acceptable		Special mention		Substandard/Doubtful		Total	
Wholesale loans	$69,789,561	100.0%	$ --	--	$ --	--	$69,789,561	100.0%
Real estate mortgage	3,897,369	96.8%	53,682	1.3%	76,989	1.9%	4,028,040	100.0%
Production and intermediate term	3,174,558	98.7%	17,508	0.5%	25,941	0.8%	3,218,007	100.0%
Agribusiness	112,329	88.4%	--	--	14,750	11.6%	127,079	100.0%
Loans to OFIs	666,693	100.0%	--	--	--	--	666,693	100.0%
Other	49,185	96.7%	414	0.8%	1,246	2.5%	50,845	100.0%
Total loans	$77,689,695	99.7%	$71,604	0.1%	$118,926	0.2%	$77,880,225	100.0%

Note: Accruing loans include accrued interest receivable.

We had no loans categorized as loss at June 30, 2015 or December 31, 2014.

Aging Analysis of Loans

(in thousands) **As of June 30, 2015**	**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	**$ --**	**$ --**	**$ --**	**$70,085,499**	**$70,085,499**	**$ --**
Real estate mortgage	**12,449**	**6,428**	**18,877**	**3,728,546**	**3,747,423**	**--**
Production and intermediate term	**10,881**	**3,957**	**14,838**	**3,182,115**	**3,196,953**	**55**
Agribusiness	**--**	**--**	**--**	**115,574**	**115,574**	**--**
Loans to OFIs	**--**	**--**	**--**	**685,293**	**685,293**	**--**
Other	**491**	**--**	**491**	**49,144**	**49,635**	**--**
Total loans	**$23,821**	**$10,385**	**$34,206**	**$77,846,171**	**$77,880,377**	**$55**

(in thousands) As of December 31, 2014	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	$ --	$ --	$ --	$69,789,561	$69,789,561	$ --
Real estate mortgage	8,957	7,182	16,139	4,011,901	4,028,040	--
Production and intermediate term	8,127	2,186	10,313	3,207,694	3,218,007	277
Agribusiness	--	--	--	127,079	127,079	--
Loans to OFIs	--	--	--	666,693	666,693	--
Other	413	222	635	50,210	50,845	--
Total loans	$17,497	$9,590	$27,087	$77,853,138	$77,880,225	$277

Note: Accruing loans include accrued interest receivable.

Based on our analysis, all loans 90 days or more past due and still accruing interest were adequately secured and in the process of collection and, as such, were eligible to remain in accruing status.

Risk Assets

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)	**June 30, 2015**	December 31, 2014
Nonaccrual loans:		
Current as to principal and interest	**$27,570**	$26,305
Past due	**15,129**	11,493
Total nonaccrual loans	**42,699**	37,798
Accruing restructured loans	**4,329**	17,210
Accruing loans 90 days or more past due	**55**	277
Total risk loans	**$47,083**	$55,285
Volume with specific reserves	**$15,288**	$12,218
Volume without specific reserves	**31,795**	43,067
Total risk loans	**$47,083**	$55,285
Specific reserves	**$2,226**	$2,122
For the six months ended June 30,	**2015**	2014
Income on accrual risk loans	**$110**	$228
Income on nonaccrual loans	**1,357**	2,152
Total income on risk loans	**$1,467**	$2,380
Average recorded risk loans	**$45,819**	$56,788

Note: Accruing loans include accrued interest receivable.

Risk Assets by Loan Type

(in thousands)	**June 30, 2015**	December 31, 2014
Nonaccrual loans:		
Real estate mortgage	**$28,869**	$29,555
Production and intermediate term	**13,689**	7,873
Other	**141**	370
Total nonaccrual loans	**$42,699**	$37,798
Accruing restructured loans:		
Real estate mortgage	**$4,329**	$17,196
Production and intermediate term	**--**	14
Total accruing restructured loans	**$4,329**	$17,210
Accruing loans 90 days or more past due:		
Production and intermediate term	**$55**	$277
Total accruing loans 90 days or more past due	**$55**	$277
Total risk loans	**$47,083**	$55,285
Other property owned	**330**	1,822
Total risk assets	**$47,413**	$57,107

Note: Accruing loans include accrued interest receivable.

We had no wholesale loans classified as risk loans at June 30, 2015 or December 31, 2014.

All risk loans are considered to be impaired loans.

Additional Impaired Loan Information by Loan Type

(in thousands)	As of June 30, 2015			For the six months ended June 30, 2015	
	Recorded Investment *	Unpaid Principal Balance **	Related Allowance	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for loan losses:					
Real estate mortgage	**$4,722**	**$5,182**	**$643**	**$4,697**	**$ --**
Production and intermediate term	**10,566**	**10,938**	**1,583**	**9,693**	**--**
Total loans	**$15,288**	**$16,120**	**$2,226**	**$14,390**	**$ --**
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	**$28,476**	**$46,200**	**$ --**	**$28,321**	**$1,034**
Production and intermediate term	**3,178**	**6,064**	**--**	**2,917**	**433**
Other	**141**	**374**	**--**	**191**	**--**
Total loans	**$31,795**	**$52,638**	**$ --**	**$31,429**	**$1,467**
Total impaired loans:					
Real estate mortgage	**$33,198**	**$51,382**	**$643**	**$33,018**	**$1,034**
Production and intermediate term	**13,744**	**17,002**	**1,583**	**12,610**	**433**
Other	**141**	**374**	**--**	**191**	**--**
Total loans	**$47,083**	**$68,758**	**$2,226**	**$45,819**	**$1,467**

(in thousands)	As of December 31, 2014			For the six months ended June 30, 2014	
	Recorded Investment*	Unpaid Principal Balance**	Related Allowance	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for loan losses:					
Real estate mortgage	$5,104	$5,529	$1,100	$3,119	$ --
Production and intermediate term	6,892	7,071	1,022	3,260	--
Other	222	217	--	88	--
Total loans	$12,218	$12,817	$2,122	$6,467	$ --
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	$41,647	$59,347	$ --	$48,994	$2,168
Production and intermediate term	1,272	4,234	--	1,127	212
Other	148	379	--	200	--
Total loans	$43,067	$63,960	$ --	$50,321	$2,380
Total impaired loans:					
Real estate mortgage	$46,751	$64,876	$1,100	$52,113	$2,168
Production and intermediate term	8,164	11,305	1,022	4,387	212
Other	370	596	--	288	--
Total loans	$55,285	$76,777	$2,122	$56,788	$2,380

*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.
**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 at risk as of June 30, 2015.

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.

There were no TDRs that occurred during the six months ended June 30, 2015. We completed TDRs of certain real estate mortgage loans during the six months ended June 30, 2014. Our recorded investment in these loans just prior to restructuring was $396 thousand and immediately following the restructuring was $397 thousand for the six months ended June 30, 2014. The recorded investment of the loan is the face amount of the receivable increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, and acquisition costs, and may also reflect a previous direct charge-off.

The primary types of modification typically include forgiveness of interest, interest rate reduction below market or extension of maturity.

We had no troubled debt restructurings that defaulted during the six months ended June 30, 2015 or 2014, in which the modifications were within 12 months of the respective reporting period.

TDRs Outstanding

(in thousands)	**June 30, 2015**	December 31, 2014
Accrual Status		
Real estate mortgage	**$4,329**	$17,196
Production and intermediate term	**--**	14
Total TDRs in accrual status	**$4,329**	$17,210
Nonaccrual Status		
Real estate mortgage	**$5,100**	$5,604
Total TDRs in nonaccrual status	**$5,100**	$5,604
Total TDRs	**$9,429**	$22,814

We have no additional commitments to lend to borrowers whose loans have been modified in a troubled debt restructuring as of June 30, 2015.

Allowance for Loan Losses

Changes in Allowance for Loan Losses

(in thousands)

For the six months ended June 30,	**2015**	2014
Balance at beginning of period	**$12,520**	$10,100
Provision for loan losses	**3,000**	2,500
Charge-offs	**(2,035)**	(877)
Recoveries	**669**	234
Balance at end of period	**$14,154**	$11,957

Our allowance for loan losses increased from December 31, 2014, to $14.2 million at June 30, 2015, reflecting $3.0 million of provision expense recorded for the period, partially offset by net charge-offs of $1.4 million. The provision expense and net charge-offs were primarily related to slight deterioration in the credit quality of the AgDirect portfolio.

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

(in thousands)	**Wholesale loans**	**Real estate mortgage**	**Production and intermediate term**	**Agribusiness**	**Loans to OFIs**	**Other**	**Total**
Allowance for loan losses:							
Balance at December 31, 2014	**$ --**	**$2,003**	**$9,710**	**$457**	**$235**	**$115**	**$12,520**
(Reversal of) provision for loan losses	**--**	**(315)**	**3,459**	**(160)**	**(11)**	**27**	**3,000**
Charge-offs	**--**	**(219)**	**(1,815)**	**--**	**--**	**(1)**	**(2,035)**
Recoveries	**--**	**84**	**581**	**--**	**--**	**4**	**669**
Balance at June 30, 2015	**$ --**	**$1,553**	**$11,935**	**$297**	**$224**	**$145**	**$14,154**
At June 30, 2015:							
Ending balance: individually evaluated for impairment	**$ --**	**$643**	**$1,583**	**$ --**	**$ --**	**$ --**	**$2,226**
Ending balance: collectively evaluated for impairment	**$ --**	**$910**	**$10,352**	**$297**	**$224**	**$145**	**$11,928**
Recorded investments in loans outstanding:							
Ending balance at June 30, 2015	**$70,085,499**	**$3,747,423**	**$3,196,953**	**$115,574**	**$685,293**	**$49,635**	**$77,880,377**
Ending balance for loans individually evaluated for impairment	**$70,085,499**	**$33,198**	**$13,744**	**$ --**	**$ --**	**$141**	**$70,132,582**
Ending balance for loans collectively evaluated for impairment	**$ --**	**$3,714,225**	**$3,183,209**	**$115,574**	**$685,293**	**$49,494**	**$7,747,795**

(in thousands)	Wholesale loans	Real estate mortgage	Production and intermediate term	Agribusiness	Loans to OFIs	Other	Total
Allowance for loan losses:							
Balance at December 31, 2013	$ --	$2,041	$7,181	$590	$220	$68	$10,100
(Reversal of) provision for loan losses	--	(34)	2,632	(146)	(3)	51	2,500
Charge-offs	--	(47)	(826)	--	--	(4)	(877)
Recoveries	--	102	125	--	--	7	234
Balance at June 30, 2014	$ --	$2,062	$9,112	$444	$217	$122	$11,957
At December 31, 2014:							
Ending balance: individually evaluated for impairment	$ --	$1,100	$1,022	$ --	$ --	$ --	$2,122
Ending balance: collectively evaluated for impairment	$ --	$903	$8,688	$457	$235	$115	$10,398
Recorded investments in loans outstanding:							
Ending balance at December 31, 2014	$69,789,561	$4,028,040	$3,218,007	$127,079	$666,693	$50,845	$77,880,225
Ending balance for loans individually evaluated for impairment	$69,789,561	$46,751	$8,164	$ --	$ --	$370	$69,844,846
Ending balance for loans collectively evaluated for impairment	$ --	$3,981,289	$3,209,843	$127,079	$666,693	$50,475	$8,035,379

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 June 30, 2015**	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Weighted Average Yield**
Mortgage-backed securities	**$5,681,576**	**$29,732**	**$18,328**	**$5,692,980**	**1.0%**
Commercial paper and other	**4,961,312**	**546**	**40**	**4,961,818**	**0.3%**
U.S. Treasury securities	**2,839,603**	**3,806**	**571**	**2,842,838**	**1.1%**
Asset-backed securities	**884,157**	**6,651**	**520**	**890,288**	**0.6%**
U.S. Agencies	**100,001**	**212**	**--**	**100,213**	**4.4%**
Total	**$14,466,649**	**$40,947**	**$19,459**	**$14,488,137**	**0.8%**

(in thousands) As of December 31, 2014	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
Mortgage-backed securities	$5,403,078	$30,632	$19,173	$5,414,537	1.0%
Commercial paper and other	5,345,722	326	228	5,345,820	0.3%
U.S. Treasury securities	2,564,962	1,054	1,139	2,564,877	1.2%
Asset-backed securities	861,166	7,763	1,640	867,289	0.5%
U.S. Agencies	100,053	2,201	--	102,254	4.4%
Total	$14,274,981	$41,976	$22,180	$14,294,777	0.8%

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

Contractual Maturities of Investment Securities

(in thousands)	**Year of Maturity**				
As of June 30, 2015	**One Year or Less**	**One to Five Years**	**Five to Ten Years**	**More Than Ten Years**	**Total**
Mortgage-backed securities	**$ --**	**$26,791**	**$35,033**	**$5,631,156**	**$5,692,980**
Commercial paper and other	**4,961,818**	**--**	**--**	**--**	**4,961,818**
U.S. Treasury securities	**1,428,067**	**1,414,771**	**--**	**--**	**2,842,838**
Asset-backed securities	**--**	**874,076**	**--**	**16,212**	**890,288**
U.S. Agencies	**100,213**	**--**	**--**	**--**	**100,213**
Total	**$6,490,098**	**$2,315,638**	**$35,033**	**$5,647,368**	**$14,488,137**
Weighted average yield	**0.6%**	**0.8%**	**0.8%**	**1.0%**	**0.8%**

The expected average life is 0.6 years for asset-backed securities (ABS) and 3.5 years for mortgage-backed securities (MBS) at June 30, 2015. Expected maturities differ from contractual maturities because borrowers may have the right to prepay obligations.

Additional Investment Security Information

(in thousands)		
For the six months ended June 30,	**2015**	2014
Proceeds from sales	**$29,669**	$ --
Realized gross gains on sales	**2,560**	--
Realized gross losses on sales	**1,236**	--
Impairment losses	**73**	150

The proceeds from sales in 2015 were related to the sale of home-equity ABS and non-agency MBS investments.

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:

(in thousands)	**Less than 12 months**		**More than 12 months**	
As of June 30, 2015	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Mortgage-backed securities	**$1,675,141**	**$7,411**	**$583,621**	**$10,917**
Commercial paper and other	**685,439**	**40**	**--**	**--**
U.S. Treasury securities	**223,892**	**571**	**--**	**--**
Asset-backed securities	**597,857**	**212**	**105,257**	**308**
Total	**$3,182,329**	**$8,234**	**$688,878**	**$11,225**

(in thousands)	Less than 12 months		More than 12 months	
As of December 31, 2014	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed securities	$1,667,257	$7,405	$711,946	$11,768
Commercial paper and other	1,240,551	228	--	--
U.S. Treasury securities	1,062,841	1,139	--	--
Asset-backed securities	805,207	618	24,114	1,022
Total	$4,775,856	$9,390	$736,060	$12,790

We evaluate our investment securities for other-than-temporary impairment (OTTI) on a quarterly basis. We determined that securities with a fair value of $56.9 million at June 30, 2015 were in an other-than-temporary loss position compared to securities with a fair value of $68.2 million at December 31, 2014. As a result of our evaluations, we have recognized $73 thousand in net impairment losses during the six months ended June 30, 2015, reflecting a gross impairment charge of $128 thousand, net of $55 thousand related to the non-credit component which was recognized in other comprehensive income. We have determined no other securities were in an OTTI loss position at June 30, 2015.

Of the securities sold during the six months ended June 30, 2015, $9.7 million were OTTI AFS securities, which resulted in gains of $2.6 million.

The following represents the activity related to the credit-loss component for investment securities that have been written down for OTTI that has been recognized in earnings:

(in thousands) **For the six months ended June 30,**	**2015**	2014
Credit-loss component, beginning of period	**$42,062**	$127,947
Additions:		
Initial credit impairment	**73**	--
Subsequent credit impairments	**--**	150
Reductions:		
For gain on securities sold	**(2,560)**	--
For impairment previously recognized on securities sold	**(2,968)**	--
For increases in expected cash flows	**(4,104)**	(852)
Credit-loss component, end of period	**$32,503**	$127,245

NOTE 4

Capital

FCA's capital adequacy regulations require us to maintain permanent capital of at least 7.0 percent of risk-adjusted assets, a total surplus to risk-adjusted assets ratio of at least 7.0 percent and a core surplus to risk-adjusted assets ratio of at least 3.5 percent. At June 30, 2015, we exceeded these requirements with a 21.3 percent permanent capital ratio, 18.5 percent total surplus ratio and 12.2 percent core surplus ratio.

Typically FCA regulations require us to maintain a net collateral ratio of at least 103.0 percent. However, we are required to maintain a higher minimum of 104.0 percent during the period in which we have subordinated notes outstanding. At June 30, 2015, our net collateral ratio was 106.0 percent.

Protected participation certificates of $241 thousand are included in Capital Stock and Participation Certificates on the Statements of Changes in Shareholders' Equity as of June 30, 2015 and December 31, 2014.

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 only.

District Components of Net Periodic Benefit Cost

(in thousands)	2015		2014	
For the six months ended June 30,	**Pension Benefits**	**Other Benefits**	Pension Benefits	Other Benefits
Service cost	**$15,043**	**$279**	$13,226	$245
Interest cost	**25,297**	**696**	25,113	717
Expected return on plan assets	**(27,810)**	**--**	(27,691)	--
Amortization of prior service cost	**(632)**	**(230)**	(634)	(360)
Actuarial loss (gain)	**21,890**	**(10)**	14,725	(176)
Net periodic benefit cost	**$33,788**	**$735**	$24,739	$426

Certain employees in the AgriBank District participate in the AgriBank District Retirement Plan, a District-wide multi-employer defined benefit retirement plan. The employers contribute amounts necessary on an actuarial basis to provide the plan with sufficient assets to meet the benefits to be paid to participants. Due to a change in actuarial assumptions approved by the AgriBank District Coordinating Committee in May 2015, the amount of the total District employer contributions expected to be paid into the pension plan during 2015 increased from $57.9 million to $62.7 million. The assumption changes were updated to more closely align with recent historical actuals and included modifying the annual salary rate increases, retirement rates, unused sick leave and optional forms of benefit payments elected. Certain employees also participate in the Pension Restoration Plan, which is unfunded and the contributions are equal to the benefits paid to retirees covered by the plan. The expected contributions during 2015 to the Pension Restoration Plan have not changed from $2.0 million. Refer to Note 8 in the 2014 Annual Report for a more complete description of the Employee Benefit Plans.

For the six months ended June 30, 2015, District employers have contributed $25.2 million to fund Pension Benefits and our share was $2.6 million. District employers anticipate contributing an additional $39.5 million to fund Pension Benefits in 2015. District employers typically fund 40 percent of their annual contributions to the pension plan in June and the remaining 60 percent in December.

For the six months ended June 30, 2015, District employers have contributed $711 thousand for Other Benefits and our share was $150 thousand. District employers anticipate contributing an additional $1.0 million for Other Benefits in 2015.

Our allocated portion of the District benefit expenses for the six months ended June 30, 2015 was $2.9 million for Pension Benefits and income of $71 thousand for Other Benefits.

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. We may, from time to time, 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 primarily liable for our portion of System-wide bonds and notes, we are jointly and severally liable for the System-wide bonds and notes of the other System Banks. The total bonds and notes of the System at June 30, 2015 was $225.3 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, and collateral assets and liabilities. 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, non-impaired loans, bonds and notes, subordinated notes and commitments to extend credit and letters of credit. Refer to Note 13 in the 2014 Annual Report for descriptions of the valuation methodologies we use for asset and liabilities recorded at fair value on a recurring or nonrecurring basis and for estimating fair value for financial instruments not recorded at fair value.

A fair value hierarchy is used for disclosure of fair value measurements to maximize the use of observable inputs. The valuation hierarchy is based upon 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 upon the lowest level of input that is significant to the fair value measurement. Refer to Note 2 within the 2014 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 June 30, 2015	**Level 1**	**Level 2**	**Level 3**	**Value**
Assets:				
Federal funds	$ --	$1,173,789	$ --	$1,173,789
Investments available-for-sale:				
Mortgage-backed securities	--	5,595,038	97,942	5,692,980
Commercial paper and other	--	4,961,818	--	4,961,818
U.S. Treasury securities	--	2,842,838	--	2,842,838
Asset-backed securities	--	874,076	16,212	890,288
U.S. Agencies	--	100,213	--	100,213
Total investments available-for-sale	--	14,373,983	114,154	14,488,137
Cash collateral pledged to counterparties	20,654	--	--	20,654
Derivative assets	--	12,590	--	12,590
Total assets	$20,654	$15,560,362	$114,154	$15,695,170
Liabilities:				
Cash collateral pledged by counterparties	$3,660	$ --	$ --	$3,660
Derivative liabilities	--	28,567	--	28,567
Total liabilities	$3,660	$28,567	$ --	$32,227

(in thousands)	Fair Value Measurement Using			Total Fair
As of December 31, 2014	Level 1	Level 2	Level 3	Value
Assets:				
Federal funds	$ --	$1,336,780	$ --	$1,336,780
Investments available-for-sale:				
Mortgage-backed securities	--	5,289,647	124,890	5,414,537
Commercial paper and other	--	5,345,820	--	5,345,820
U.S. Treasury securities	--	2,564,877	--	2,564,877
Asset-backed securities	--	833,573	33,716	867,289
U.S. Agencies	--	102,254	--	102,254
Total investments available-for-sale	--	14,136,171	158,606	14,294,777
Cash collateral pledged to counterparties	22,018	--	--	22,018
Derivative assets	--	15,383	--	15,383
Total assets	$22,018	$15,488,334	$158,606	$15,668,958
Liabilities:				
Cash collateral pledged by counterparties	$7,280	$ --	$ --	$7,280
Derivative liabilities	--	44,562	--	44,562
Total liabilities	$7,280	$44,562	$ --	$51,842

Fair Value Measurement Activity of Level 3 Instruments

(in thousands)	**Investments Available-For-Sale**		
	Mortgage-backed Securities	**Asset-backed Securities**	**Total**
Balance at December 31, 2014	**$124,890**	**$33,716**	**$158,606**
Total gains (losses) realized/unrealized:			
Included in earnings	**1,146**	**105**	**1,251**
Included in other comprehensive income	**(1,384)**	**(402)**	**(1,786)**
Sales	**(16,729)**	**(12,940)**	**(29,669)**
Settlements	**(9,981)**	**(4,267)**	**(14,248)**
Balance at June 30, 2015	**$97,942**	**$16,212**	**$114,154**
Balance at December 31, 2013	$208,801	$107,954	$316,755
Total gains (losses) realized/unrealized:			
Included in earnings	18	(168)	(150)
Included in other comprehensive income	7,222	7,898	15,120
Settlements	(15,192)	(14,942)	(30,134)
Balance at June 30, 2014	$200,849	$100,742	$301,591

There were no assets or liabilities transferred between levels during the six months ended June 30, 2015 or 2014.

Non-Recurring Measurements

Assets Measured at Fair Value on a Non-recurring Basis

(in thousands)	As of June 30, 2015				For the six months ended June 30, 2015
	Fair Value Measurement Using			Total Fair	Total
	Level 1	Level 2	Level 3	Value	Losses
Impaired loans	$ --	$ --	$13,715	$13,715	$(2,139)
Other property owned	--	--	343	343	(9)

(in thousands)	As of December 31, 2014				For the six months ended June 30, 2014
	Fair Value Measurement Using			Total Fair	Total
	Level 1	Level 2	Level 3	Value	(Losses) Gains
Impaired loans	$ --	$ --	$10,601	$10,601	$(1,102)
Other property owned	--	--	1,895	1,895	123

Other Financial Instrument Measurements

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

(in thousands)	Total Carrying	Fair Value Measurement Using			Total Fair
As of June 30, 2015	Amount	Level 1	Level 2	Level 3	Value
Assets:					
Cash	$286,364	$286,364	$ --	$ --	$286,364
Net non-impaired loans	77,518,296	--	--	77,703,248	77,703,248
Total assets	$77,804,660	$286,364	$ --	$77,703,248	$77,989,612
Liabilities:					
Bonds and notes	$88,042,858	$ --	$ --	$87,985,863	$87,985,863
Subordinated notes	500,000	--	--	621,740	621,740
Total liabilities	$88,542,858	$ --	$ --	$88,607,603	$88,607,603
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		$ --	$ --	$(14,878)	$(14,878)

(in thousands)	Total Carrying	Fair Value Measurement Using			Total Fair
As of December 31, 2014	Amount	Level 1	Level 2	Level 3	Value
Assets:					
Cash	$780,948	$780,948	$ --	$ --	$780,948
Net non-impaired loans	77,523,539	--	--	77,788,304	77,788,304
Total assets	$78,304,487	$780,948	$ --	$77,788,304	$78,569,252
Liabilities:					
Bonds and notes	$88,583,553	$ --	$ --	$88,459,535	$88,459,535
Subordinated notes	500,000	--	--	625,280	625,280
Total liabilities	$89,083,553	$ --	$ --	$89,084,815	$89,084,815
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		$ --	$ --	$(12,624)	$(12,624)

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, hedged fixed-rate liabilities 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 these hedged assets and liabilities. Another result of interest rate fluctuations is that the interest income and interest expense of hedged 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 hedged assets and 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 lower funding costs, diversify sources of funding, alter interest rate exposures arising from mismatches between assets and liabilities or better manage liquidity. Interest rate swaps allow us to raise long-term borrowings at fixed rates and swap them into floating rates that are lower than those available to us if floating rate 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 offer interest rate swaps as part of a loan product to qualified borrowers of the affiliated 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. We may purchase interest rate options, such as caps, in order to offset the impact of rising interest rates on our floating-rate debt and floors, in order to offset the impact of falling interest rates on related floating-rate assets. Interest rate swaps with retail borrowers including pay-fixed and receive-fixed swaps are also used to create product offerings to qualified borrowers of the affiliated Associations.

Derivative Instruments Activity (in notional amount)

(in millions)	Receive-Fixed Swaps	Pay-Fixed and Amortizing Pay-Fixed Swaps	Floating-for-Floating and Amortizing Floating-for Floating	Other Derivatives	Total
Balance at December 31, 2014	**$1,550**	**$1,235**	**$1,150**	**$40**	**$3,975**
Additions	**500**	**115**	**--**	**615**	**1,230**
Maturities/amortization	**(250)**	**(100)**	**(100)**	**--**	**(450)**
Forward starting becoming effective	**--**	**20**	**600**	**(620)**	**--**
Balance at June 30, 2015	**$1,800**	**$1,270**	**$1,650**	**$35**	**$4,755**
Balance at December 31, 2013	$2,150	$1,216	$1,350	$ --	$4,716
Maturities/amortization	(350)	(41)	--	--	(391)
Balance at June 30, 2014	$1,800	$1,175	$1,350	$ --	$4,325

Other derivatives consisted of forward starting swaps and customer derivative products.

By using derivative products, we expose ourselves to credit and market risk. If a counterparty fails to fulfill its performance obligations under a derivative contract, our credit risk will equal the fair value gain in a derivative. Generally, when the fair value of a derivative contract is positive, this indicates that the counterparty owes us, thus creating credit risk for us. When the fair value of the derivative contract is negative, we owe the counterparty and, therefore, we do not assume credit risk to that counterparty.

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 June 30, 2015 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 derivative contracts are supported by bilateral collateral agreements with counterparties requiring us/them to post collateral 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.

We may 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. At June 30, 2015, initial margin pledged to counterparties was $11.7 million and variation margin pledged to counterparties was $9.0 million, compared to initial margin pledged to counterparties of $8.0 million and variation margin pledged to counterparties of $14.0 million as of December 31, 2014.

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.

Accounting for Derivatives

Fair Value Hedges: For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative as well as the offsetting gain or loss on the hedged item attributable to the hedged risk are recognized in current earnings. We include the gain or loss on the derivative in the same line item ("Interest expense") as the offsetting gain or loss on the related hedged item. Gains and losses on derivatives representing hedge components excluded from the assessment of effectiveness are recorded in current period earnings in "Miscellaneous income and other gains, net" on the Statements of Comprehensive Income.

Cash Flow Hedges: For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive (loss) income, until earnings are affected by the variability of the cash flows of the hedged transaction. Gains and losses on the derivatives representing hedge components excluded from the assessment of effectiveness are recorded in current period earnings in "Miscellaneous income and other gains, net" on the Statements of Comprehensive Income.

Derivatives not Designated as Hedges: For derivatives not designated as a hedging instrument, the related change in fair value is recorded in current period earnings in "Miscellaneous income and other gains, net" on the Statements of Comprehensive Income.

Financial Statement Impact of 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 net for counterparties with master netting agreements.

(in thousands)	**June 30, 2015**		December 31, 2014	
	Fair Value Assets	**Fair Value Liabilities**	Fair Value Assets	Fair Value Liabilities
Derivatives designated as hedging instruments:				
Receive-fixed swaps	**$27,696**	**$124**	$35,460	$77
Pay-fixed and amortizing pay-fixed swaps	**7,650**	**47,364**	4,102	63,787
Floating-for-floating and amortizing floating-for-floating swaps	**--**	**4,088**	--	5,114
Total derivatives designated as hedging instruments	**35,346**	**51,576**	39,562	68,978
Derivatives not designated as hedging instruments:				
Pay-fixed and amortizing pay-fixed swaps	**72**	**55**	--	93
Other derivative products	**225**	**--**	248	--
Total derivatives not designated as hedging instruments	**297**	**55**	248	93
Credit valuation adjustments	**11**	**--**	82	--
Total gross amounts of derivatives	**$35,654**	**$51,631**	$39,892	$69,071
Gross amounts offset in Statements of Condition	**(23,064)**	**(23,064)**	(24,509)	(24,509)
Net amounts in Statements of Condition	**$12,590**	**$28,567**	$15,383	$44,562

(in thousands)	**June 30, 2015**	December 31, 2014
Derivative assets, net	**$12,590**	$15,383
Derivative liabilities, net	**(28,567)**	(44,562)
Accrued interest on derivatives, net	**1,942**	285
Gross amounts not offset in Statements of Condition:		
Cash collateral pledged by counterparties	**(3,660)**	(7,280)
Cash collateral pledged to counterparties	**20,654**	22,018
Net exposure amounts	**$2,959**	$(14,156)

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 $411 thousand of gains related to swaps which are designated as fair value hedging instruments on the Statements of Comprehensive Income for the six months ended June 30, 2015, compared to $137 thousand for the same period in 2014. 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, the amount reclassified from accumulated other comprehensive income (AOCI) into earnings on effective cash flow hedges and amount excluded from effectiveness testing. These net losses reclassified into earnings are expected to reduce net interest income related to the respective hedged items.

(in thousands) **For the six months ended June 30, 2015** **Cash Flow Hedging Relationships**	**Amount of Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)**	**Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)**	**Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion) and Amount Excluded from Effectiveness Testing**
Pay-fixed and amortizing pay-fixed swaps	**$19,897**	**$(27)**	**$2**
Floating-for-floating and amortizing floating-for-floating swaps	**1,064**	**--**	**--**
Other derivative products	**(36)**	**(36)**	**--**
Total	**$20,925**	**$(63)**	**$2**

(in thousands) For the six months ended June 30, 2014 Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion) and Amount Excluded from Effectiveness Testing
Pay-fixed and amortizing pay-fixed swaps	$(38,469)	$244	$3
Floating-for-floating and amortizing floating-for-floating swaps	552	--	--
Other derivative products	--	(148)	--
Total	$(37,917)	$96	$3

Derivatives not Designated as Hedges: We recorded $110 thousand of gains on swaps which are not designated as hedging instruments on the Statements of Comprehensive Income for the six months ended June 30, 2015, compared to $19 thousand of gains for same period in 2014. 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 Income

Changes in Components of Accumulated Other Comprehensive Income (Loss)

(in thousands)	Not-other-than-temporarily-impaired Investments	Other-than-temporarily-impaired Investments	Derivatives and Hedging Activity	Total
Balance at December 31, 2013	$(1,245)	$10,252	$463	$9,470
Other comprehensive income (loss) before reclassifications	16,666	13,092	(37,917)	(8,159)
Amounts reclassified from accumulated other comprehensive income	--	150	(96)	54
Net other comprehensive income (loss)	16,666	13,242	(38,013)	(8,105)
Balance at June 30, 2014	$15,421	$23,494	$(37,550)	$1,365
Balance at December 31, 2014	$4,605	$15,191	$(64,861)	$(45,065)
Other comprehensive income (loss) before reclassifications	**3,372**	**(429)**	**20,925**	**23,868**
Amounts reclassified from accumulated other comprehensive income	**1,309**	**(2,560)**	**63**	**(1,188)**
Net other comprehensive income (loss)	**4,681**	**(2,989)**	**20,988**	**22,680**
Balance at June 30, 2015	**$9,286**	**$12,202**	**$(43,873)**	**$(22,385)**

Reclassifications Out of Accumulated Other Comprehensive Income (Loss)

(in thousands) Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income		Affected Line Item in the Statements of Comprehensive Income
For the six months ended June 30,	**2015**	2014	
Not-other-than-temporarily-impaired investments:			
Impairment losses	**$73**	$ --	Net impairment losses recognized in earnings
Realized loss on sale of investment securities	**1,236**	--	Miscellaneous income and other gains, net
	1,309	--	
Other-than-temporarily-impaired investments:			
Impairment losses	--	150	Net impairment losses recognized in earnings
Realized gain on sale of investment securities	**(2,560)**	--	Miscellaneous income and other gains, net
	(2,560)	150	
Derivatives and hedging activity:			
Interest rate contracts	**63**	(96)	Interest expense
Total reclassifications	**$(1,188)**	$54	

NOTE 10

Subsequent Events

We have evaluated subsequent events through August 7, 2015, 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.

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