



AgriBank, FCB

2002 Annual Report

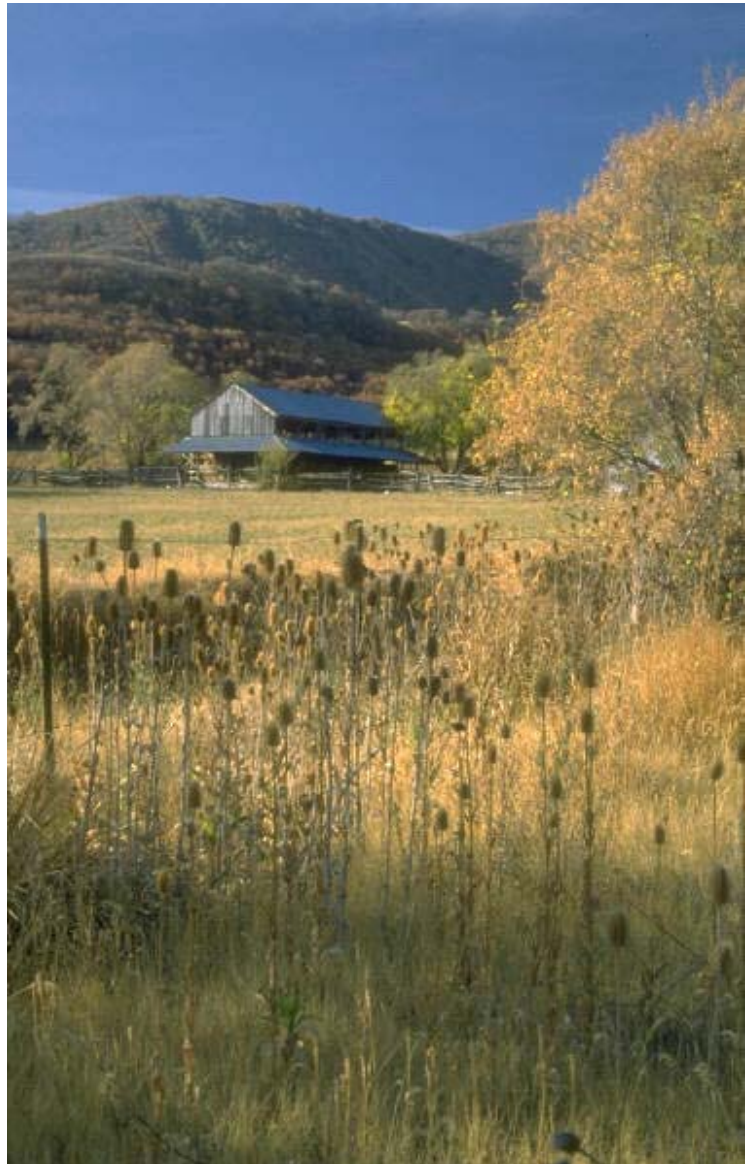


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ACAs	Seventh District Agricultural Credit Associations
District	Seventh Farm Credit District
FCA	Farm Credit Administration
FCS	Farm Credit Services
Farm Credit Act	Farm Credit Act of 1971, as amended
FAC	Farm Credit System Financial Assistance Corporation
FLCAs	Seventh District Federal Land Credit Associations
Funding Corporation	Federal Farm Credit Banks Funding Corporation
Insurance Corporation	Farm Credit System Insurance Corporation
Insurance Fund	Farm Credit Insurance Fund
PCAs	Seventh District Production Credit Associations
System	Farm Credit System

MESSAGE FROM THE CHAIRPERSON OF THE BOARD AND CHIEF EXECUTIVE OFFICER



We look back at 2002 with a sense of accomplishment and forward to 2003 with excitement about further possibilities.

On January 1, 2003, AgriBank and AgAmerica merged to create one of the largest Banks in the Farm Credit System. This transaction furthers our ability to leverage scale and scope to better and more efficiently serve customer/owners. Expanding our territory to include Iowa, Nebraska, South Dakota, and Wyoming provides further geographic and commodity diversification, critical to effective risk management. And we are pleased to welcome FCS of America to our distinguished list of Association affiliates.

As a wholesale bank and provider of business services, we define success by our ability to help our customers succeed. We salute our affiliated Associations for their record growth, strong earnings and capital, and excellent credit quality. Through their competitiveness, they reduce the cost of credit for all farmers, ranchers and rural homeowners in their marketplaces. The Bank's competitive pricing and flexible product array support Associations in those efforts.

Interest rates continued their downward trend during 2002, with the ten-year Treasury rate reaching a forty four year low. During this two year trend of declining rates, our affiliated Associations have helped tens of thousands of customers reduce their interest costs through refinancing. These savings benefit not only individual borrowers but also the rural economy as a whole.

The Bank's 2002 results also reflect these trends. Credit risk at the Bank has declined significantly, reflecting the strength of our affiliated Associations (our primary borrowers), the passage of the new Farm Bill, and the Bank's continuing exit from retail lending activities. As a result, the Bank recorded a substantial reversal of provision for loan losses during the year. This reversal more than offset a decline in net interest income, which was driven primarily by reduced earnings on equity reflecting the lower rate environment. The annual report enclosed includes additional commentary and analysis of 2002 financial results.

Over the last two years, the District also participated in a consolidation of payroll and employee benefits operations with Associations from the AgAmerica and Western Farm Credit Districts. We believe that this collaborative effort will enhance efficiency and reduce the costs of employee benefits for all participating employers. As the provider of business services support to this consolidated group, we are focused on completing the transition and enhancing services and support to better meet employers' needs. We hope to explore opportunities for other employers within the Farm Credit System to join this collaborative effort in the future.

During 2003, we will take a fresh look at the optimal business model to serve successful Associations into the future. These institutions are entrepreneurial, strategically focused and possess extensive internal capacity. Our products, services and delivery must complement their strengths, allow them to leverage the District's combined scale, and provide them with flexibility to support their unique marketplace and operational strategies. We look forward to collaborating with Associations on this effort.

To our customers, owners and other business partners, thank you for a great 2002. We look forward to working with you in 2003, to again contribute to a more vibrant rural America.

Sincerely,

Douglas A. Felton
Chairperson of the Board
AgriBank, FCB

William J. Collins
Chief Executive Officer
AgriBank, FCB

February 14, 2003

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

AgriBank, FCB

(Dollars in thousands)

	2002	2001	2000	1999	1998
Statement of Condition Data					
Loans	\$19,379,043	\$17,485,075	\$15,985,438	\$15,111,437	\$15,544,927
Allowance for loan losses	68,667	161,142	155,215	166,470	213,026
Net loans	19,310,376	17,323,933	15,830,223	14,944,967	15,331,901
Investment securities and federal funds	4,373,285	3,725,008	4,374,282	4,061,270	3,688,333
Other property owned	255	806	1,513	854	1,105
Other assets	390,025	414,888	391,895	367,062	405,660
Total assets	\$24,073,941	\$21,464,635	\$20,597,913	\$19,374,153	\$19,426,999
Obligations with maturities of one year or less	\$10,671,560	\$10,634,922	\$11,836,408	\$10,962,251	\$12,013,558
Obligations with maturities greater than one year	11,810,417	9,303,934	7,286,504	6,972,726	5,984,346
Total liabilities	22,481,977	19,938,856	19,122,912	17,934,977	17,997,904
Protected borrower equity	241	241	241	490	490
At-risk borrower equity	630,149	540,964	562,373	569,558	568,784
Allocated surplus	--	--	--	--	--
Unallocated surplus	979,298	976,028	909,265	872,910	859,849
Accumulated other comprehensive (loss) income	(17,724)	8,546	3,122	(3,782)	(28)
Total members' equity	1,591,964	1,525,779	1,475,001	1,439,176	1,429,095
Total liabilities and members' equity	\$24,073,941	\$21,464,635	\$20,597,913	\$19,374,153	\$19,426,999
Statement of Income Data					
Net interest income	\$122,224	\$192,098	\$201,564	\$188,872	\$215,833
(Reversal of) provision for loan losses	(90,000)	--	--	20,000	--
Other expenses, net	32,586	38,683	67,170	106,049	121,600
Extraordinary expense item	--	7,659	--	--	--
Net income	\$179,638	\$145,756	\$134,394	\$62,823	\$94,233
Key Financial Ratios					
Return on average assets	0.8%	0.7%	0.7%	0.3%	0.5%
Return on average total members' equity	11.3%	9.6%	9.0%	4.4%	6.6%
Net interest income as a percentage of average earning assets	0.5%	0.9%	1.0%	1.0%	1.2%
Total members' equity as a percentage of total assets	6.6%	7.1%	7.2%	7.4%	7.4%
Net chargeoffs as a percentage of average loans	--	--	0.1%	0.4%	--
Allowance for loan losses as a percentage of loans	0.4%	0.9%	1.0%	1.1%	1.4%
Debt to members' equity (:1)	14.1	13.1	13.0	12.5	12.6
Permanent capital ratio	18.9%	18.4%	17.6%	16.5%	16.1%
Total surplus ratio	18.9%	17.8%	16.4%	14.9%	14.6%
Core surplus ratio	16.5%	15.7%	14.7%	13.4%	13.2%
Net collateral ratio	105.1%	105.2%	105.1%	105.3%	105.0%
Other					
Cash dividends	\$20,544	\$29,074	\$35,212	\$21,971	\$26,072
Cash patronage refunds payable to members	55,824	49,919	62,827	27,791	27,438
Stock patronage refunds to members	100,000	--	--	--	--
Surplus allocated under patronage program	--	--	--	--	--

The cash patronage refunds payable to members accrued above were distributed in cash during the first quarters of 2003, 2002, 2001, 2000 and 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AgriBank, FCB

(Dollars in millions, except as noted)

The following commentary reviews the financial condition and results of operations of AgriBank for the years ended December 31, 2002, December 31, 2001 and December 31, 2000. This information should be read in conjunction with the accompanying financial statements, the notes to the financial statements and other sections of this annual report.

THE FARM CREDIT SYSTEM: RURAL AMERICA'S CUSTOMER-OWNED PARTNER

American families enjoy high-quality, affordable food and fiber, and other agricultural products thanks to the determination of our nation's rural community: farm and ranch families, and the related businesses that support agriculture and our Nation's rural infrastructure. Farm Credit helps maintain and improve the quality of life in rural America and on the farm, through our constant commitment to competitive lending, expert financial services and advice, and a feeling of partnership with our customers. Modern agriculture is a capital-intensive and competitive business. Farmers, ranchers, and those who live and work in rural America want and need a financial partner with extensive resources and a broad range of services – a partner that understands Wall Street and Main Street. That partner is the customer-owned Farm Credit System: financially strong, competitive, experienced, and with the resources, infrastructure and commitment to help improve the quality of life in rural America.

AgriBank is the second largest bank in the nationwide Farm Credit System. The System was created by Congress in 1916 to provide for an adequate and flexible stream of capital into rural areas. Recognizing that a prosperous, productive agriculture is essential to a free nation, Congress designed the farmer-owned cooperative System to improve the income and well-being of American farmers and ranchers by furnishing sound, adequate, and constructive credit and closely related services to them, their cooperatives, and to selected farm-related businesses.

The System was America's first "GSE" – Government Sponsored Enterprise. This allows the System to efficiently raise funds through the issuance of securities on the domestic and global capital markets. Unlike commercial banks, the System does not take deposits. Farm Credit Debt Securities are the joint and several obligations of the System's Banks.

These Banks and approximately 100 local Associations serve the nation. Each institution is organized as a cooperative, owned by the farmers, ranchers and businesses that it serves. The Banks provide wholesale funding and services to their affiliated Associations and participate in other lending activities. Both the Banks and Associations are subject to examination and regulation by a Federal agency, the Farm Credit Administration.

The System finances nearly one-third of the nation's agricultural credit needs. As a dedicated lender to agriculture, the System has played a key role in helping American producers create the most efficient system of agricultural production in the world.

AGRIBANK: SUPPORTING ASSOCIATION SUCCESS

AgriBank provides funding and services, primarily to its affiliated Associations in states across America's heartland. During 2002 the District Associations served territories in Arkansas, Illinois, Indiana, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Ohio, Tennessee, and Wisconsin. One Association that serves the states of Iowa, Nebraska, South Dakota and Wyoming was added to the District on January 1, 2003 with the merger as discussed in the following section. Collectively these states represent 39% of the nation's agricultural production. The Associations provide credit and services to farmers, ranchers, rural residents and agribusinesses. Their success is grounded in their specialized agricultural expertise and knowledge of the market. AgriBank supports the Associations by providing a competitive source of wholesale financial products and business services.

The Bank meets the wholesale funding needs of its affiliated Associations with efficient and flexible access to the capital markets. The flexible wholesale product array and pricing methodologies provide "match funding" of each individual loan in the Association portfolio. The wholesale funding matches the terms and embedded options of the retail loan. Accordingly, Associations are protected from substantially all interest rate risk. Wholesale funding is also provided to certain other financial institutions (OFIs). The Associations and OFIs collectively own AgriBank.

A General Financing Agreement governs the wholesale lending relationship. The agreement contains typical commercial lending provisions, including advance rates based on the quality of pledged assets and financial performance covenants. Base pricing reflects the weighted average cost of "match funding" and is further differentiated among customers based upon the cost of servicing and credit risk. The Bank also funds Association lending through the direct purchase of participations in retail loans. This provides Associations with lending capacity and flexibility in managing their credit exposures. Purchases reflect market prices, with the Bank exercising independent credit judgment on each transaction.

The wholesale Bank delivers value to owners through specialized expertise and shared functions that leverage scale. The Bank manages the District's interest rate and liquidity risks, handles cash operations and manages the Bank's capital resources. It provides consulting and tailored quotes on large retail credits and support on industry, economic, regulatory, and legislative issues.

Optional business services also allow Associations to share in the efficiencies of the District's combined scale. The Bank offers services in technology, retail delivery and financial systems, portfolio risk management, and workforce management. Associations can choose from standard products with varying functionality and service levels, or purchase customized services and consulting. Service contracts are competitively priced and many services offer multi-year contract options.

AGAMERICA TRANSACTION

As discussed further in Note 1, on January 1, 2003 AgriBank and AgAmerica, another System bank, merged with the transaction accounted for as a purchase. AgriBank and AgAmerica had been operating under a joint management agreement since January 1, 2002. The merger provides further opportunities for leveraging resources and for providing additional geographic diversification.

AgAmerica had two association shareholders, FCS of America and Northwest FCS, ACA. As part of the merger transaction the balance sheet of AgAmerica was split into two pools, representing the wholesale lending relationships with each of the two shareholders. The Northwest FCS, ACA pool was transferred out of AgAmerica and ultimately merged with CoBank, ACB, with Northwest FCS, ACA reaffiliating from AgAmerica to CoBank, ACB on the effective date of the merger. The FCS of America pool remained in AgAmerica and merged with AgriBank on January 1, 2003. FCS of America is headquartered in Omaha, Nebraska and serves the states of Iowa, Nebraska, South Dakota and Wyoming.

In December 2001, as a result of the approval of several agreements related to joint management and merger, AgriBank recorded an accrual and a corresponding charge to earnings of \$2.75. The charge primarily consisted of estimates of severance and other personnel related costs to be incurred relating to the transition of operations to St. Paul. As agreed, AgriBank paid one half of the costs related to FCS of America's share of the AgAmerica costs. In December of 2002, AgriBank reversed \$826 thousand of the remaining transition accrual to bring the remaining accrual to under \$75 thousand representing AgriBank's share of relocation bonuses, severed employees' benefits and outplacement costs to be paid.

FINANCIAL AND ECONOMIC OVERVIEW

AgriBank reported strong earnings and continued loan volume growth. AgriBank earned \$179.6 in net income, which exceeded 2001 net income by \$33.8. \$90 of 2002 net income represented a reversal of allowance for loan losses as discussed in the following section. AgriBank's loan volume of \$19.4 billion at December 31, 2002, represents an increase of nearly \$1.9 billion over year end 2001, reflecting significant increases in wholesale volume to Associations.

AgriBank's strong loan growth has been accompanied by strong credit quality. Direct loans to District Associations comprise the majority of the loan portfolio. These 19 loans total \$18.5 billion in principal and accrued interest at December 31, 2002. The largest association accounted for 31% of total loan volume and the eight largest Associations represented 78% of total loan volume. All of the wholesale loan volume was classified acceptable at December 31, 2002. Over a decade of good earnings and strong allowance positions continue to provide for solid risk funds at the Associations. Associations' ratios of nonperforming loans to risk funds (accruing restructured loans, loans past due 90 days or more and still accruing interest, and nonaccrual loans divided by allowance and capital) range from .2% to 9.7%. These ratios indicate that even the least covered Association has over ten dollars of allowance and capital for every dollar of nonperforming loans. At the eight largest Associations these ratios range from 1.3% to 8.2%.

AgriBank's loan portfolio condition is significantly impacted by factors influencing the Associations' retail portfolios. The Associations' portfolios are heavily concentrated in producers of row crops, primarily corn and soybeans. However, certain Association portfolios have diversified the general concentration in agriculture through strong sales success in rural residence and part-time farmer markets. These borrowers typically have significant sources of non-farm income, and therefore, are less subject to down cycles in agriculture. However, these borrowers are more susceptible to changes in the general economy. The recovery of the general economy will greatly influence the credit quality of this segment of the portfolio in the future.

Direct government support payments have historically accounted for a significant portion of net farm income for producers in the District's eleven mid-western states. 2002 was to be the last year under the Federal Agricultural Improvement and Reform Act. The Act was replaced by The Farm Security and Rural Investment Act of 2002 [FSRI] which was signed into law on May 13, 2002. The FSRI continues significant federal financial assistance to wheat, feed grains, cotton, rice, and oilseeds, as well as expands assistance to certain specialty crops, and certain livestock operations (particularly smaller dairy farms). The FSRI provides a high degree of income support for major crops important to the District's geography, which will help to support credit quality. Additionally, the FSRI removes some of the uncertainty around and decreases the volatility of continued government support.

Agricultural economic conditions, exclusive of government payments, remain challenging. Generally, District crop producers have experienced relatively low to negative levels of net farm income, excluding direct government support payments. Over the last several years, stagnant export demand combined with generally strong production has resulted in high stocks for many commodities and led to low prices. The low commodity prices have been largely mitigated by the government support discussed above. While 2002 was a difficult year for many producers, there are a few bright spots for the longer term. The combination of reduced current

production and increased export opportunity due to the weakening dollar may reduce excess grain stocks and begin to improve the longer term outlook for prices. Additionally, this summer's drought conditions, and a late planting season in the eastern corn belt this spring, lowered national yields significantly so that stocks will be declining over the next year. And, as a result, crop prices for the major commodities other than cotton and rice have improved substantially. In addition, the relatively low interest rate environment has allowed many District borrowers to lower their borrowing costs, which improves their profitability.

Dry conditions in certain areas of the District present potential loan quality risks, but overall District conditions are less serious than for the high plains or southeast. Overall, the District is not expecting widespread deterioration in credit quality in the near term, although some deterioration is possible over the next year. Credit quality could be impacted due to changes in circumstances to individual large credits. Large credits increase the risk of the portfolios by concentrating credit in enterprises where single events could result in significant loss. AgriBank is impacted by large credits, both directly and indirectly. As previously discussed, AgriBank purchases participations from Associations. AgriBank makes an individual credit decision based upon the credit worthiness of the underlying credit and its ability to earn a market return on the participation purchased. In addition, large retail credits remaining on the Association's books indirectly impact the credit quality of the wholesale line of credit. AgriBank has concentrations in 20 large retail customers (greater than \$10.0 outstanding to an individual customer) totaling \$522.0 at December 31, 2002. The most significant commodity concentrations of these 20 large retail customers are poultry at 27% and pork at 20%.

Land values across most of the District remain stable with some upward movement despite depressed commodity prices. Government payments and non-farm income opportunities have helped maintain land values.

AgriBank management believes that management strategies and direction lessen the financial impact caused by economic stress on the organization. AgriBank and the District's lending environments strengthen their ability to manage credit exposure. Practices such as credit emphasis on liquidity and capital asset replacement requirements, strong asset/liability management, District-wide underwriting guidelines, and timely information about customer financial condition continue to allow for appropriate management of the loan portfolios.

LOAN PORTFOLIO

Loan volume totaled \$19.4 billion at December 31, 2002, an increase of \$1.9 billion over December 31, 2001, and \$3.4 billion over December 31, 2000. The components of loan volume for the past five years are presented in the accompanying table:

As of December 31	2002	2001	2000	1999	1998
Accrual loans:					
Wholesale loans	\$18,355.5	\$16,252.2	\$14,112.9	\$12,841.6	\$12,853.1
Loans managed by Associations	--	225.1	612.7	854.5	1,063.7
Participations purchased, net	846.3	836.6	1,099.9	1,081.0	1,261.6
Other retail loans	149.7	125.3	107.7	191.6	124.8
Nonaccrual	27.5	45.9	52.2	142.7	241.7
Total loan volume	\$19,379.0	\$17,485.1	\$15,985.4	\$15,111.4	\$15,544.9

AgriBank's primary lending focus has been on wholesale lending to Seventh District Associations. As previously discussed, AgriBank also provides a source for Associations to participate large credits. Other areas of AgriBank retail lending, including Association managed loans originated when AgriBank was a direct lender, capital markets and alternative delivery channel lending, have declined in recent years as these market opportunities, and in some cases actual loans, have transitioned to Associations.

Wholesale growth was exceptional in 2002. Attractive product offerings combined with a declining interest rate environment resulted in tremendous Association success in the retail marketplace. AgriBank's product array has allowed Associations to provide origination and refinancing opportunities for Association customers to lock in relatively low interest costs. During 2002, customers were able to take advantage of the declining rates saving them an estimated \$285 million in interest costs annually.

Retail marketplace successes at the Associations translate into greater wholesale needs. Wholesale volume grew by \$2.1 billion in 2002. In addition to new Association retail volume, a portion of this growth came from retail assets sold from AgriBank to the Associations. In 2002, \$216 of loans previously managed for AgriBank by the Associations, were sold to the Associations.

AgriBank's loan portfolio exhibits some seasonality relating to the seasonal patterns of operating loans made by Associations to crop producers. Loans are normally at lowest levels during the winter months because of repayments following harvest and then increase throughout the year due to borrowings to fund operating and capital needs.

AgriBank and the Associations are committed to serving all eligible borrowers, including young, beginning and small farmers. The Associations have specific programs in place to provide financing to young, beginning and small farmers in their territories. At December 31, 2002, the District had \$10 billion of outstanding loans and unfunded commitments under these programs, representing 38% of the District's loans and unfunded commitments.

Nonaccrual, formally restructured and loans past due 90 days and still accruing interest comprise risk loan volume. Nonaccrual volume continued to decrease in 2002. At December 31, 2002, nonaccrual volume had decreased to .14% of the total loan portfolio compared to .26% and .33% at December 31, 2001 and December 31, 2000, respectively. At December 31, 2002, 67.1% of nonaccrual loan volume was current as to principal and interest.

Comparative information regarding risk assets in the portfolio, including accrued interest receivable thereon, follows:

As of December 31	2002	2001	2000	1999	1998
Nonaccrual	\$27.5	\$45.9	\$52.2	\$142.7	\$241.7
Accruing restructured	6.2	334.0	153.0	149.9	199.3
Past due 90 days and still accruing	1.3	8.7	1.0	2.7	15.0
Total risk loans	35.0	388.6	206.2	295.3	456.0
Other property owned	0.3	0.8	1.5	0.9	1.1
Total risk assets	\$35.3	\$389.4	\$207.7	\$296.2	\$457.1
Risk loans as a % of total loans	0.2%	2.2%	1.3%	2.0%	2.9%
Delinquencies as a % of total loans	0.1%	0.2%	0.2%	0.2%	0.4%

The following points discuss risk assets:

- In 2002, the decrease in total risk loans was due to a significant decrease in formally restructured loans. This decrease related to one wholesale loan that was no longer in restructured status at December 31, 2002. The association borrower redeemed assistance preferred stock held by AgriBank which was in effect interest free borrowing. With the 2002 redemption the loan was considered to be on the same terms and conditions of all other wholesale loans.
- In 2001, the increase in total risk loans primarily related to an increase in formally restructured loans. The wholesale loan to the association discussed above formed an ACA parent company during 2001. With this restructuring the entire line was considered formally restructured. Previously only the PCA was considered restructured.
- At December 31, 2002, \$7.7 of restructured retail loans remained in nonaccrual status.
- Based on management's analysis, all loans 90 days or more past due and still accruing interest were adequately secured and in the process of collection.

The following table sets forth interest that would have been recognized if nonperforming loans had been fully performing:

As of December 31, 2002	
Interest income that would have been recognized under original contract terms	\$9,245
Less: interest income recognized	
Cash basis	8,896
Other	1,025
Total interest income recognized	9,921
Additional interest income recognized	(\$676)

The allowance for loan losses is maintained at a level consistent with the loss potential identified by management considering such factors as loan loss experience, portfolio quality, portfolio concentrations, current production conditions and economic and environmental factors. Comparative allowance coverage of various loan categories are presented in the accompanying table:

As of December 31	2002	2001	2000
Allowance as a % of:			
Loans	0.4%	0.9%	1.0%
Nonaccrual loans	249.9%	351.0%	297.1%
Total risk loans	196.2%	41.5%	75.3%
Net chargeoffs as a % of average loans	- %	- %	0.1%

The portfolio's concentration in a single and highly cyclical industry increases the inherent risk of the portfolio. However, the continued evolution to a wholesale bank decreases the inherent risk through adequate allowances and strong capital positions at the Associations. Management believes the allowance at December 31, 2002 is adequate in relation to the inherent risk in the portfolio. See the discussion in the Results of Operations section related to the \$90 reversal of allowance during 2002.

A summary of the activity in the allowance for loan losses follows:

For the year ended December 31	2002	2001	2000	1999	1998
Balance at beginning of year	\$161,142	\$155,215	\$166,470	\$213,026	\$218,034
Chargeoffs:					
Wholesale loans	--	--	--	--	--
Participations, net	(1,580)	(770)	(1,906)	(67,061)	(6,311)
Association managed and other loans	(1,053)	(3,037)	(13,642)	(130)	336
Total Chargeoffs	(2,633)	(3,807)	(15,548)	(67,191)	(5,975)
Recoveries:					
Wholesale loans	--	--	--	--	--
Participations, net	140	261	852	269	379
Association managed and other loans	1,113	11,660	3,164	380	588
Total Recoveries	1,253	11,921	4,016	649	967
Net (Chargeoffs) Recoveries	(1,380)	8,114	(11,532)	(66,542)	(5,008)
(Reversal of) provision for loan losses	(90,000)	--	--	20,000	--
Other	(1,095)	(2,187)	277	(14)	--
Balance at end of year	\$68,667	\$161,142	\$155,215	\$166,470	\$213,026

The following table presents the elements of the allowance for loan losses:

As of December 31	2002		2001		2000		1999		1998	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Wholesale loans	\$ --	0.0%	\$81,261	50.4%	\$70,565	45.5%	\$64,208	38.6%	\$64,265	30.2%
Participations, net	60,787	88.5%	66,856	41.6%	71,711	46.2%	80,473	48.3%	121,768	57.1%
Association managed loans	--	0.0%	1,351	0.8%	3,676	2.4%	5,127	3.1%	6,411	3.0%
Other	7,880	11.5%	11,674	7.2%	9,263	5.9%	16,662	10.0%	20,582	9.7%
Total allowance	\$68,667	100.0%	\$161,142	100.0%	\$155,215	100.0%	\$166,470	100.0%	\$213,026	100.0%

During 2002, the allowance on the wholesale loans was reversed reflecting the strong Association loan portfolios and levels of Association allowance and capital. Additionally, allowance on the retail assets sold to the Associations was reversed in 2002.

RESULTS OF OPERATIONS

AgriBank recorded strong earnings in 2002. The following table illustrates profitability information:

For the year ended December 31	2002	2001	2000
Net income	\$179.6	\$145.8	\$134.4
Return on average assets	0.8%	0.7%	0.7%
Return on average members' equity	11.3%	9.6%	9.0%

Income in 2002 was \$33.8 higher than 2001 and \$45.2 higher than 2000. The return on average assets ratio was up slightly from 2001 as the effect of the increase in net income was substantially offset by an increased average asset base. The return on average members' equity ratio reflects growth in 2002 net income in excess of increased capital levels.

The following table illustrates the changes in the significant components of net income over the past three years:

	2002 vs 2001	2001 vs 2000
Increase (decrease) in net income		
Net interest income	\$(69.9)	\$(9.5)
Reversal of provision for loan losses	90.0	--
Non-interest income	(7.2)	10.0
Operating expenses	2.3	7.4
Compensation	8.0	7.7
Financial assistance	(0.7)	6.2
Restructuring charge	3.6	(2.7)
Extraordinary item	7.7	(7.7)
Total change in net income	\$33.8	\$11.4

The following table quantifies changes in net interest income:

Increase (decrease) due to:	2002 vs. 2001			2001 vs. 2000		
	Volume	Rate	Total	Volume	Rate	Total
Interest income:						
Loans	\$58.0	\$(249.0)	\$(191.0)	\$47.6	\$(126.7)	\$(79.1)
Investments	--	(102.6)	(102.6)	8.6	(77.7)	(69.1)
Total interest income	58.0	(351.6)	(293.6)	56.2	(204.4)	(148.2)
Interest expense:						
Systemwide Debt Securities and other	(59.2)	282.9	223.7	(75.5)	214.2	138.7
Net change in net interest income	\$(1.2)	\$(68.7)	\$(69.9)	\$(19.3)	\$9.8	\$(9.5)

Information regarding the average daily balances (ADB), average rates earned and paid, and components of net interest income (NII) on AgriBank's portfolio follows. For the purpose of this analysis, nonaccrual loans are included in the retail loans line and income recognized on nonaccrual loans, as described further in Note 2, is reflected in the retail loans component of NII.

	2002			2001			2000		
	ADB	Rate	NII	ADB	Rate	NII	ADB	Rate	NII
Interest earning assets:									
Wholesale loans	\$17,248.8	3.98%	\$686.9	\$15,129.8	5.46%	\$826.5	\$13,154.3	6.37%	\$837.7
Retail loans	1,063.7	6.13%	65.3	1,464.7	7.99%	116.7	2,067.8	8.92%	184.5
Investments	4,273.7	2.23%	95.4	4,270.4	4.63%	197.9	4,085.7	6.54%	267.1
Total earning assets	22,586.2	3.75%	847.6	20,864.9	5.47%	1,141.1	19,307.8	6.68%	1,289.3
Interest bearing liabilities	20,987.5	3.46%	725.4	19,273.2	4.92%	949.0	17,740.7	6.13%	1,087.7
Interest rate spread	\$1,598.7	0.30%		\$1,591.7	0.55%		\$1,567.1	0.55%	
Impact of equity financing		0.24%			0.37%			0.49%	
Net interest margin		0.54%			0.92%			1.04%	
Net interest income			\$122.2			\$192.1			\$201.6

As indicated in the two preceding charts, net interest income declined significantly from 2001 and 2000 levels. Net interest margin declined 38 basis points from the previous year as a result of a 25 basis point decrease in spreads and a 13 basis point decrease in the impact of equity financing. The positive impact of strong volume growth in 2002 was more than offset by narrower spreads. The narrowing of spreads primarily reflects the shift from retail to wholesale lending, as wholesale spreads are significantly lower than retail spreads. Additionally spreads were negatively impacted by slightly less favorable funding results. Equity financing represents the benefit of non-interest bearing funding. Because AgriBank invests equity in loans, the impact of equity financing is negatively affected by falling interest rates; accordingly, the impact of equity financing was less in 2002 than in 2001 despite an increase in equity. Rising interest rates do not have the same impact as loans tend to remain in the lower priced products as compared to falling rates when there is significant refinancing activity.

The positive impact of the provision for loan losses reflects a 2002 reversal of \$90 of allowance. This reversal was based on management's analysis and assessment of a reduction in AgriBank's portfolio risk over the last several years. The reduction in portfolio risk is the result of several factors that culminated during 2002. Portfolio risk was reduced with the significant change in the composition of AgriBank's portfolio as a result of a substantial reduction in retail credits. Portfolio risk was also reduced by improved wholesale credits (in terms of the strength of Associations' portfolios and levels of allowance and capital). Contributing to the increase in association capital was the final approval of the ACA tax settlements in 2001 culminating in a significant infusion of capital to certain District Associations. Portfolio risk was further reduced by the signing into law of a new six year farm bill which legislates U.S. Government's commitment to agriculture and removes much of the uncertainty around government's continued support.

Non-interest income includes business services revenue, loan prepayment fees and various other non-interest income items. As previously discussed, AgriBank provides a wide array of business services to Associations. In 2002, 2001 and 2000 AgriBank recorded \$25.1, \$26.6 and \$26.3, respectively, of business services revenue including \$22.1, \$21.8 and \$22.8, respectively, from Associations. Loan prepayment fees were \$10.4, \$10.8, and \$2.2, in 2002, 2001 and 2000, respectively. The increase in loan prepayment fees in 2002 and 2001 compared to 2000 relate to prepayment activity in 2002 and 2001, primarily in the wholesale portfolio, as a result of significant prepayment and refinancing activity during the declining interest rate environment of 2002 and 2001. As retail Association customers with make-whole provisions prepay or certain conversion activities occur the Associations are assessed a wholesale fee from AgriBank. The change in other non-interest income relates primarily to declines in fair value of derivatives not designated as hedges.

The components of operating expenses over the last three years are presented in the following chart (in thousands):

For the year ended December 31	2002	2001	2000
Salaries and benefits	\$25,231	\$22,649	\$25,732
Purchased services	4,436	5,920	7,552
Occupancy and equipment	7,230	7,160	7,215
Examination expense	2,575	2,590	2,608
Other	1,463	4,901	7,508
Total	\$40,935	\$43,220	\$50,615

The decrease in 2002 operating expense was due to a decrease in purchased services and other expenses, somewhat offset by an increase in salaries and benefits.

- The decrease in purchased services is due primarily to a decline in purchased contract programmers as a result of reduced project work in 2002.
- The decline in other expenses is due primarily to \$3.0 million of joint management fees from AgAmerica, which were recorded as an offset to operating expenses.
- The increase in salaries and benefits is due to additional staffing for AgAmerica joint management, and increased

benefits expense due to an increase in the 401(k) match from 3% to 4%, reduced pension plan income due to lower returns on plan assets and the addition of a lump sum option on the retirement plan.

Compensation represents payments to the Associations for managing AgriBank owned loans in the Associations' territories. As Association managed loans have decreased, the compensation expense and related net interest income have also decreased.

As discussed previously, the restructuring charge in 2001 and reversal of excess in 2002 relates to the joint management agreement between AgriBank and AgAmerica.

The extraordinary loss on extinguishment of debt relates to \$54 million of longer term high cost debt issues which were transferred to other Farm Credit Institutions or retired during 2001. These debt issues had previously funded earning assets which prepaid during 2001. Prepayment fees collected were used to fund the debt transfers and retirements.

FUNDING, LIQUIDITY AND ASSET/LIABILITY MANAGEMENT

AgriBank, primarily through its Asset/Liability Committee (ALCO), is responsible for meeting the District's funding, liquidity and asset/liability management needs. AgriBank utilizes the marginal cost of debt (MCD) approach to pricing wholesale loans to Associations. The MCD approach simulates match-funding whereby the Associations are substantially protected from interest rate risk. As such, AgriBank is responsible for managing the majority of the interest rate risk position for the District.

The ready access to the debt markets through the Funding Corporation is AgriBank's primary source of liquidity. In addition, AgriBank maintains an investment portfolio composed of short-term, high quality investments. The types and quality of these investments ensure that they can readily be converted to cash without significant risk of loss. FCA liquidity regulations generally require that liquid funds be maintained at a minimum to fund one-half of all debt maturing within thirty days. In cooperation with other System banks, AgriBank has recently revised its liquidity policy to require maintenance of a minimum of 90 days of liquidity on a continuous basis, assuming no access to the capital markets. Each System Bank, including AgriBank, will achieve the 90 day target by June 30, 2003. As of December 31, 2002, AgriBank had extended liquidity to all debt maturing within 33 days.

The interest rate cycle over the last two years has been marked by extreme volatility and historically low rates. The District's loan portfolio is largely comprised of prepayable loans, and refinancing activity has increased to historic highs over this cycle.

AgriBank uses various financial tools and analytical techniques to manage interest rate risk (the risk that net interest income and the market value of the enterprise will be adversely affected by changes in market interest rates). During the last five years, AgriBank has seen a significant shift in the repricing characteristics of its wholesale portfolio. At the end of 1997, less than 30% of the portfolio was priced with fixed and adjustable rate products with reset dates greater than 2 years. At December 31, 2002, these long-term fixed and adjustable products represented 50% of the portfolio. During 2002, \$5.1 billion of the loan portfolio was repriced into new products. A significant amount of the repricings was in the 2-5 year fixed rate products. This shift in the portfolio has increased the complexity of managing the asset/liability position of AgriBank.

Liability management ranges from issuing debt with selected maturities and repricing attributes, including call features, to derivative financial instruments such as interest rate swaps, caps and swaptions. AgriBank utilizes derivative financial instruments as hedges against interest rate and basis risk and to lower the overall cost of funds, and does not hold or issue derivatives for trading purposes. Derivative instruments are discussed in more detail in Notes 2 and 16. Analytical techniques include simulation analyses, which are utilized to quantify the impact of various interest rate scenarios on current and anticipated portfolios. Through these analyses, appropriate funding strategies are developed to manage the sensitivity of AgriBank's net interest margin and market value of equity to changes in interest rates.

ALCO monitors the sensitivity of net interest income (NII) and the market value of equity (MVE) to changes in interest rates. Throughout the highly volatile interest rate environment of 2002 and the resulting significant repricing activity, asset/liability management maintained acceptable sensitivity to both NII and MVE. At December 31, 2002 (including the proforma impact of the merger), management estimates a 200 basis point increase in interest rates would increase AgriBank NII by 4.4% and decrease AgriBank's MVE by 1.8%. At December 31, 2002, management estimates a 61.5 basis point decrease in interest rates (representing one-half of the average three month U. S. Treasury bond rate as an approximation of the maximum reasonable decline in rates) would decrease AgriBank NII by 10.8% and decrease AgriBank's MVE by 3.3%. ALCO continuously monitors the District's funding and liquidity needs in light of current and projected market rates, anticipated cash flows and other internal and external factors. Additional changes in AgriBank's position can and will be made as circumstances warrant.

Disclosures related to the fair value of financial instruments are included in Note 15. Fair value of the loan portfolio is slightly higher than book value primarily due to declines in interest rates. The fair value of the debt portfolio is greater than the book value due to fixed rate instruments which bear rates lower than the current market rate for similar issues.

The following table provides a summary of counterparty credit ratings for the exposure, including accrued interest, on derivatives at December 31, 2002:

Derivative Credit Loss Exposure (1)	Years to maturity			Maturity	Exposure	Collateral Held	Exposure Net of Collateral
	Less than one year	one to five years	over five years	Distribution Netting (2)			
Moody's Credit Rating							
Aa1	\$5.8	\$8.2	\$7.1	\$(2.3)	\$18.8	\$7.4	\$11.4
Aa2	--	22.4	--	(2.5)	19.9	--	19.9
Aa3	8.3	24.4	--	--	32.7	--	32.7
Total	\$14.1	\$55.0	\$7.1	\$(4.8)	\$71.4	\$7.4	\$64.0

(1) Represents the exposure to credit loss on derivative instruments, which is estimated by calculating the cost, on a present value basis, to replace all master outstanding derivative contracts in a gain position. Reported on a net-by-counterparty basis where a legal right of offset exists under an enforceable settlement agreement. Derivative gains and losses with the same counterparty in the same maturity category are presented net within the maturity category.

(2) Represents the impact of netting of derivatives in a gain position and derivatives in a loss position for the same counterparty across maturity categories.

The following interest rate table provides certain information concerning derivative products and other financial instruments that are utilized to manage interest rate risk. The following table also summarizes the expected maturities and weighted-average interest rates to be received and paid on derivative products utilized in AgriBank's interest rate risk management activities at December 31, 2002. The table was prepared under the assumption that variable interest rates remain constant at December 31, 2002 levels and, accordingly, the actual interest rates to be received or paid will be different to the extent that the variable rates fluctuate from December 31, 2002 levels. Variable rates presented are generally based on the short-term interest rates for the relevant interest rate swap contracts (e.g., London Interbank Offered Rate (LIBOR)). Floating-for-floating swaps are interest rate swaps based on two floating rate indices (e.g., LIBOR and Prime).

Maturities of Derivative Products and Other Financial Instruments								
	2003	2004	2005	2006	2007	2008- Thereafter	Total	Fair Value
Bonds and Notes:								
Fixed rate	\$3,846	\$4,142	\$1,734	\$1,258	\$1,688	\$2,988	\$15,656	\$15,973
Average interest rate	3.7%	2.5%	4.5%	5.0%	4.7%	5.9%	4.1%	
Variable rate	6,558	--	--	--	--	--	6,558	6,561
Average interest rate	1.3%	--	--	--	--	--	1.3%	
Total bonds and notes	\$10,404	\$4,142	\$1,734	\$1,258	\$1,688	\$2,988	\$22,214	\$22,534
Derivative Instruments:								
Received fixed swaps								
Notional value	558	755	480	175	70	--	2,038	58
Weighted average receive rate	4.7%	3.8%	3.3%	4.7%	4.2%	--	4.0%	
Weighted average pay rate	1.3%	1.3%	1.6%	1.3%	1.3%	--	1.3%	
Floating for floating swaps								
Notional value	--	350	100	100	--	--	550	(7)
Weighted average receive rate	--	0.7%	0.5%	0.4%	--	--	0.6%	
Weighted average pay rate	--	1.4%	1.4%	1.4%	--	--	1.4%	
Swaptions								
Notional value	--	--	--	--	--	300	300	7
Interest rate caps								
Notional value	95	--	449	150	--	--	694	3
Total derivative instruments	\$653	\$1,105	\$1,029	\$425	\$70	\$300	\$3,582	\$61
Total weighted average rates on swaps:								
Receive rate	4.7%	2.8%	2.8%	3.2%	4.2%	--	3.3%	
Pay rate	1.3%	1.3%	1.5%	1.3%	1.3%	--	1.4%	

MEMBERS' EQUITY

AgriBank management believes a sound capital position is critical to long-term financial success. Total members' equity at December 31, 2002 was \$1,592.0, compared to \$1,525.8 at December 31, 2001 and \$1,475.0 at December 31, 2000. The \$66.2 increase in members equity during 2002 reflects net income and an increase in capital stock and participation certificates, partially offset by dividend and patronage distributions and a decrease in accumulated other comprehensive income.

Selected capital ratios are presented in the accompanying chart. The decrease in members' equity to assets was due to the significant loan volume growth in 2002. The significant increase in surplus and allowance to risk loans reflects the significant decrease in risk loans previously discussed.

Although it had no impact on total members' equity, capital stock increased by \$100 million as a result of stock patronage distributions in 2002. This was somewhat offset by a retirement of \$12.5 in conjunction with the formation of and mergers into existing ACA parent companies by Associations.

As of December 31	2002	2001	2000
Members' equity to assets	6.6%	7.1%	7.2%
Surplus and allowance to risk loans (:1)	29.9	2.9	5.2
Permanent capital ratio	18.9%	18.4%	17.6%
Total surplus ratio	18.9%	17.8%	16.4%
Core surplus ratio	16.5%	15.7%	14.7%
Net collateral ratio	105.1%	105.2%	105.1%

At December 31, 2002, AgriBank greatly exceeded regulatory minimum capital ratios, which are further discussed in Note 8. AgriBank's capital ratios have been favorably affected by the shift toward intra-System lending. Loans to other System institutions,

including associations, are risk-weighted in the denominator of capital ratios at 20%; other loans are generally risk-weighted at 100%. AgriBank's Board of Directors establishes a capital plan and capital targets. AgriBank's Board has established a long-term goal for the permanent capital ratio of 17% - 20%. Such capital levels are required to ensure the availability of competitively priced credit and services to District agricultural producers over the long term.

AgriBank's investment portfolio is held primarily for liquidity purposes; accordingly, it is considered "available for sale" and is carried at fair value. Unrealized gains and losses are reported as a separate component of members' equity. At December 31, 2002, net unrealized gains totaled \$5.4.

AgriBank's derivative portfolio includes certain derivatives designated as cash flow hedges. Unrealized gains and losses on the effective portion of cash flow hedges are reported as a separate component of members' equity. At December 31, 2002 unrealized losses totaled \$23.1. Most of the cash flow derivatives are hedging rising interest rates, so as rates have fallen the value of the derivatives has declined.

OTHER MATTERS

AgriBank, all System Banks and the Funding Corporation entered into a Market Access Agreement (MAA). The MAA establishes criteria and procedures for the Banks to provide information and, under specific circumstances, restricting or prohibiting participation in issuances of Systemwide Debt Securities. The MAA is intended to identify and resolve individual Bank financial problems in a timely manner. AgriBank is in compliance with all aspects of the MAA.

In addition, AgriBank, all System Banks, the Funding Corporation and the Financial Assistance Corporation have also entered into the Contractual Interbank Performance Agreement (CIPA). The CIPA establishes an agreed-upon standard of financial condition and performance for all Banks to achieve and maintain. Failure to maintain the agreed-upon standards results in economic penalties to be applied to such Banks. AgriBank performance measures significantly exceed the minimum standards.

REPORT OF MANAGEMENT

AgriBank, FCB

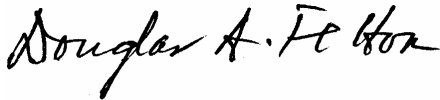


The accompanying financial statements of AgriBank, FCB are prepared by management, which is responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America appropriate in the circumstances. The financial statements, in the opinion of management, present fairly the financial condition of AgriBank. Other financial information included in the annual report is consistent with that in the financial statements.

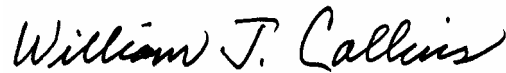
To meet its responsibility for reliable financial information, management depends on the accounting and internal control systems which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions are properly authorized and recorded. The systems have been designed to recognize that the cost must be reasonable in relation to the benefits derived. To monitor compliance, financial operations audits are performed. The financial statements are audited by PricewaterhouseCoopers, LLP, independent accountants, who also conduct a review of internal controls to the extent necessary to comply with auditing standards generally accepted in the United States of America. AgriBank is also examined by the Farm Credit Administration.

AgriBank's Board of Directors has overall responsibility for AgriBank's system of internal controls and financial reporting. The Board and the Board's Audit Committee consult regularly with management and meet periodically with the independent accountants and other auditors to review the scope and results of their work. The independent accountants have direct access to the Board, which is composed solely of directors who are not officers or employees of AgriBank.

The undersigned certify that the AgriBank, FCB Annual Report has been prepared in accordance with applicable statutory or regulatory requirements and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.



Douglas A. Felton
Chairperson of the Board
AgriBank, FCB



William J. Collins
Chief Executive Officer
AgriBank, FCB



Diane M. Cole
Chief Financial Officer
AgriBank, FCB

February 14, 2003

REPORT OF INDEPENDENT ACCOUNTANTS



To the Board of Directors and
Members of AgriBank, FCB

We have audited the accompanying statement of condition of AgriBank, FCB as of December 31, 2002, 2001 and 2000, and the related statements of income, of changes in members' equity and of cash flows for each of the three years in the period ended December 31, 2002. These financial statements are the responsibility of AgriBank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AgriBank, FCB at December 31, 2002, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, on January 1, 2003 AgriBank, FCB acquired AgAmerica, FCB. In connection with this transaction, one of AgAmerica's shareholder associations re-affiliated from AgAmerica, FCB to CoBank, ACB on the effective date of the merger.

PriceWaterhouseCoopers LLP

February 14, 2003
Minneapolis, Minnesota

STATEMENT OF CONDITION

AgriBank, FCB
(Dollars in thousands)

As of December 31	2002	2001	2000
Assets			
Loans	\$19,379,043	\$17,485,075	\$15,985,438
Allowance for loan losses	68,667	161,142	155,215
Net loans	19,310,376	17,323,933	15,830,223
Investment securities	3,974,580	3,426,612	3,852,959
Cash	69,586	88,940	41,470
Federal funds	398,705	298,396	521,323
Accrued interest receivable	196,247	233,630	289,879
Derivative assets	68,261	32,575	--
Other assets	56,186	60,549	62,059
Total assets	\$24,073,941	\$21,464,635	\$20,597,913
Liabilities			
Bonds and notes	\$22,213,946	\$19,649,329	\$18,802,267
Accrued interest payable	143,227	170,525	183,160
Other liabilities	124,804	119,002	137,485
Total liabilities	22,481,977	19,938,856	19,122,912
Contingencies			
Members' equity			
Capital stock and participation certificates	630,390	541,205	562,614
Unallocated surplus	979,298	976,028	909,265
Accumulated other comprehensive (loss) income	(17,724)	8,546	3,122
Total members' equity	1,591,964	1,525,779	1,475,001
Total liabilities and members' equity	\$24,073,941	\$21,464,635	\$20,597,913

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

STATEMENT OF INCOME

AgriBank, FCB

(Dollars in thousands)

Year ended December 31	2002	2001	2000
Interest income			
Loans	\$752,177	\$943,164	\$1,022,200
Investment securities	95,425	197,934	267,091
Total interest income	847,602	1,141,098	1,289,291
Interest expense			
	725,378	949,000	1,087,727
Net interest income	122,224	192,098	201,564
Reversal of provision for loan losses	(90,000)	--	--
Net interest income after provision for loan losses	212,224	192,098	201,564
Non-interest income			
Business services income	25,119	26,599	26,262
Loan prepayment fees	10,370	10,754	2,202
Miscellaneous income and other net (losses) gains	(972)	4,311	3,194
Total non-interest income	34,517	41,664	31,658
Non-interest expense			
Salaries and employee benefits	25,231	22,649	25,732
Other operating	15,704	20,571	24,883
Compensation expense	3,108	11,154	18,862
Financial assistance expense	23,886	23,223	29,351
Restructuring (income) charge	(826)	2,750	--
Total non-interest expense	67,103	80,347	98,828
Income before extraordinary item	179,638	153,415	134,394
Extraordinary item - loss on debt extinguishment	--	(7,659)	--
Net income	\$179,638	\$145,756	\$134,394

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

STATEMENT OF CHANGES IN MEMBERS' EQUITY

AgriBank, FCB

(Dollars in thousands)

	Compre- hensive Income	Capital Stock and Participation Certificates	Unallocated Surplus	Accumulated Other Comprehensive Income (Loss)		Total Members' Equity
				Investments	Derivatives	
Balance at December 31, 1999		\$570,048	\$872,910	(\$3,782)	\$ --	\$1,439,176
Comprehensive Income						
Net income	\$134,394		134,394			134,394
Other comprehensive income, net:						
Change in net unrealized gains on investment securities, net of reclassification adjustment of \$(2)	6,904			6,904		6,904
Total comprehensive income, net	<u>\$141,298</u>					
Dividends and patronage			(98,039)			(98,039)
Capital stock/participation certificates issued		60,575				60,575
Capital stock/participation certificates retired		(68,009)				(68,009)
Balance at December 31, 2000		562,614	909,265	3,122	-	1,475,001
Comprehensive Income						
Net income	\$145,756		145,756			145,756
Other comprehensive income, net:						
Change in net unrealized gains on investment securities, net of reclassification adjustment of \$62	5,424			5,424		5,424
Total comprehensive income, net	<u>\$151,180</u>					
Dividends and patronage			(78,993)			(78,993)
Capital stock/participation certificates issued		37,613				37,613
Capital stock/participation certificates retired		(59,022)				(59,022)
Balance at December 31, 2001		541,205	976,028	8,546	-	1,525,779
Comprehensive Income						
Net income	\$179,638		179,638			179,638
Other comprehensive loss, net:						
Change in net unrealized gains on investment securities, net of reclassification adjustment of \$(2)	(3,166)			(3,166)		(3,166)
Change in net unrealized losses on cash flow hedges, net of reclassification adjustment of \$(161)	(23,104)				(23,104)	(23,104)
Total comprehensive income, net	<u>\$153,368</u>					
Dividends and patronage			(176,368)			(176,368)
Capital stock/participation certificates issued		162,512				162,512
Capital stock/participation certificates retired		(73,327)				(73,327)
Balance at December 31, 2002		\$630,390	\$979,298	\$5,380	(\$23,104)	\$1,591,964

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

STATEMENT OF CASH FLOWS

AgriBank, FCB

(Dollars in thousands)

Year ended December 31	2002	2001	2000
Cash flows from operating activities			
Net income	\$179,638	\$145,756	\$134,394
Adjustments to reconcile net income to cash flow from operating activities:			
Cumulative effect of FAS133	--	45	--
Depreciation on premises and equipment	2,117	1,752	1,989
Reversal of provision for loan losses	(90,000)	--	--
Increase in accrued interest receivable	(672,213)	(806,482)	(836,846)
Decrease in other assets	3,547	2,014	8,484
(Decrease) increase in accrued interest payable	(27,298)	(12,635)	8,831
(Decrease) increase in other liabilities	(3,042)	14,826	10,573
Loss (gain) on derivative activities	2,930	(495)	--
Loss (gain) on sales of other property owned	78	(26)	4
Gain on sales of premises and equipment	(43)	(131)	(6)
Total adjustments	(783,924)	(801,132)	(806,971)
Net cash used in operating activities	(604,286)	(655,376)	(672,577)
Cash flows from investing activities			
Increase in loans, net	(1,187,022)	(631,465)	(82,529)
Proceeds from sale of other property owned, net	648	1,324	709
(Increase) decrease in investment securities	(551,134)	431,833	(300,125)
Purchases of premises and equipment, net	(1,809)	(2,937)	(1,240)
Net cash used in investing activities	(1,739,317)	(201,245)	(383,185)
Cash flows from financing activities			
Consolidated bonds and notes issued	134,638,865	146,081,467	76,404,724
Consolidated bonds and notes retired	(132,103,858)	(145,261,059)	(75,248,284)
Purchases of derivative assets	(27,706)	--	--
Dividends/patronage distribution paid	(71,928)	(94,806)	(59,748)
Other members' equity activity, net	(10,815)	(44,438)	(33,632)
Net cash provided by financing activities	2,424,558	681,164	1,063,060
Net increase (decrease) in cash and federal funds	80,955	(175,457)	7,298
Cash and federal funds at beginning of year	387,336	562,793	555,495
Cash and federal funds at end of year	\$468,291	\$387,336	\$562,793
Supplemental schedule of non-cash activities			
Increase in derivative assets	(\$7,980)	(\$32,575)	\$ --
Increase in other liabilities from derivative activity	4,403	5,471	--
Increase in bonds from derivative activity	29,610	26,654	--
Decrease in members' equity from cash flow derivatives	(23,104)	--	--
(Decrease) increase in members' equity from investments	(3,166)	5,486	6,902
Loans transferred to other property owned	175	486	1,362
Interest capitalized to loan principal	709,596	862,731	804,089
Dividends/patronage refunds payable to members	60,466	56,026	71,839
Stock patronage refunds	100,000	--	--
Supplemental Information			
Interest paid	\$752,676	\$961,635	\$1,078,896

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

NOTES TO FINANCIAL STATEMENTS

AgriBank, FCB

(Dollars in thousands, except as noted)

NOTE 1

ORGANIZATION AND OPERATIONS

AgriBank is one of the Banks of the Farm Credit System, a nationwide system of cooperatively owned Banks and associations, established by Congress and subject to the provisions of the Farm Credit Act, as amended. The FCA is delegated authority by Congress to regulate the Banks and associations. The activities of the Banks and associations are examined by the FCA and certain actions by these entities are subject to the FCA's prior approval.

At December 31, 2002, the Farm Credit System was composed of six Farm Credit Banks, one Agricultural Credit Bank and numerous associations across the nation. These entities have specific lending authorities within their chartered territories. AgriBank is chartered to service substantially all of Arkansas, Illinois, Indiana, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Ohio, Tennessee and Wisconsin. AgriBank serves its chartered territory by lending to the District's FLCAs, PCAs and ACAs.

At December 31, 2002, the District had 1 FLCA, 1 PCA, and 17 ACA parent associations, which have two wholly owned subsidiaries, an FLCA and a PCA. The 19 associations, together with certain other financing institutions, jointly own AgriBank. FLCAs are authorized to originate long-term real estate mortgage loans, PCAs are authorized to originate short- and intermediate-term loans and ACAs are authorized to originate long-term real estate mortgage loans and short-term and intermediate-term loans either directly or through their FLCA and PCA subsidiaries, respectively. District associations are also authorized to provide lease financing options for agricultural purposes. All District Associations borrow from AgriBank. Funds for AgriBank are raised principally through the sale of consolidated Systemwide bonds and notes to the public through the Funding Corporation.

The Farm Credit Act sets forth the types of authorized lending activity, persons eligible to borrow and financial services that can be offered by AgriBank. AgriBank is authorized to provide, in participation with other lenders, credit and related services to eligible borrowers. Eligible borrowers include farmers, ranchers, producers or harvesters of aquatic products, rural residents, and farm related service businesses. AgriBank may also lend to other financial institutions engaged in short and intermediate term lending to eligible borrowers.

AgriBank primarily lends to the District Associations in the form of lines of credit to fund Associations' loan portfolios. These lines of credit are collateralized by a pledge of substantially all of each association's assets. The terms of the revolving lines of credit are governed by a general financing agreement between AgriBank and each association. Lending activity of each association is match funded as to repricing characteristics such that the interest rate risk is effectively transferred to AgriBank. General operating expenses of the Associations are also funded through their lines of credit. In addition to providing loan funds to Associations, AgriBank may provide additional services to the Associations including accounting, information services, human resources, internal audit and financial reporting. The revenue received for these services is included in non-interest income.

AgriBank, in conjunction with other Banks in the Farm Credit System, jointly own several service organizations that were created to provide a variety of services for the Farm Credit System. AgriBank has ownership interests in the following service organizations:

- **Federal Farm Credit Banks Funding Corporation** provides for the issuance, marketing and processing of Systemwide debt securities using a network of investment dealers and dealer banks and financial management and reporting services;
- **Farm Credit Services Building Association** leases premises and equipment to the System's regulator, the FCA; and
- **Farm Credit System Association Captive Insurance Company** provides corporate insurance coverage to member organizations.

In addition, the Farm Credit Council acts as a full-service federated trade association that represents the System before Congress, the Executive Branch and others, and provides support services to System institutions on a fee basis.

The Farm Credit Act established the Insurance Corporation to administer the Insurance Fund. The Insurance Fund is used to insure the timely payment of principal and interest on Systemwide debt obligations, to insure the retirement of protected borrower capital at par or stated value, and for other specified purposes. At the discretion of the Insurance Corporation, the Insurance Fund is also available to provide assistance to certain troubled System institutions and for the operating expenses of the Insurance Corporation. Each System bank is required to pay premiums into the Insurance Fund, based on its annual average loan principal outstanding until the monies in the Insurance Fund reach the "secure base amount," which is defined in the Farm Credit Act as 2.0% of Systemwide debt obligations. AgriBank, in turn, assesses the Associations premiums based on the average principal outstanding of accrual and nonaccrual loans of the Associations for each year. When the amount in the Insurance Fund exceeds the secure base amount, the Insurance Corporation is required to reduce premiums, but it still must ensure that reduced premiums are sufficient to maintain the level of the Insurance Fund at the secure base amount.

On January 1, 2003 AgriBank and AgAmerica, another System bank, merged with the transaction accounted for as a purchase. For accounting purposes, AgriBank is considered the acquirer. AgriBank and AgAmerica had been operating under a joint management agreement since January 1, 2002. AgAmerica had two association shareholders, FCS of America and Northwest FCS, ACA. As part of the merger transaction the balance sheet of AgAmerica was split into two pools, representing the wholesale lending relationships with each of the two shareholders. The Northwest FCS, ACA pool was transferred out of AgAmerica and ultimately merged with CoBank, ACB, with Northwest FCS, ACA reaffiliating from AgAmerica to CoBank, ACB on the effective date of the merger. The FCS of America pool remained in AgAmerica and merged with AgriBank on January 1, 2003.

The following table presents the financial condition of the FCS of America pool at December 31, 2002:

	AgAmerica- FCS of America Pool (Unaudited)
Assets	
Loans:	
- wholesale	\$5,709,200
- retail	50,500
Nonaccrual	--
Less allowance for loan losses	<u>(1,000)</u>
Net loans	5,758,700
Investment securities and Federal Funds	1,139,474
Accrued interest receivable	55,578
Other assets	<u>28,173</u>
Total assets	<u><u>\$6,981,925</u></u>
Liabilities	
Bonds and notes	\$6,497,710
Accrued interest payable	40,415
Other liabilities	<u>52,201</u>
Total liabilities	6,590,326
Capital	
Capital stock and participation certificates	193,258
Unallocated surplus	238,247
Accumulated other comprehensive loss	<u>(39,906)</u>
Total capital	<u>391,599</u>
Total Liabilities and Capital	<u><u>\$6,981,925</u></u>

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of AgriBank conform to accounting principles generally accepted in the United States of America (GAAP) 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.

The accompanying financial statements include the accounts of AgriBank and reflect the investments in service organizations in which AgriBank has partial ownership interests. These investments are carried on a cost plus allocated equities basis. No quoted market value is available for the investments in service organizations.

Loans: Loans are carried at their principal amount outstanding less unearned income. Interest on loans is accrued and credited to interest income based upon the daily principal amount outstanding. Loan fees subject to Statement of Financial Accounting

Standards (SFAS) No. 91 are recorded in non-interest income in the current period. The net amount of these fees and related origination expenses are not material to the financial statements.

Loans are generally placed in nonaccrual status when principal or interest is delinquent for 90 days or more (unless well secured and in the process of collection) or circumstances indicate that full collection is not expected. When a loan is placed in nonaccrual status, accrued interest is reversed to the extent principal plus accrued interest before the transfer exceeds the net realizable value of the collateral. Any unpaid interest accrued in a prior year will be capitalized to the recorded investment of the loan. Cash received on nonaccrual loans is applied to reduce the recorded investment in the loan asset except in those cases where the collection of the recorded investment is fully expected and the loan does not have any unrecovered prior charge-offs. Nonaccrual loans may be returned to accrual status when principal and interest are current, prior charge-offs have been recovered, the ability of the borrower to fulfill the contractual repayment terms is fully expected and the loan is not classified doubtful or loss.

Allowance for Loan Losses: The allowance for loan losses reflects an amount considered adequate by management to provide for estimated losses inherent in the loan portfolio. The allowance is based on a periodic evaluation of numerous factors, including economic conditions, loan portfolio composition, and prior loan loss experience. Loan principal and prior year(s) accrued interest are charged against the allowance for loan losses when management believes collection is unlikely.

A specific allowance is established under SFAS No. 114 for risk loans. Loans are classified risk loans if they are in nonaccrual status, formally restructured, or 90 days or more past due and still accruing interest. SFAS No. 114 requires that risk loans be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as practically expedient, at the loan's observable market price or fair value of the collateral if the loan is collateral dependent. AgriBank records specific allowances to reduce the carrying amount of the risk loan to the lower of book value or the fair market value of collateral.

Investment Securities and Federal Funds: AgriBank, as permitted under the FCA regulations, holds eligible investments for the purpose of maintaining a liquidity reserve, managing short-term surplus funds and managing interest rate risk. AgriBank's investments may not necessarily be held to maturity and accordingly have been classified as available for sale. These investments are reported at fair value, and unrealized holding gains and losses are netted and reported as a separate component of members' equity. Changes in the fair value of investments are reflected as direct charges or credits to other comprehensive income (OCI).

Purchased premiums and discounts are amortized or accreted using the interest method over the terms of the respective issues. Realized gains and losses are determined using the specific identification method and are recognized in current operations.

Premises and Equipment: Premises and equipment are generally carried at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful life of the asset. Gains or losses on disposition are reflected in current operations. Maintenance and repairs are charged to operating expense and improvements are capitalized. Internally developed software costs are capitalized and amortized over their estimated useful life.

Other Property Owned: Other property owned, consisting of real and personal property acquired through foreclosure or deed in lieu of foreclosure, is recorded at the lower of carrying amount or fair value less estimated costs to sell. Income and expenses from operations and carrying value adjustments are included in miscellaneous income.

Employee Benefit Plans: The employees of AgriBank participate in one of two Retirement Plans of the District. Effective in 2002, employees who elected and all new employees participate in a cash balance plan. Other employees participate in a defined benefit plan. For the defined benefit plan, the District utilizes the "Projected Unit Credit" actuarial method for financial reporting purposes and the "Entry Age Normal Cost" method for funding purposes.

AgriBank also provides certain health and life insurance benefits to eligible retired employees under District plans. The anticipated costs of these benefits are accrued during the period of the employees' active service.

Income Taxes: AgriBank is exempt from federal and other income taxes as provided in the Farm Credit Act.

Statement of Cash Flows: For purposes of reporting cash flows, cash includes cash and federal funds. Cash flows on hedges are classified in the same category as items being hedged.

Derivative Instruments and Hedging Activity: AgriBank is party to derivative financial instruments, primarily interest rate swaps, interest rate caps and swaptions, which are used to manage interest rate risk on assets, liabilities and anticipated transactions. On January 1, 2001, AgriBank adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended (SFAS No. 133), which requires derivatives to be recorded on the balance sheet as assets and liabilities, measured at fair value. Prior to the adoption of SFAS No. 133, derivatives used for hedging purposes generally were not recorded on the balance sheet and the unrealized gains and losses were deferred on those contracts. The impact of adoption of SFAS No. 133 of \$45 of expense was recorded for the year ended December 31, 2001.

In accordance with SFAS No. 133, changes in the fair values of derivatives are accounted for as gains or losses in the income statement or as a component of OCI depending on the use of the derivative and whether it is designated and qualifies for hedge

accounting. For fair-value hedge transactions in which AgriBank is hedging changes in the fair value of an asset or liability, changes in the fair value of the derivative instrument is offset in the income statement by changes in the fair value of the hedged item. For cash flow hedge transactions hedging the variability of cash flows related to a variable-rate asset or liability, changes in the fair value of the derivative instrument are reported in OCI. The gains and losses on the derivative instruments reported in OCI are reclassified as earnings in the periods in which earnings are impacted by the variability of the cash flows of the hedged item. The ineffective portion of all hedges is recognized in current period earnings. For derivatives not designated as a hedging instrument, the related change in fair value is recorded in current period earnings.

AgriBank documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value or cash flow hedges to (1) specific assets or liabilities on the balance sheet or (2) firm commitments or forecasted transactions. AgriBank also assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in the fair value or cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. AgriBank uses regression analysis to assess the effectiveness of its hedges. AgriBank discontinues hedge accounting prospectively when it determines that 1) a derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; 2) the derivative expires or is sold, terminated, or exercised; 3) it is no longer probable that the forecasted transaction will occur; 4) a hedged firm commitment no longer meets the definition of a firm commitment; or 5) management determines that designating the derivative as a hedging instrument is no longer appropriate. For cash flow hedges, any remaining accumulated other comprehensive income (loss) is amortized into earnings over the remaining life of the original hedged item. For fair value hedges, changes in the fair value of the derivative will be recorded in current periods earnings. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, AgriBank will carry the derivative at its fair value on the balance sheet, recognizing changes in fair value in current period earnings.

NOTE 3

LOANS AND ALLOWANCE FOR LOAN LOSSES

Loans consisted of the following:

As of December 31	2002		2001		2000	
	Amount	%	Amount	%	Amount	%
Wholesale loans	\$18,355,528	94.6%	\$16,252,220	92.8%	\$14,112,947	86.4%
Participations purchased	873,411	4.5%	881,284	5.0%	1,472,568	9.0%
Association managed loans	--	0.0%	225,124	1.3%	612,667	3.7%
Other loans	165,722	0.9%	149,508	0.9%	145,155	0.9%
Subtotal	19,394,661	100.0%	17,508,136	100.0%	16,343,337	100.0%
Participations sold	(15,618)		(23,061)		(357,899)	
Total	\$19,379,043		\$17,485,075		\$15,985,438	

The contractual maturities of loans as of December 31, 2002 were as follows:

At December 31, 2002	One Year or Less	Over One Through Five Years	Over Five Years	Total	
Participations, net	206,586	200,432	450,775	857,793	
Other loans	38,031	89,292	38,399	165,722	
Total	\$18,600,145	\$289,724	\$489,174	\$19,379,043	

Total of loans due after one year with:

Fixed interest rates	\$257,960
Variable and adjustable interest rates	\$520,938

A substantial portion of AgriBank's loan portfolio consists of wholesale loans. As described in Note 1, these loans are used by the Associations to fund their loan portfolios, and therefore, AgriBank's concentration of credit risk in various commodities and geographic concentrations approximate that of the District as a whole. Loan concentrations are considered to exist when there are amounts loaned to a multiple number of borrowers engaged in similar activities or within close proximity, which would cause them to be similarly impacted by economic or other conditions. While these concentrations represent a proportionate maximum

potential credit risk as it relates to the wholesale loans, a substantial portion of the underlying Associations' lending activities is collateralized and the Associations' exposure to credit loss associated with lending is reduced accordingly. An estimate of AgriBank's credit risk exposure is considered in AgriBank's allowance for loan losses.

AgriBank's portfolio is primarily concentrated in eleven mid-western states. Minnesota (13%), Illinois (11%) and Wisconsin (10%) represent the heaviest concentrations. The remaining eight states each represent between 5%-9% of the portfolio volume.

Credit concentration is also present in the types of farming operations of District borrowers. District borrowers are heavily concentrated in the following agricultural operations: corn, soybeans and other field crops (45%), livestock (15%) and dairy (10%); concentrations which are also significant to certain Associations include poultry, absentee landlords and rural home loans.

AgriBank also has concentrations in individual customers. Wholesale volume is composed of 19 loans ranging in size from \$10 million to \$6.1 billion. At December 31, 2002, the three largest Associations represented 32.7%, 10.5% and 10.5% of wholesale volume and 30.9%, 10.0% and 9.9% of total volume. No other wholesale loan was greater than 10% of loan volume. The ten largest retail customers at December 31, 2002 totaled \$379.9 million.

Risk loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms. Interest income recognized and cash payments received on nonaccrual risk loans are applied as described in Note 2.

The following table presents risk loan information:

As of December 31	2002	2001	2000
Nonaccrual loans:			
Current as to principal and interest	\$18,415	\$27,360	\$35,824
Past due	9,064	18,547	16,416
Total nonaccrual loans	27,479	45,907	52,240
Accruing restructured loans	6,178	333,994	152,998
Loans past due 90 days or more still accruing	1,342	8,736	983
Total risk loans	\$34,999	\$388,637	\$206,221
Volume with specific reserves	\$1,415	\$7,614	\$5,700
Volume without specific reserves	33,584	381,023	200,521
Total risk loans	\$34,999	\$388,637	\$206,221
Specific reserves	\$352	\$626	\$3,780
For the year ended December 31			
Income on accrual risk loans	\$5,836	\$8,283	\$9,880
Income on nonaccrual loans	9,409	15,775	25,526
Total income on risk loans	\$15,245	\$24,058	\$35,406
Average recorded investment	\$341,355	\$280,827	\$265,928

A summary of the allowance for loan losses follows:

For the year ended December 31	2002	2001	2000
Balance at beginning of year	\$161,142	\$155,215	\$166,470
(Reversal of) provision for loan losses	(90,000)	--	--
Chargeoffs	(2,633)	(3,807)	(15,548)
Recoveries	1,253	11,921	4,016
Other	(1,095)	(2,187)	277
Balance at end of year	\$68,667	\$161,142	\$155,215

NOTE 4

INVESTMENT SECURITIES AND FEDERAL FUNDS

A summary of the amortized cost and fair value of investment securities and federal funds at December 31, 2002, 2001 and 2000 follows. Other securities are primarily corporate and municipal obligations. All securities are classified as available for sale.

As of December 31, 2002	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
Federal Funds	\$398,701	\$4	\$ --	\$398,705	1.2%
U.S. Agencies	437,885	3,539	--	441,424	2.3%
Asset-backed securities	774,877	1,321	640	775,558	3.5%
Mortgage-backed securities	1,188,197	1,323	271	1,189,249	3.2%
Other securities	1,568,245	130	26	1,568,349	1.5%
Total	\$4,367,905	\$6,317	\$937	\$4,373,285	2.4%

As of December 31, 2001	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
Federal Funds	\$298,400	\$ --	\$4	\$298,396	1.7%
U.S. Agencies	544,686	4,499	504	548,681	4.4%
Asset-backed securities	682,264	2,224	186	684,302	4.8%
Mortgage-backed securities	903,395	2,623	490	905,528	5.7%
Other securities	1,287,717	400	16	1,288,101	2.5%
Total	\$3,716,462	\$9,746	\$1,200	\$3,725,008	3.9%

As of December 31, 2000	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
Federal Funds	\$521,300	\$23	\$ --	\$521,323	6.6%
U.S. Agencies	580,218	1,092	--	581,310	6.5%
Asset-backed securities	651,607	550	70	652,087	6.9%
Mortgage-backed securities	991,487	1,811	9	993,289	6.8%
Other securities	1,626,548	3	278	1,626,273	7.0%
Total	\$4,371,160	\$3,479	\$357	\$4,374,282	6.8%

A summary of the expected maturity at fair value and weighted average yield by maturity of investment securities and federal funds at December 31, 2002 follows:

	Year of Maturity				Total
	One Year or Less	One to Five Years	Five to Ten Years	More Than Ten Years	
Federal Funds	\$398,705	\$ --	\$ --	\$ --	\$398,705
U.S. Agencies	296,061	145,363	--	--	441,424
Asset backed securities	--	322	1,318	773,918	775,558
Mortgage backed securities	37,328	55,744	67,848	1,028,329	1,189,249
Other securities	1,534,338	11,523	22,488	--	1,568,349
Total	\$2,266,432	\$212,952	\$91,654	\$1,802,247	\$4,373,285
Weighted Average Yield	1.7%	3.9%	2.7%	3.1%	2.4%

Substantially all mortgage-backed securities have contractual maturities in excess of ten years. However, expected maturities differ from contractual maturities because borrowers may have the right to prepay obligations.

Proceeds and realized gross gains and losses on sales of investment securities and federal funds are as follows:

For the year ended December 31	2002	2001	2000
Proceeds on sales	\$105,059	\$212,424	\$46,667
Realized gross gains	--	106	--
Realized gross losses	2	44	2

As of December 31, 2002, \$414.7 million of investment securities and federal funds were pledged as collateral, in conjunction with state related lending programs.

NOTE 5

OTHER ASSETS

A summary of other assets follows:

As of December 31	2002	2001	2000
Prepaid pension costs	\$24,705	\$24,086	\$22,831
Accounts receivable	18,473	12,998	12,837
Equity investments in other			
Farm Credit institutions	2,361	9,848	9,872
Premises and equipment	3,719	3,984	2,773
Prepaid expenses	845	280	3,613
Other property owned	255	806	1,513
Other	5,828	8,547	8,620
Total Other Assets	\$56,186	\$60,549	\$62,059

Premises and equipment consisted of the following:

As of December 31	2002	2001	2000
Land, buildings and improvements	\$355	\$626	\$208
Furniture and equipment	23,685	21,940	20,951
Accumulated depreciation	(20,321)	(18,582)	(18,386)
Net premises and equipment	\$3,719	\$3,984	\$2,773

NOTE 6

BONDS AND NOTES

AgriBank's participation in bonds and notes follows:

As of December 31	2002	2001	2000
Systemwide obligations:			
Bonds	\$17,145,437	\$14,316,179	\$7,306,791
Medium-term notes	1,773,007	2,282,414	5,982,042
Discount notes	3,242,998	2,975,721	5,430,027
Member Investment Bonds	52,504	75,015	83,407
Total	\$22,213,946	\$19,649,329	\$18,802,267

The System obtains funds for its lending operations primarily from the sale of Systemwide debt securities issued by the System Banks through the Funding Corporation. Systemwide bonds, medium-term notes and discount notes are the joint and several obligations of the System Banks (see Note 13). AgriBank had no committed commercial lines of credit from other financial institutions at December 31, 2002.

The maturities and weighted average interest rate of bonds and notes at December 31, 2002 were as follows:

Year of maturity	Systemwide Obligations						Member Investment Bonds		Total	
	Bonds		Medium-term notes		Discount notes		Amount	Rate	Amount	Rate
	Amount	Rate	Amount	Rate	Amount	Rate				
2003	\$6,433,103	2.22%	\$674,924	5.79%	\$3,242,998	1.39%	\$52,504	0.75%	\$10,403,529	2.19%
2004	3,942,344	2.28%	199,842	6.28%	--	--	--	--	4,142,186	2.47%
2005	1,223,469	3.91%	510,142	6.01%	--	--	--	--	1,733,611	4.53%
2006	1,242,694	4.97%	14,980	5.32%	--	--	--	--	1,257,674	4.97%
2007	1,548,532	4.66%	139,793	5.47%	--	--	--	--	1,688,325	4.73%
2008 and thereafter	2,755,295	5.97%	233,326	5.60%	--	--	--	--	2,988,621	5.94%
Total	\$17,145,437	3.37%	\$1,773,007	5.85%	\$3,242,998	1.39%	\$52,504	0.75%	\$22,213,946	3.27%

The weighted average interest rates include the effect of related derivative financial instruments. Discount notes are issued with maturities ranging from 1 to 365 days. The average maturity of discount notes at December 31, 2002 was 60 days.

Systemwide bonds and notes with call options are as follows:

Year of maturity and first callable:	Maturing Amount	Call Amount
2003	\$ --	\$3,470,000
2004	110,000	887,000
2005	665,000	680,000
2006	535,000	--
2007	1,320,000	--
2008	752,000	--
2009	275,000	--
Thereafter	1,390,825	10,825
Total	\$5,047,825	\$5,047,825

Certain conditions must be met before System Banks can participate in the issuance of Systemwide debt securities. As one condition of participation, Banks are required by the Farm Credit Act and FCA regulation to maintain specified eligible assets, at least equal in value to the total amount of debt securities outstanding for which they are primarily liable. This requirement does not provide holders of Systemwide debt securities or bank bonds with a security interest in any assets of the Banks. However, System banks and the Funding Corporation have entered into a Market Access Agreement, which established criteria and procedures for the banks to provide certain information to the Funding Corporation and, under certain circumstances, for restricting or prohibiting an individual bank's participation in Systemwide debt issuances, thereby reducing other System banks' exposure to statutory joint and several liability. At December 31, 2002, AgriBank was and currently remains in compliance with the conditions of participation in the issuance of Systemwide debt securities.

As described in Note 1, the Insurance Fund is available to insure the timely payment of principal and interest on Consolidated bonds and notes of System Banks to the extent net assets are available in the Insurance Fund. Member Investment Bonds are not insured. At December 31, 2002, the assets of the Insurance Fund aggregated \$1.8 billion; however, due to the other authorized uses of the Insurance Fund there is no assurance that funds will be available or sufficient to fund the timely payment of principal of, or interest on, insured debt securities in the event of a default by any System Bank having primary liability for repayment of the debt. Amounts available in the Insurance Fund will be used to repay, upon maturity, the FAC debt issued to fund the purchase of \$374 million of preferred stock issued by the FLB of Jackson in Receivership to the extent that funds of the Trust Fund are not sufficient for these purposes. As of December 31, 2002, available funds in the Trust Fund amounted to \$131.0 million.

During the fourth quarter of 2001, AgriBank retired four portions of debt issuances totaling \$54.2 million par value. Three \$5 million portions were transferred to another Farm Credit Bank and one \$39.2 million portion was retired. Losses of \$7.7 million were recorded on these transactions and are reflected as an extraordinary loss on the Statement of Income.

The bank uses short-term borrowings as a source of funds. The following shows short-term borrowings by category:

	2002		2001		2000	
	Amount	Weighted average interest rate	Amount	Weighted average interest rate	Amount	Weighted average interest rate
Systemwide discount notes:						
Outstanding at December 31	\$3,242,998	1.39%	\$2,975,721	2.05%	\$5,430,027	6.40%
Average during year	3,633,682	1.76%	4,243,453	4.31%	3,699,658	6.24%
Maximum month end balance during year	4,364,157		4,811,480		5,430,027	
Systemwide bonds: (*)						
Outstanding at December 31	3,241,081	1.68%	4,914,380	2.93%	4,330,122	6.30%
Average during year	3,988,538	2.28%	4,362,136	4.66%	4,430,755	5.98%
Maximum month end balance during year	4,847,201		4,993,371		4,921,757	
* Represents bonds issued with a maturity of one year or less						

NOTE 7

OTHER LIABILITIES

A summary of other liabilities follows:

As of December 31	2002	2001	2000
Accounts payable	\$103,362	\$99,107	\$113,546
Postretirement liability	10,606	10,567	10,451
Fair value of derivatives	6,920	2,516	--
Other	3,916	6,812	13,488
Total other liabilities	\$124,804	\$119,002	\$137,485

NOTE 8

MEMBERS' EQUITY

Capitalization requirements

In accordance with the Farm Credit Act, and AgriBank's capitalization bylaws, AgriBank is authorized to issue and have outstanding Class D Cumulative Preferred Stock, Classes F and P Common Stock, Series A, B and C Participation Certificates and such other classes of equity in such amounts as may be necessary to conduct AgriBank's business. All stock and Participation Certificates have a par or face value of five dollars per share.

District Associations, as a condition of obtaining a loan from AgriBank, are required to hold Class P common stock in an amount determined by AgriBank's capital plan. Such amount may not be less than one thousand dollars or more than four percent of the quarterly average wholesale loan balance. At December 31, 2002, District Associations were required to hold Class P common stock equal to 1.75% of the quarterly average daily wholesale loan balance as calculated periodically. This is an increase from the previous required investment equal to 1% of the average quarterly balance of the wholesale loan plus loan assets managed for AgriBank.

Other financial institutions (OFIs), as a condition of obtaining a loan from AgriBank, are required to hold Series A participation certificates in an amount determined by AgriBank's capital plan. Such amount may not be less than one thousand dollars or more than four percent of their approved loan as of the end of the month preceding the end of the quarter. At December 31, 2002, OFIs were required to maintain an investment equal to 1.75% of their loan. This is an increase from the previous required investment equal to 1% of their line of credit.

AgriBank may require an originator, as a condition of AgriBank's purchase of a participation interest in a loan, to hold stock or participation certificates in an amount not to exceed seven percent.

Protection mechanisms

Protection of certain borrower capital is provided under the Farm Credit Act which requires AgriBank when retiring protected borrower capital, to retire protected capital at par or stated value regardless of its book value. Series C Participation Certificates are protected capital. Stock and participation certificates issued after October 6, 1988 are not subject to these protection provisions. If AgriBank is unable to retire protected borrower equity at par value or stated value, amounts required to retire this equity would be obtained from the Insurance Fund.

Regulatory capitalization requirements and restrictions

FCA's capital adequacy regulations require AgriBank to maintain certain minimum capital ratios. AgriBank is prohibited from reducing capital by retiring stock or making certain other distributions to shareholders unless prescribed capital standards are met. No such prohibitions were in effect as of December 31, 2002. Management does not foresee any events that would result in this prohibition during 2003.

At December 31, 2002, AgriBank's permanent capital ratio, total surplus ratio, and core surplus ratio each exceeded the regulatory minimums of 7%, 7% and 3.5%, respectively. These ratios are calculated in accordance with FCA Regulations and are discussed below.

- The permanent capital ratio is average at-risk capital divided by average risk-adjusted assets. AgriBank's ratio was 18.9% at December 31, 2002.
- The total surplus ratio is average unallocated surplus less any deductions made in the computation of permanent capital divided by average risk-adjusted assets. AgriBank's ratio was 18.9% at December 31, 2002.
- The core surplus ratio is average unallocated surplus less the reciprocal investment in other Farm Credit institutions divided by average risk-adjusted assets. AgriBank's ratio was 16.5% at December 31, 2002.

FCA Regulations require associations and Farm Credit Banks to agree upon a plan for allocating the associations' investments in AgriBank for calculation of permanent capital ratios. For the calculation of permanent capital at December 31, 2002, AgriBank and the Associations agreed upon a methodology that resulted in AgriBank counting 50.6% of the investments. The Associations count the remainder of the investment. This allocation amount is adjusted quarterly.

Description of equities

The following represents information regarding classes and number of shares of stock and participation certificates outstanding as of December 31, 2002.

As of December 31, 2002	Number of Shares	
Class D Cumulative Preferred Stock	38,086,460	Class D Cumulative Preferred Stock is issued solely to Associations based on patronaged equities issued and as a conversion of Class P Common Stock which is in excess of the minimum amounts required under AgriBank's Capital Plan. This Stock does not have voting rights.
Class P Common Stock	87,213,492	
Protected Series C Participation Certificates	48,100	Class F Common Stock is issued only to other System institutions. This Stock does not have voting rights. There is no Class F Common Stock outstanding at December 31, 2002.
Series A Participation Certificates	729,948	

Class P Common Stock is issued to Associations in an amount not less than that required by AgriBank's capital plan and as a conversion of Class D Cumulative Preferred Stock in accordance with the Capital Plan. Class P Common Stock has voting rights as provided in AgriBank's Bylaws so long as the Stock is held by an eligible holder. After a two-year period during which a holder of Class P Common Stock does not have a loan with AgriBank or is a servicer of AgriBank loans, all such holder's Class P Common Stock will be converted to an equal number of units of Series B Participation Certificates.

Series A Participation Certificates are issued to those entities identified in the Farm Credit Act which meet certain requirements of the Act in connection with loans made after October 5, 1988, in an amount required by the capital plan of AgriBank. Series A Participation Certificates have no voting rights.

Series B Participation Certificates are issued to Associations and direct borrowers. Series B Participation Certificates have no voting rights. There are no Series B Participation Certificates outstanding at December 31, 2002.

Series C Participation Certificates are issued to entities identified in the Farm Credit Act which meet certain requirements of the act in existence prior to the close of business on October 5, 1988. See discussion under Protection Mechanisms. Series C Participation certificates have no voting rights.

Other classes of capital stock shall have such rights, designations, and restrictions as provided in the amendment of AgriBank's Bylaws establishing such classes of capital stock. No fractional shares of Stock or Participation Certificates, or cash in lieu of fractional shares, shall be issued or paid.

All classes of Common Stock, Class D Cumulative Preferred Stock and all series of Participation Certificates are transferable to any eligible holder of such equities. If at any time AgriBank is not in compliance with minimum permanent capital adequacy standards as determined by the FCA, all Stock or Participation Certificates required to be purchased as a condition for obtaining a loan must be purchased from AgriBank.

Series C Participation Certificates must be retired and paid at face value in accordance with the requirements of the regulations of the FCA as they relate to the retirement of Stock protected by the provisions of the 1987 Act. The Board is authorized but not required to make retirements of all other classes of Stock and Participation Certificates on a case-by-case basis when requested by a holder of such equities without regard to the holder's total investment in AgriBank relative to the other holders of AgriBank equities. All other classes of Stock and Participation Certificates shall be retired at book value not to exceed par or face value and cannot be retired while AgriBank is not in compliance with capital adequacy standards or if such retirement would cause AgriBank to be out of compliance with capital adequacy standards. All such classes of Stock and Participation Certificates may be retired only at the discretion of the Board.

All Stock, Participation Certificates and allocated equities are subject to a statutory first lien in favor of AgriBank to secure any indebtedness of the holder of such capital investments to AgriBank.

Stock preference upon liquidation follows AgriBank's by-laws; however, protected stock will be retired at par value regardless of impairment. Protected stock is nonvoting. Losses which result in impairment of capital stock and participation certificates would be applied pro rata to all shares.

Patronage distributions and dividends

Payment of patronage and/or dividends is allowed under AgriBank bylaws if the distribution is in accordance with applicable laws and regulations, including FCA capital adequacy regulations. Patronage distributions of \$55,824, \$49,919 and \$62,827 were accrued by AgriBank at December 31, 2002, 2001 and 2000, respectively. The patronage refunds were distributed in the form of cash during the first quarter of 2003, 2002, and 2001, respectively. Additionally, in 2002 a \$100 million special patronage distribution was made in the form of stock. No stock patronage distributions were made during 2001 or 2000. Dividends of \$20,544, \$29,074, and \$35,212 were distributed by AgriBank in 2002, 2001, and 2000, respectively.

NOTE 9

EMPLOYEE BENEFIT PLANS

AgriBank sponsors and participates in two District-wide retirement plans, a defined benefit plan and a cash balance plan. The Plans are noncontributory and includes eligible District employees. The assets, liabilities and costs of the plans are not segregated by participating entities but are allocated among the entities on the basis of proportionate payroll expense. AgriBank recorded \$619, \$1,256 and \$918 of pension income for 2002, 2001 and 2000, respectively.

AgriBank also sponsors and participates in a district-wide retirement savings plan. Effective January 1, 2002, AgriBank matches dollar for dollar up to 2% of employee's contribution and 50 cents on the dollar on the next 4% on both pre-tax and post-tax contributions. The maximum employer match is 4%. Prior to the change on January 1, 2002 the maximum employer match was 3%. Contributions and recorded expenses in 2002, 2001 and 2000 were \$716, \$456 and \$552.

AgriBank recorded expense of \$596, \$560 and \$560 in 2002, 2001 and 2000, respectively, representing the cost of postretirement benefits other than pensions.

While the funding status of the District plans are not available for AgriBank individually, the table represents the funding status of the postretirement benefit plans at a District level.

As of December 31, 2002	Pension Benefits	Other Benefits
Benefit obligation	\$377,791	\$41,571
Fair value of plan assets	309,471	7,691
Funded status	(\$68,320)	(\$33,880)
Prepaid (accrued) benefit cost recognized in the District's Statement of Condition		
	\$73,302	(\$42,306)
Weighted-Average Assumptions:		
Discount rate	6.75%	6.75%
Expected return on plan assets	8.75%	6.00%
Rate of compensation increase	5.00%	n/a
For the year ended December 31, 2002	Pension Benefits	Other Benefits
Benefits Paid	\$14,650	\$2,038
Employer Contributions	155	1,877
Plan Participant Contributions	--	--
Net Periodic Benefit Income (Cost)	5,562	(2,398)

For measurement purposes, a 10% rate of increase in the per capita cost of covered health care benefits was assumed for 2002. The rate was assumed to decrease gradually to 6% by the year 2007 and remain at that level thereafter.

NOTE 10

INTRA-SYSTEM FINANCIAL ASSISTANCE

The Farm Credit System Financial Assistance Corporation (FAC) was established in 1988 primarily to provide capital to institutions of the System experiencing financial difficulty. Such assistance was funded through the FAC's issuance of \$1.261 billion of 15-year U.S. Treasury-guaranteed debt. The rate on these issuances ranges from 8.8% - 9.45%.

The proceeds from the debt offerings were used to fund existing intra-System financial assistance payables (\$417 million), to purchase Assistance preferred stock in certain troubled System Banks (\$808 million) and for other purposes (\$36 million). Pursuant to the Farm Credit Act, the U.S. Treasury paid the interest on \$844 million of the FAC bonds for the first five years of the respective terms of such bonds. The payment of interest on this debt was allocated between the U.S. Treasury and System Banks during the second five years. As the result of growth of the System's surplus, the allocation provisions of the Farm Credit Act required that Banks pay 100% of the interest beginning in 1999. The Farm Credit Act and supplemental agreements dictate how the Banks will fund the principal and interest of each type of issuance. With the exception of assistance provided through the purchase of preferred stock, repayment of the FAC debt obligations will be allocated to all System Banks, and annual expense accruals and funding assessments are generally allocated based on each Bank's proportion of System loan volume over various time periods. All interest advanced by the U.S. Treasury must be repaid by the System Banks in 2005. System Banks record their share of the liability based upon each Bank's proportionate share of average accruing retail loan volume. To fund the repayment obligation, annual annuity-type payments are made by each Bank to the FAC in an amount designed to accumulate, in total, including earnings thereon, the total amount of each Bank's ultimate obligation.

The FAC assumed certain payables previously accrued by AgriBank under the System's capital preservation agreements and funded payment of such accruals by the issuance of 15-year U.S. Treasury-guaranteed debt. Under the Farm Credit Act, the System Banks are required to fund the bonds upon maturity. Although GAAP requires recognition in the financial statements of AgriBank's liability to FAC, the Farm Credit Act states that, for all financial reporting purposes, this obligation shall not be considered a liability of any System Bank until the maturity of such debt. AgriBank's unrecorded liability and related unrecorded reduction in retained earnings at December 31, 2002, 2001 and 2000 is estimated to be \$4.4, \$5.8 and \$7.4 million, respectively. There is a System agreed upon repayment plan, which effectively spreads the financial assistance payments and expenses over a number of years and

accordingly gradually reduces the effect of the unrecorded liability. Management considers the current and future effect of not recording the obligation to be immaterial to AgriBank's financial condition and results of operations.

In 1998, AgriBank entered into two agreements with the other System Banks and the FAC to call certain of the FAC callable debt issues used to provide financial assistance (\$240 million issuance and \$89 million issuance) and to fund Capital Preservation Agreement accruals (\$157 million issuance). The System Banks were required to pre-fund the amounts representing the difference between the amounts previously funded and the amounts needed to call the debt. AgriBank expensed \$9.5 million in 1998, related to the calling of the \$240 million issuance, \$18.7 million in 1999, related to the calling of the \$157 million issuance and \$4.3 in 2000, relating to the calling of the \$89 million issuance, representing its pro rata shares of additional funding required.

AgriBank's portion of financial assistance expense totaled \$23.9, \$23.2 and \$29.4 million, respectively, in 2002, 2001 and 2000.

NOTE 11**RELATED PARTY TRANSACTIONS**

As discussed in Note 1, AgriBank lends to the District Associations to fund their loan portfolios. At December 31, 2002, AgriBank had \$1.978 billion in commitments to fund direct notes to the Associations. Further disclosure regarding these related party transactions can be found in Note 3.

AgriBank paid compensation to Associations for servicing AgriBank loans residing in that Association's territory. The compensation program was designed to provide the Association with the income stream it would earn if the Association owned the loan. Under this program AgriBank paid \$3.1, \$11.2 and \$18.9 million to the Associations in 2002, 2001 and 2000, respectively. This program ended July 1, 2002.

AgriBank periodically sells loans in the Associations' territories to the Associations. During 2002, 2001 and 2000, AgriBank sold \$216.3, \$367.4 and \$126.3 million to District Associations at legal obligation. A 50 basis point discount was given on certain loans totaling \$1.08 million, \$1.58 million and \$584 thousand in 2002, 2001 and 2000 respectively. The discount was reflected as a reduction in AgriBank's allowance for loan losses. Interest income which had previously been deferred totaling \$3.2, \$3.9 and \$2.3 million in 2002, 2001 and 2000, respectively, was recognized with these loan sales.

Interest income recognized on Associations' wholesale loans for the periods ended December 31, 2002, 2001 and 2000 was \$686.9, \$826.2 and \$837.8 million, respectively. In addition, AgriBank recorded \$8.8, \$9.7 and \$1.0 million in fees charged to the Associations for the same periods representing fees assessed on the Associations' wholesale loans.

AgriBank provides certain services to the Associations including accounting, information services and human resources. Total revenues received from Associations totaled \$22.1 million, \$21.8 million and \$22.8 million, during 2002, 2001, and 2000, respectively.

In 1987, AgriBank purchased \$7.5 million of assistance preferred stock from the Grand Forks ACA. This stock was redeemed by the Association on December 31, 2002 at par value.

Elected members of AgriBank's Board of Directors are District Association borrowers. Additionally, certain Directors also serve as Association Directors.

NOTE 12**REGULATORY ENFORCEMENT MATTERS**

There are no regulatory enforcement matters or agreements with the FCA.

NOTE 13**COMMITMENTS AND CONTINGENCIES**

AgriBank has various contingent liabilities and commitments outstanding as discussed elsewhere in these notes to the combined financial statements. While primarily liable for its portion of Systemwide bonds and notes, AgriBank is jointly and severally liable for the Systemwide bonds and notes of the other System Banks. The total bonds and notes of the System at December 31, 2002 were \$89.4 billion.

Actions are pending against AgriBank in which claims for monetary damages are asserted. Based on current information, management and legal counsel are of the opinion that the ultimate liability, if any resulting therefrom, would not be material in relation to the combined financial position of AgriBank.

NOTE 14

FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

AgriBank participates in financial instruments with off-balance-sheet risk to satisfy the financing needs of borrowers. These financial instruments are in the form of commitments to extend credit. The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the financial statements. Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Commitments have off-balance-sheet credit risk until fulfillment or expiration. Since many of the loan commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. The credit risk involved in issuing commitments is essentially the same as that involved in extending loans to borrowers and the same credit policies are applied. The amount of collateral obtained, if deemed necessary by AgriBank upon extension of credit, is based on management's credit evaluation of the borrower. Collateral held varies but may include real estate, equipment, inventory and income producing properties and in the case of wholesale loans substantially all assets of the Associations. AgriBank's loan commitments totaled \$2.3 billion at December 31, 2002, of which \$2.0 billion were on wholesale loans.

NOTE 15

DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Quoted market prices are generally not available for certain System financial instruments. Accordingly, fair values are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments and other factors. These estimates involve uncertainties and matters of judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A description of the methods and assumptions used to estimate the fair value of each class of AgriBank's financial instruments, for which it is practicable to estimate that value, follows:

Cash and federal funds: The carrying value is a reasonable estimate of fair value.

Investment securities: Fair value is based upon currently quoted market prices.

Loans: Because no active market exists for AgriBank's loans, fair value is estimated by discounting the expected future cash flows using current interest rates at which similar loans would be made or repriced to borrowers with similar credit risk. As the discount rates are based upon internal pricing mechanisms and other management estimates, management has no basis to determine whether the fair values presented would be indicative of the value negotiated in an actual sale. Furthermore, certain statutory or regulatory factors not considered in the valuation, such as the unique statutory rights of System borrowers, could render AgriBank's portfolio unmarketable outside the Farm Credit System.

For purposes of determining fair value of accruing retail loans, the loan portfolio is segregated into pools of loans with approximately homogeneous characteristics. Expected future cash flows and interest rates reflecting appropriate credit risk are separately determined for each individual pool. Fair value for wholesale loans is determined using the same methodology as for accruing retail loans by looking through the wholesale loan to the underlying retail association loans.

Fair value of loans in nonaccrual status that are current as to principal and interest is estimated as described above, with appropriately higher discount rates that reflect the uncertainty of continued cash flow. For noncurrent nonaccrual loans, it is assumed that collection will result only from the disposition of the underlying collateral. Fair value is estimated to equal the aggregate net realizable value of the underlying collateral, discounted at an interest rate that appropriately reflects the uncertainty of the expected future cash flows over the average disposal period. Where the net realizable value of the collateral exceeds the legal obligation for a particular loan, the legal obligation is generally used in place of the net realizable value.

Bonds and notes: Systemwide bonds and notes are not all traded in the secondary market and those that are traded may not have readily available quoted market prices. Therefore, the fair value of these instruments is estimated by calculating the discounted value of the expected future cash flows. The discount rates used are based on the sum of quoted market yields for the Treasury yield curve and an estimated yield-spread relationship between Systemwide debt instruments and comparable Treasury issues.

Financial assistance related obligations: As discussed in Note 10, AgriBank is liable for certain obligations of the FAC. Fair value of these obligations is determined by discounting the cumulative expected future cash outflows of all of the obligations using an interest rate commensurate with bonds having a similar maturity.

Derivative financial instruments: The fair value of derivatives is the estimated amount AgriBank would receive or pay to replace the derivative instruments at the reporting date, considering current interest rates.

Commitments to extend credit: The fair value of commitments is estimated as the inherent credit loss in such commitments.

The estimated fair values of AgriBank's financial instruments follow:

As of December 31	2002		2001		2000	
	Carrying Amount	Est. Fair Value	Carrying Amount	Est. Fair Value	Carrying Amount	Est. Fair Value
Financial assets:						
Cash, federal funds, and investment securities	\$4,442,871	\$4,442,871	\$3,813,948	\$3,813,948	\$4,415,752	\$4,415,752
Net loans	19,310,376	19,600,766	17,323,933	17,573,785	15,830,223	15,972,946
Derivative assets	68,261	68,261	32,575	32,575		
Financial liabilities:						
Bonds and Notes	\$22,213,946	\$22,534,158	\$19,649,329	\$19,880,828	\$18,802,267	\$18,829,415
Financial Assistance related obligations	14,361	26,295	16,671	33,363	19,313	36,264
Derivative liabilities	6,920	6,920	2,516	2,516	--	--
Unrecognized financial instruments:						
Commitments to extend credit		(\$2,884)		(\$3,630)		(\$3,743)
Interest rate swaps		--		--		5,610
Interest rate caps		--		--		597

NOTE 16

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

AgriBank currently utilizes three types of derivative financial instruments, interest rate swaps, interest rate caps and swaptions. AgriBank utilizes derivative financial instruments only as hedges against risk. It does not hold or issue derivatives for trading purposes. These derivatives are recorded as assets and liabilities on the Statement of Condition at fair value as described in Note 2.

The following table provides information regarding each significant derivative product type (dollars in millions):

As of December 31, 2002	Notional Amount	Fair Value
Receive fixed swaps	\$2,038	\$58
Floating for floating swaps	550	(7)
Total swaps	2,588	51
Swaptions	300	7
Interest rate caps	694	3
Total	\$3,582	\$61

Risk Management Strategy

AgriBank maintains an overall interest rate risk management strategy that incorporates the use of derivative instruments to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. AgriBank's goal is to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain balance sheet assets and liabilities so that spreads on assets are not adversely affected by movements in interest rates. As a result of interest rate fluctuations, hedged fixed-rate assets and liabilities will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation is expected to be substantially offset by AgriBank's losses or gains 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 variable-rate assets and liabilities, respectively, will increase or decrease. The effect of this variability in earnings is expected to be substantially offset by AgriBank's gains and losses on the derivative instruments that are linked to these hedged assets and liabilities. AgriBank considers

its strategic use of derivatives to be a prudent method to assist in the management of interest rate sensitivity, as it may lessen earnings exposure to undue risk posed by changes in interest rates.

By using derivative instruments, AgriBank is subject to credit and market risk. If a counterparty fails to fulfill its performance obligations under a derivative contract, AgriBank's credit risk is equal to the fair value gain of the derivative and receivable on that derivative. Generally, when the fair value of a derivative contract is positive, this indicates that the counterparty owes AgriBank, thus creating a repayment risk for AgriBank. When the fair value of the derivative contract is negative, AgriBank owes the counterparty and, therefore, assumes no repayment risk. AgriBank minimizes the credit (or repayment) risk by entering into transactions with high-quality investment grade counterparties. To minimize the risk of credit losses, AgriBank deals with counterparties that have an investment grade or better credit rating from a major rating agency, and also monitors the credit standing of and levels of exposure to individual counterparties. AgriBank does not anticipate nonperformance by any of these counterparties. AgriBank typically enters into master agreements that contain netting provisions. These provisions allow AgriBank 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. A number of swaps are supported by collateral arrangements with counterparties. At December 31, 2002, AgriBank had not posted collateral with respect to these arrangements; however, one counterparty had posted \$7.4 million of collateral with AgriBank.

AgriBank's derivative activities are monitored by its Asset/Liability Management Committee (ALCO) as part of the Committee's oversight of the asset/liability and treasury functions. ALCO is responsible for approving hedging strategies that are developed through its analysis of data derived from financial simulation models and other internal and industry sources. The resulting hedging strategies are then incorporated into AgriBank's overall interest rate risk-management strategies.

Fair-Value Hedges

AgriBank has designated various interest rate swaps as fair value hedges. AgriBank enters into interest rate swaps primarily to convert its fixed-rate long-term debt to floating-rate debt. Under an interest rate swap, AgriBank agrees to exchange with the counterparty, at specified intervals, payment streams calculated on a specified notional principal amount, with at least one stream based on a floating interest rate. AgriBank utilizes certain interest rate swaps to reduce funding costs. These swaps allow AgriBank to issue long-term debt at a fixed rate, or debt with a rate tied to a nontraditional index, and swap it into a traditional floating rate that is lower than those available to AgriBank if floating rate borrowings were issued directly. Other swaps are entered into to diversify AgriBank's funding sources or investment choices or to manage basis risk.

AgriBank's designated fair value hedges, pursuant to SFAS No. 133, all qualify for the short-cut method, thus no ineffectiveness is assumed and no income statement impact is recognized. At December 31, 2002 AgriBank had \$58.5 million of interest rate swaps designated as fair value hedges included in derivative assets on the Statement of Condition, with an offsetting \$58.5 million included in bonds and notes on the Statement of Condition under the short-cut method.

Cash Flow Hedges

AgriBank has designated certain interest rate swaps, caps, and swaptions as cash flow hedges. AgriBank purchased capped swaps, swaptions and certain caps to cap interest rates on future issuances of debt, thus hedging the risk of rising rates. All of the designated cash flow hedge transactions were entered into during 2002.

For the year ended December 31, 2002, AgriBank recognized a net loss of \$161 in earnings which represented the total ineffectiveness of all cash flow hedges, including the time value of option contracts. All components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

For cash flow hedges, gains and losses of derivative contracts that are reclassified from accumulated other comprehensive income into current-period earnings are included in the line item in which the hedged item is recorded in the same period the forecasted transaction affects earnings. As of December 31, 2002 \$3.3 million of the deferred net losses on derivative instruments accumulated in other comprehensive income are expected to be reclassified into earnings during the next twelve months. This expectation is based on amortization of the purchase price of interest rate caps utilizing the caplet approach. The maximum term over which AgriBank is hedging its exposure to the variability of future cash flows is nine years.

At December 31, 2002 AgriBank had \$2.3 million of caps and \$5.7 million of swaptions designated as cash flow hedges included in derivative assets and \$6.8 million of interest rate swaps designated as cash flow hedges included in other liabilities on the Statement of Condition. At December 31, 2002 \$23.1 million of unrealized losses on cash flow hedges were reflected as a component of accumulated other comprehensive loss on the Statement of Condition.

Derivatives Not Designated as Hedges

AgriBank has certain derivatives not designated as hedges. These include certain interest rate caps and a swaption. Interest rate caps are utilized by AgriBank to protect the net interest spread on a given loan, pools of loans or investment securities. Typically, in these cases, the maximum rate that can be charged to a borrower or earned on an investment security is contractually limited (capped). Interest rate caps are purchased to ensure that AgriBank's cost of debt has similar limitations. Caps purchased protect AgriBank's spread on these instruments. The swaption was entered into to protect against the risk of rising rates.

AgriBank had \$1.8 million included in derivative assets and \$.1 million included in other liabilities on the December 31, 2002 Statement of Condition reflecting the fair value of derivative assets and liabilities not designated as hedges. For the year ended December 31, 2002, AgriBank recognized a \$2.8 million loss in other net losses on the Statement of Income reflecting the 2002 adjustments to fair value.

NOTE 17

CONDENSED AVERAGE BALANCE SHEETS (UNAUDITED)

AgriBank's condensed balance sheets on an average daily balance basis for the years ended December 31, 2002, 2001 and 2000 follow:

As of December 31	2002	2001	2000
Net loans	\$18,200,178	\$16,436,362	\$15,062,197
Cash, federal funds, and investment securities	4,284,008	4,270,902	4,096,029
Accrued interest receivable	208,082	253,219	264,098
Other assets	109,177	80,482	62,303
Total assets	\$22,801,445	\$21,040,965	\$19,484,627
Bonds and notes	\$20,987,477	\$19,273,242	\$17,740,670
Other liabilities	226,110	242,963	255,731
Total liabilities	21,213,587	19,516,205	17,996,401
Members' equity	1,587,858	1,524,760	1,488,226
Total liabilities and members' equity	\$22,801,445	\$21,040,965	\$19,484,627

NOTE 18

QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Quarterly results of operations for AgriBank for the years ended December 31, 2002, 2001 and 2000 follow:

2002	First	Second	Third	Fourth	Total
Interest income	\$215,543	\$215,058	\$212,579	\$204,422	\$847,602
Interest expense	181,379	184,266	181,793	177,940	725,378
Net interest income	34,164	30,792	30,786	26,482	122,224
Reversal of provision for loan losses	--	(90,000)	--	--	(90,000)
Net other expenses	8,865	9,671	8,928	5,122	32,586
Net income	\$25,299	\$111,121	\$21,858	\$21,360	\$179,638
2001	First	Second	Third	Fourth	Total
Interest income	\$320,696	\$291,309	\$282,485	\$246,608	\$1,141,098
Interest expense	273,547	244,720	231,805	198,928	949,000
Net interest income	47,149	46,589	50,680	47,680	192,098
Provision for loan losses	--	--	--	--	--
Extraordinary loss	--	--	--	7,659	7,659
Net other expenses	11,696	11,066	9,114	6,807	38,683
Net income	\$35,453	\$35,523	\$41,566	\$33,214	\$145,756

2000	First	Second	Third	Fourth	Total
Interest income	\$307,096	\$311,450	\$327,233	\$343,512	\$1,289,291
Interest expense	254,948	262,893	277,351	292,535	1,087,727
Net interest income	52,148	48,557	49,882	50,977	201,564
Provision for loan losses	--	--	--	--	--
Net other expenses	17,065	15,971	19,366	14,768	67,170
Net income	\$35,083	\$32,586	\$30,516	\$36,209	\$134,394

DISCLOSURE INFORMATION

AgriBank FCB

(In whole dollars except as noted)

DESCRIPTION OF BUSINESS

General information regarding the business is incorporated herein by reference from Note 1 to the financial statements included in this annual report.

The description of significant business developments, if any, is incorporated herein by reference from "Management's Discussion and Analysis" included in this annual report.

DESCRIPTION OF PROPERTY

AgriBank's headquarters is located in St. Paul, Minnesota and is leased under a lease agreement that expires December 31, 2011. The annual base rental payments under the lease agreement are \$791,110 for 2003 to 2004, \$838,566 for 2005 to 2007, and \$862,299 for 2008 to 2011. In addition to base rent, AgriBank is responsible for its share of the operating costs of the building.

LEGAL PROCEEDINGS

Information regarding legal proceedings is incorporated herein by reference from Note 13 to the financial statements included in this annual report.

DESCRIPTION OF CAPITAL STRUCTURE

Information regarding capital structure is incorporated herein by reference from Note 8 to the financial statements included in this annual report.

DESCRIPTION OF LIABILITIES

Information regarding liabilities is incorporated herein by reference from Notes 6, 7, 13 and 16 to the financial statements included in this annual report.

SELECTED FINANCIAL DATA

"Five-Year Summary of Selected Financial Data," included in this annual report, is incorporated herein by reference.

MANAGEMENT'S DISCUSSION AND ANALYSIS

"Management's Discussion and Analysis," included in this annual report, is incorporated herein by reference.

BOARD OF DIRECTORS OF AGRIBANK, FCB

Information regarding directors who served as of December 31, 2002, including business experience for the last five years, is presented below:

Douglas Felton, Chairperson, is a self-employed grain farmer in Cannon Falls, Minnesota. His term expires in 2005. Mr. Felton is also a director of AgStar Financial Services, ACA, Mankato, Minnesota, D&T Enterprise of Minnesota, Inc., Randolph, Minnesota, which is engaged in custom harvesting, and Dakota Stanton Mutual, Cannon Falls, Minnesota, a property insurance company.

Leland A. Strom, Vice Chairperson, is a self-employed grain farmer and licensed real estate broker in Elgin, Illinois. His term expires in 2005. Mr. Strom is also a director of 1st Farm Credit Services, ACA, Normal, Illinois, serves on the Advisory Council to the Federal Reserve and he is on the board of the National Farm Credit Council, Washington, D.C.

Fred Adams is a self-employed livestock farmer in Readyville, Tennessee. His term expires in 2004. Mr. Adams is also a director of Mid-State Livestock Producers, Woodbury, Tennessee and of Rutherford County Farm Bureau, Murfreesboro, Tennessee.

Jack Anderson is owner/operator of a dairy farm in St. Johns, Michigan. His term expires in 2003. Mr. Anderson also served as a director of the Federal Farm Credit Banks Funding Corporation in Jersey City, New Jersey until December 31, 2002.

Michael Elliott is a self-employed grain and livestock farmer in Clifford, North Dakota. His term expires in 2004. Mr. Elliott is also a director of AgCountry FCS, ACA, Fargo, North Dakota and of Farmers Union Oil Company, Erie, North Dakota, a farm supply co-op which supplies oil, fertilizer and agronomy supplies.

Bill Flynn is a self-employed grain and livestock farmer in Davis, Illinois. His term expires in 2004. Mr. Flynn is also a director of 1st Farm Credit Services, ACA, Normal, Illinois and Town & County Mutual Insurance of Pecatonica, Illinois, a property and casualty insurance company.

Max Hattery is a full time grain and livestock farmer and a seed dealer in Macy, Indiana. His term expires in 2003. Mr. Hattery also serves on the board of Miami County Pork Producers, Peru, Indiana, which is an association representing pork producers in the county.

Carl Higbea is a self-employed grain and livestock farmer in Defiance, Ohio. His term expires in 2005.

Thomas Klahn is a self-employed grain farmer in Lodi, Wisconsin. His term expires in 2005. Mr. Klahn is also a director of Badgerland Farm Credit Services, ACA, Baraboo, Wisconsin.

Bill Mainer is a self-employed dairy, livestock and poultry farmer in Branch, Arkansas. His term expires in 2003. Mr. Mainer is also a director of FCS of Western Arkansas, ACA, Russellville, Arkansas.

James McElroy is a self-employed grain farmer in Waverly, Kentucky. His term expires in 2003.

Harold Newman, appointed director, is President and owner of Newman Signs, Inc., a sign company in Jamestown, North Dakota. He also is President of Newman Pecan Orchard in Roswell, New Mexico, Alchem-Ethanol, a manufacturer of ethanol fuel in Grafton, North Dakota, and Choice Properties, a real estate company in Jamestown, North Dakota. His term expired on December 31, 2002.

Dennis R. Robertson, appointed director, is the former Executive Vice President of the Arkansas Farm Bureau Federation and affiliated companies. His term expired on December 31, 2002.

Meredith G. Yarick is a self-employed grain and livestock farmer in Hume, Missouri, and an independent insurance agent. His term expires in 2004. Mr. Yarick also serves as a director with the Bates County Mutual Insurance Company, a property and casualty insurance company, in Butler, Missouri and he is on the board of the National Farm Credit Council, Washington, D.C.

Information regarding days served and compensation paid during 2002 for each director follows:

	Days Served		Comp. Paid in 2002
	Board Meetings	Other Activities	
Douglas Felton	22.5	24.5	\$27,168
Leland A. Strom	30.0	16.0	26,268
Fred Adams	28.5	15.5	26,250
Jack Anderson	29.5	13.0	24,750
Michael Elliott	29.5	11.0	25,500
Bill Flynn	25.0	19.5	26,250
Max Hattery	29.5	12.5	25,800
Carl Higbea	24.5	18.0	26,268
Thomas Klahn*	22.5	10.0	22,650
Bill Mainer	30.0	20.0	27,168
James McElroy	30.5	18.0	26,268
Harold Newman**	34.0	6.5	26,100
Melvin Ott**	5.5	10.5	4,800
Dennis R. Robertson**	23.5	11.0	23,250
Meredith G. Yarick	26.5	18.5	27,168
Total	391.5	224.5	\$365,658

The Chairman and Directors receive a retainer of \$12,000 per year and \$300 per diem for attendance of meetings or other official activities, not to exceed the annual regulatory maximum. Compensation of Directors may exceed the regulatory maximum to the extent the compensation is related to per diem for attendance at meetings regarding the merger. Directors are also reimbursed for reasonable expenses incurred.

* Elected in 2002.

** Term expired in 2002.

SENIOR OFFICERS

The senior officers of AgriBank at December 31, 2002 included:

William J. Collins, Chief Executive Officer
Ross B. Anderson, Vice President, Credit
Diane M. Cole, Vice President, Chief Financial Officer
John E. Lovstad, Vice President, Human Resources and Administrative Services
Rodney A. Nelsestuen, Vice President, Information and Business Services
John J. O'Day, Vice President, Government Affairs
Donald W. Theuninck, Vice President, Audit and Review
William J. Thone, Vice President, Secretary and General Counsel

Business experience for the past five years of each of the senior officers has been with the Seventh Farm Credit District, except for Mr. Lovstad. Mr. Lovstad was employed by AgAmerica/Western Farm Credit Banks prior to joining AgriBank.

A summary of compensation paid to senior officers follows (in thousands):

Name of Individual	Year	Salary	Bonus	Perquisites/ Deferred	Other	Total
CEO						
William J. Collins	2002	\$351	\$195	\$6	\$ --	\$552
William J. Collins	2001	331	170	5	--	506
William J. Collins	2000	316	128	4	--	448
Aggregate Number of Senior Officers (including CEO):						
8	2002	\$1,676	\$654	\$39	\$ --	\$2,369
8	2001	1,595	628	38	--	2,261
8	2000	1,450	457	33	14	1,954

Senior officer compensation disclosed above for the year 2002 includes compensation to all of the senior officers previously listed. Compensation disclosed above for the year 2001 includes compensation to all of the senior officers previously listed, excluding John E. Lovstad. AgriBank did not pay compensation to Mr. Lovstad, as his compensation was paid by AgAmerica/Western Farm Credit Banks under the human resource consolidation plan.

Senior officer incentive bonuses are paid annually based upon performance criteria established by the Board of Directors. The criteria is based on AgriBank performance and includes: employee measures of employee learning, satisfaction and retention; customer measures of customer satisfaction, retention and market share; process measures for asset/liability management, wholesale lending and business services; and financial measures of net collateral ratio, District CIPA score, wholesale adjusted return on equity, wholesale adverse credit quality ratio and chargeoffs and net return on business services. Additionally, incentives are based upon personal objectives and performance ratings. The incentive bonuses are calculated after the end of the plan year (calendar year) and are paid out in a lump sum within 90 days of year-end.

The amounts included in "Other" in the preceding table represents a relocation bonus in 2000.

FCA Regulations require the disclosure of the compensation paid during 2002 to each of the individuals included in the above table to AgriBank stockholders and stockholders of related institutions upon request.

TRAVEL, SUBSISTENCE, AND OTHER RELATED EXPENSES.

Directors and senior officers are reimbursed for all travel, subsistence and other related expenses associated with AgriBank and the Seventh District's business functions. AgriBank Directors' expenses reimbursed in 2002, 2001 and 2000 totaled \$178,836, \$172,666 and \$146,037, respectively. A copy of AgriBank's policy for reimbursing these costs is available by contacting AgriBank at the address provided in the Financial Statements section below.

TRANSACTIONS WITH SENIOR OFFICERS AND DIRECTORS

Information regarding related party transactions is incorporated herein by reference from Note 11 to the financial statements included in this annual report.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

There were no events during the past five years that are material to evaluating the ability or integrity of any person who served as a director or senior officer on January 1, 2003 or at any time during 2002.

SHAREHOLDER PRIVACY

Shareholders' nonpublic personal financial information is protected by FCA Regulation. AgriBank's directors and employees are restricted from disclosing information not normally contained in published reports or press releases about AgriBank, the Associations or their shareholders.

RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

There were no changes in independent public accountants during 2002 and AgriBank is in agreement with the current and all prior opinions expressed by the independent public accountant.

FINANCIAL STATEMENTS

The "Report of Management," "Report of Independent Accountants," "Financial Statements" and "Notes to Financial Statements," included in this annual report, are incorporated herein by reference.

Copies of AgriBank's annual report and the annual and quarterly reports of the Combined Seventh District are available free of charge upon request to AgriBank, P.O. Box 64949, St. Paul, MN 55164-0949, (651) 282-8800 or via e-mail to AGRIBANKMN@farmcredit.com. The reports are also available through AgriBank's website at www.agribank.com. The quarterly reports are available approximately 45 days following the end of each calendar quarter.

EQUAL EMPLOYMENT OPPORTUNITY

AgriBank, FCB is an equal opportunity employer. It is AgriBank's policy to provide equal employment opportunity to all persons regardless of race, national origin, religion, age, sex, disability, marital status, veteran status, public assistance status, or any other condition or status covered by law. AgriBank complies with all state and local equal employment opportunity regulations. All personnel decisions and processes relating to AgriBank employees and job applicants are conducted in an environment free of discrimination and harassment. AgriBank will act affirmatively to recruit, train, and promote qualified minority members.

FORWARD-LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements that are subject to risks and uncertainties and include information about possible or assumed future results of operations. Many possible events or factors could affect the future financial results and performance of AgriBank. This could cause results or performance to differ materially from those expressed in our forward looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Readers of the Annual Report should not rely on forward looking statements and should consider all uncertainties and risks discussed throughout this Annual Report.

Seventh District Associations

1st Farm Credit Services

2000 Jacobsen Drive
Normal, IL 61761
(309) 268-0100
www.usfarmcredit.com

AgCountry Farm Credit Services

1749 38th Street SW
Fargo, ND 58108-6020
(701) 282-9494
www.agcountry.com

AgHeritage Farm Credit Services

119 East Third Street, Suite 200
Little Rock, AR 72201
(501) 210-4000
www.agheritagefcs.com

AgStar Financial Services

1921 Premier Drive
Mankato, MN 56002-4249
(507) 387-4174
www.agstar.com

Badgerland Farm Credit Services

315 Broadway
Baraboo, WI 53913-0069
(608) 356-4903
www.badgerlandfcs.com

Delta

118 E. Speedway
Dermott, AR 71638
(870) 538-3258

Farm Credit Midsouth

3000 Prosperity Drive
Jonesboro, AR 72404
(870) 932-2288
www.farmcreditmidsouth.com

Farm Credit Services of America

5015 S. 118th Street
Omaha, NE 68137
(402) 348-3333
www.fcsamerica.com

Farm Credit Services of Grand Forks

2424 32nd Avenue S.
Grand Forks, ND 58208-3570
(701) 775-3193
www.fcsdirect.com

Farm Credit Services of Illinois

2101 West Park Court
Champaign, IL 61821
(217) 352-1378
www.usfarmcredit.com

Farm Credit Services of Mandan

1600 Old Red Trail
Mandan, ND 58554-5501
(701) 663-6487
www.farmcreditmandan.com

Farm Credit Services of Mid-America

1601 UPS Drive
Louisville, KY 40232-4390
(502) 420-3700
www.e-farmcredit.com

Farm Credit Services of Missouri

1934 E. Miller, Hwy 50 E
Jefferson City, MO 65102-3881
(573)-635-7956
www.farmcreditofmissouri.com

Farm Credit Services of North Dakota

3100 10th Street SW
Minot, ND 58702-0070
(701) 852-1265
www.farmcreditnd.com

Farm Credit Services of Northeast Wisconsin

1674 Eisenhower Road, PO Box 5130
DePere, WI 54115-5130
(920) 336-8144
www.greenstone.com

Farm Credit Services of Western Arkansas

3115 W. 2nd Court
Russellville, AR 72801
(501) 968-1434
www.myaglender.com

GreenStone Farm Credit Services

1760 Abbey Road
East Lansing, MI 48823
(517) 318-2290
www.greenstonefcs.com

Progressive Farm Credit Services

240 N. Kingshighway
Sikeston, MO 63801
(573) 471-0342
www.progressivefcs.com

United FCS

3881 Abbott Drive
Willmar, MN 56201-1560
(320) 235-1912
www.fcsfinancialservices.com – Wisconsin region
www.agexperts.com – Minnesota region



AgriBank, FCB

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