AGRIBANK DISTRICT 2019 QUARTERLY FINANCIAL INFORMATION

Unaudited

MARCH 31, 2019

AGRIBANK, FCB AND DISTRICT ASSOCIATIONS

ADVANCING TOGETHER

FUNDING AND FINANCIAL SOLUTIONS, TODAY AND TOMORROW

AgriBank

FARM CREDIT BANK

AgriBank District Financial Information
AgriBank, FCB and District Associations
unaudited

INTRODUCTION AND DISTRICT OVERVIEW

AgriBank, FCB ("AgriBank" or "the Bank") and District Associations ("Associations") are part of the customer-owned, nationwide Farm Credit System (System or Farm Credit). The System provides loans, leases and financial services to farmers, ranchers and rural businesses across the United States and Puerto Rico. This focus on rural communities and agriculture is the reason Farm Credit was established in 1916, and the System has been delivering on that mission ever since – helping fund America's food, fuel and fiber and supporting the rural communities America's farmers and ranchers call home.

The System is a cooperative structure. Farm Credit's funds are raised by the Federal Farm Credit Banks Funding Corporation (the Funding Corporation) and insured by the Farm Credit System Insurance Corporation (FCSIC or the Insurance Corporation). The Funding Corporation issues a variety of Federal Farm Credit Banks Combined Systemwide Debt Securities with broad ranges of maturities and structures on behalf of the four System Banks. Each System Bank has exposure to Systemwide credit risk because each Bank is joint and severally liable for all Systemwide debt issued. Farm Credit Associations receive funding through one of the System Banks. System entities have specific lending authorities within their chartered territories and are subject to examination and regulation by an independent federal agency, the Farm Credit Administration (FCA).

Under Farm Credit's cooperative structure, AgriBank is primarily owned by 14 local Farm Credit Associations, which provide financial products and services to rural communities and agriculture. AgriBank obtains funds and provides funding and financial solutions to those Associations. AgriBank and the 14 Associations are collectively referred to as the District. The AgriBank District covers a 15-state area stretching from Wyoming to Ohio and Minnesota to Arkansas.

The following commentary reviews the combined financial condition and results of operations of AgriBank and District Associations and provides additional specific information.

Front cover photo: Carol Rice, Executive Assistant to the CEO, AgriBank
Back cover photo: Dave Berdahl, Manager Balance Sheet Management, AgriBank

Combined Financial Highlights

AgriBank, FCB and District Associations

(dollars in thousands)

	March 31, 2019	December 31, 2018
Total loans	**$ 108,754,946**	$ 109,081,975
Allowance for loan losses	**505,873**	490,772
Net loans	**108,249,073**	108,591,203
Total assets	**128,589,357**	128,599,161
Total shareholders' equity	**23,908,847**	23,490,090

Three months ended March 31	**2019**	2018
Net interest income	**$ 791,792**	$ 752,802
Provision for credit losses	**19,997**	13,193
Net fee income	**12,193**	15,243
Net income	**521,536**	565,462
Net interest margin	**2.6%**	2.5%
Return on average assets	**1.6%**	1.9%
Return on average shareholders' equity	**8.8%**	10.1%
Operating expense as a percentage of net interest income and non-interest income	**36.0%**	33.3%
Net loan chargeoffs as a percentage of average loans	**(0.01%)**	0.01%
Average loans	**$ 108,396,868**	$ 102,533,527
Average earning assets	**125,570,244**	119,290,912
Average assets	**127,910,261**	121,359,916

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Net income decreased to $521.5 million for the three months ended March 31, 2019, compared to $565.5 million for the same period of the prior year. This decrease was primarily driven by decreased non-interest income and increased non-interest expenses. These are partially offset by an increase in net interest income. The decrease in non-interest income was mainly attributable to a lower allocated insurance reserve accounts (AIRAs) refund in March 2019 when compared to March 2018, and to a lesser extent, an increase in mark-to-market losses on economic hedges. The increase in non-interest expenses was due mainly to higher salaries and incentive compensation expenses and occupancy and equipment costs across the District. The increase in net interest income was due mainly to increased loan volume across the District.

Net Interest Income

Net interest income increased $39.0 million, or 5.2 percent, compared to the same period of the prior year, primarily due to increased loan volume. This increase was partially offset by a decline in the positive contribution from funding actions, as anticipated, due to the current interest rate environment.

Net interest margin was 2.6 percent for the three months ended March 31, 2019, compared to 2.5 percent for the same period of the prior year, as the lending environment remained competitive across the District. The benefit of equity financing substantially offset the impact of spread compression compared to the prior year. Equity financing represents the benefit of non-interest bearing funding and increased compared to the prior year due to higher equity volume and higher interest rates.

Provision for Credit Losses

The provision for credit losses was $20.0 million for the three months ended March 31, 2019. Any reserves for unfunded commitments and letters of credit are recorded in "Other liabilities" on the Combined Balance Sheets.

The year-over-year fluctuations for the District's provision for credit losses can be impacted by economic stress in individual agricultural sectors. Low net farm income and credit quality deterioration, primarily in the grain and dairy industries, have resulted in additional provision for credit losses during the three months ended March 31, 2019. Prolonged lower levels of net farm income and other economic factors could contribute to further declines in credit quality, which may increase provision for credit losses across the District.

Non-interest Income

The decrease in non-interest income was driven by the decreased AIRAs distribution received from the FCSIC during the first quarter of 2019 compared to the same period of the prior year. The AIRAs were established by the FCSIC when premiums collected increased the level of the insurance fund beyond the required secured base amount of 2 percent of insured debt.

The decrease in mineral income and losses on AgriBank's commodity options related to mineral income were primarily due to decreased oil and gas prices and decreased leasing activity. Mineral income was earned primarily from royalties received on mineral rights, predominantly in the Williston Basin in western North Dakota. The options related to the mineral income increased in value during the fourth quarter of 2018, when oil prices decreased; however, as oil prices rebounded in the first quarter of 2019, the value of the options decreased. These losses are classified as "Other income" on the Combined Statements of Income.

Non-interest Expense

Overall, non-interest expense increased slightly, primarily driven by increased salaries and benefits expense. The increase in salaries and benefits expense was primarily due to an increase in employees in the District, as well as annual merit increases.

Loan Portfolio

District Loans by Loan Type		
(in thousands)	**March 31, 2019**	December 31, 2018
Real estate mortgage	**$ 59,586,899**	$59,810,146
Production and intermediate-term	**25,599,923**	26,888,339
Agribusiness:		
Loans to cooperatives	**1,498,020**	1,227,755
Processing and marketing	**11,427,010**	10,552,428
Farm-related businesses	**1,253,533**	1,288,785
Rural infrastructure:		
Power	**1,196,668**	1,175,525
Communications	**1,815,147**	1,761,466
Water/Wastewater	**220,521**	103,438
Rural residential real estate	**2,678,908**	2,708,589
Agricultural export finance	**318,375**	320,434
Lease receivables	**205,313**	207,450
Loans to other financing institutions	**508,262**	549,113
Mission related investments	**2,446,367**	2,488,507
Total	**$ 108,754,946**	$109,081,975

District loans decreased $327.0 million, or 0.3 percent, from December 31, 2018. The decrease in total loans was primarily due to repayments on production and intermediate-term loans across the District following draws made prior to year-end for tax-planning purposes. The overall decrease in loans was partially offset by growth in the agribusiness sector primarily due to capital markets lending.

The loan portfolio exhibits some seasonality relating to the patterns of operating loans made to crop producers. Operating loans are normally at their lowest levels following the harvest and then increase in the spring and throughout the rest of the year as borrowers fund operating needs. The degree of seasonality exhibited by the loan portfolio is diminished primarily due to growth in real estate mortgage, agribusiness and part-time farmer sectors.

Loan Quality

The primary credit quality indicator utilized by the Bank and Associations is the FCA Uniform Loan Classification System, which categorizes loans into five categories. The categories are defined as follows:

- Acceptable – assets are expected to be fully collectible and represent the highest quality.
- Other assets especially mentioned (Special Mention) – assets are currently collectible but exhibit some potential weakness.
- Substandard – assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable.
- Loss – assets are considered uncollectible.

The following table shows loans and related accrued interest classified under the Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable.

District Loan Quality		
	March 31, 2019	December 31, 2018
Acceptable	**91.0%**	91.1%
Special Mention	**3.9%**	4.0%
Substandard/Doubtful	**5.1%**	4.9%
Total	**100.0%**	100.0%

The credit quality of the District loan portfolio remained sound at March 31, 2019. Substandard/Doubtful loans, collectively called adverse loans, are loans AgriBank and District Associations have identified as showing some credit weakness outside the credit standards. While acceptable loan volume remains strong, loan volume classified in categories other than acceptable have continued to increase as the District adjusts to the current environment. No loans were categorized as loss as of March 31, 2019 or December 31, 2018.

Overall, District credit quality is expected to remain at acceptable levels throughout 2019, despite recent increases in adverse credit quality. Due to continued erosion of the farm sector working capital, low net farm income levels, primarily driven by low commodity prices, and the addition of disruptive trade policy during 2018, the downturn in credit quality has worsened within many sectors of the District's retail portfolio and has impacted retail borrower working capital. Given continued projected low net farm income and the product mix within this retail portfolio, adverse credit quality and related allowance for loan losses and provision for loan losses may continue to increase.

Nonperforming Assets (in thousands)	**March 31, 2019**	December 31, 2018
Nonaccrual Loans:		
Real estate mortgage	**$ 462,730**	$ 454,787
Production and intermediate-term	**269,514**	224,889
Agribusiness	**68,901**	60,166
Rural infrastructure	**26,055**	27,120
Rural residential real estate	**27,331**	28,375
Other	**1,233**	1,321
Total nonaccrual loans	**$ 855,764**	$ 796,658
Accruing Restructured Loans:		
Real estate mortgage	**$ 58,539**	$ 59,329
Production and intermediate-term	**18,130**	17,867
Agribusiness	**2,971**	3,004
Rural residential real estate	**1,789**	1,947
Total accruing restructured loans	**$ 81,429**	$ 82,147
Accruing Loans 90 Days or More Past Due:		
Real estate mortgage	**$ 13,491**	$ 8,954
Production and intermediate-term	**23,801**	5,695
Agribusiness	**766**	--
Rural residential real estate	**712**	337
Other	**31,743**	27,257
Total accruing loans 90 days or more past due	**$ 70,513**	$ 42,243
Total nonperforming loans	**1,007,706**	921,048
Other property owned	**43,097**	47,267
Total nonperforming assets	**$ 1,050,803**	$ 968,315

Note: Accruing loans include accrued interest receivable.

The Other category is primarily composed of certain assets originated under the Mission Related Investment authority and finance leases.

Increased nonperforming assets have been driven primarily by declines in net farm income levels for certain borrowers within the District. Based on current forecasts for net farm income levels in certain agricultural production sectors, risk assets are expected to continue to rise. Nonperforming assets have primarily been concentrated in the real estate mortgage and production and intermediate-term sectors during the periods presented.

Aging Analysis of Loans

(in thousands) **As of March 31, 2019**	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total
Real estate mortgage	**$ 251,034**	**$ 147,069**	**$ 398,103**	**$ 59,867,944**	**$ 60,266,047**
Production and intermediate-term	**365,097**	**144,672**	**509,769**	**25,493,872**	**26,003,641**
Agribusiness	**6,774**	**6,691**	**13,465**	**14,235,529**	**14,248,994**
Rural infrastructure	**--**	**--**	**--**	**3,241,978**	**3,241,978**
Rural residential real estate	**16,305**	**8,491**	**24,796**	**2,667,788**	**2,692,584**
Other	**98,196**	**32,765**	**130,961**	**3,366,300**	**3,497,261**
Total	**$ 737,406**	**$ 339,688**	**$ 1,077,094**	**$ 108,873,411**	**$ 109,950,505**

As of December 31, 2018	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total
Real estate mortgage	$ 162,493	$ 116,328	$ 278,821	$ 60,293,800	$ 60,572,621
Production and intermediate-term	211,265	109,034	320,299	27,020,582	27,340,881
Agribusiness	6,230	3,808	10,038	13,119,852	13,129,890
Rural infrastructure	--	--	--	3,046,431	3,046,431
Rural residential real estate	17,977	7,626	25,603	2,697,941	2,723,544
Other	53,471	28,162	81,633	3,502,208	3,583,841
Total	$ 451,436	$ 264,958	$ 716,394	$ 109,680,814	$ 110,397,208

Note: Accruing loans include accrued interest receivable.

The Other category is composed of certain assets originated under the Mission Related Investment authority, loans to other financing institutions, agricultural export finance and finance leases.

Past due loans have increased and are reflective of the overall credit quality in the portfolio. Additionally, delinquencies tend to exhibit some seasonality as many loans within the portfolio mature or have annual payments due during the first quarter of the year.

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

(in thousands)	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Rural Infrastructure	Rural Residential Real Estate	Other	Total
Allowance for loan losses:							
As of December 31, 2018:	**$ 226,295**	**$ 161,872**	**$ 72,745**	**$ 16,728**	**$ 7,767**	**$ 5,365**	**$ 490,772**
(Reversal of) provision for credit losses	**(987)**	**19,074**	**1,368**	**2,684**	**(5)**	**(2,137)**	**19,997**
Loan recoveries	**527**	**1,023**	**694**	**--**	**67**	**--**	**2,311**
Loan charge-offs	**(492)**	**(4,918)**	**(36)**	**--**	**(188)**	**--**	**(5,634)**
Reclassification from (to) reserve for unfunded commitments*	**--**	**(1,573)**	**--**	**--**	**--**	**--**	**(1,573)**
Balance as of March 31, 2019	**$ 225,343**	**$ 175,478**	**$ 74,771**	**$ 19,412**	**$ 7,641**	**$ 3,228**	**$ 505,873**
As of March 31, 2019:							
Ending balance: individually evaluated for impairment	**19,962**	**35,625**	**25,164**	**7,619**	**447**	**127**	**88,944**
Ending balance: collectively evaluated for impairment	**205,381**	**139,853**	**49,607**	**11,793**	**7,194**	**3,101**	**416,929**
Recorded investment in loans outstanding:							
Ending balance as of March 31, 2019:	**$ 60,266,047**	**$ 26,003,641**	**$ 14,248,994**	**$ 3,241,978**	**$ 2,692,584**	**$ 3,497,261**	**$ 109,950,505**
Ending balance: individually evaluated for impairment	**534,760**	**311,445**	**72,638**	**26,055**	**29,832**	**32,976**	**1,007,706**
Ending balance: collectively evaluated for impairment	**59,731,287**	**25,692,196**	**14,176,356**	**3,215,923**	**2,662,752**	**3,464,285**	**108,942,799**

(in thousands)	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Rural Infrastructure	Rural Residential Real Estate	Other	Total
Allowance for loan losses:							
As of December 31, 2017:	$ 193,669	$ 159,264	$ 54,817	$ 14,030	$ 8,965	$ 5,314	$ 436,059
(Reversal of) provision for credit losses	(6,842)	13,741	6,197	1,111	(1,382)	368	13,193
Loan recoveries	739	2,088	43	--	115	--	2,985
Loan charge-offs	(938)	(5,035)	(73)	--	(281)	--	(6,327)
Reclassification from (to) reserve for unfunded commitments*	--	(2,131)	--	--	--	--	(2,131)
Balance as of March 31, 2018	$ 186,628	$ 167,927	$ 60,984	$ 15,141	$ 7,417	$ 5,682	$ 443,779
As of December 31, 2018:							
Ending balance: individually evaluated for impairment	20,866	30,214	25,351	7,619	520	127	84,697
Ending balance: collectively evaluated for impairment	205,428	131,658	47,394	9,109	7,247	5,239	406,075
Recorded investment in loans outstanding:							
Ending balance as of December 31, 2018:	$ 60,572,621	$ 27,340,881	$ 13,129,890	$ 3,046,431	$ 2,723,543	$ 3,583,842	$ 110,397,208
Ending balance: individually evaluated for impairment	523,070	248,451	63,170	27,120	30,659	13,932	906,402
Ending balance: collectively evaluated for impairment	60,049,551	27,092,430	13,066,720	3,019,311	2,692,884	3,569,910	109,490,806

* Represents reclassifications between the allowance for loan losses and the reserve for unfunded commitments as a result of advances on or repayments of seasonal lines of credit or other loans.

Investments

To maintain alignment with new FCA regulations effective January 1, 2019, certain financial instruments held by one District Association were reclassified from "Investment securities" to "Loans" in the Combined Statements of Condition. This reclassification was applied to December 31, 2018 balances to conform to this revised presentation resulting in investments decreasing by $1.4 billion and loans increasing by the same amount.

AgriBank is responsible for meeting the District's funding, liquidity and asset/liability management needs. While access to the unsecured debt capital markets remains the District's primary source of liquidity, the Bank also maintains a secondary source of liquidity through a high-quality investment portfolio and other short-term liquid assets. The Bank typically holds these investments on an available-for-sale basis. Refer to the AgriBank 2018 Annual Report for additional information about the Bank's investment portfolio. District Associations have regulatory authority to enter into certain guaranteed investments, typically mortgage-backed or asset-backed securities, and are typically held to maturity. Refer to individual District Associations' 2018 annual reports for specific information about the investments at the District Associations.

Investment Information

(in thousands) **As of March 31, 2019**	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
AgriBank investments	**$ 14,558,032**	**$ 18,674**	**$ 61,418**	**$ 14,515,288**
District Association investments	**1,649,011**	**15,517**	**14,077**	**1,650,451**
Total District investments	**16,207,043**	**34,191**	**75,495**	**16,165,739**
(in thousands) As of December 31, 2018	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
AgriBank investments	$ 14,080,602	$ 9,739	$ 92,599	$ 13,997,742
District Association investments	1,096,230	6,748	17,550	1,085,428
Total District investments	15,176,832	16,487	110,149	15,083,170

District Capital

AgriBank and District Associations believe a sound capital position is critical to long-term financial stability. AgriBank and District Associations maintain adequate capital to protect against unanticipated losses as well as to meet the District's growth needs. Total shareholders' equity increased $418.8 million, primarily resulting from net income for the three months ended March 31, 2019, partially offset by patronage distributions declared.

Accumulated Other Comprehensive Loss

(in thousands)	**March 31, 2019**	December 31, 2018
Unrealized loss on investment securities	**$ (42,744)**	$ (82,857)
Derivatives and hedging activity	**(8,132)**	34,005
Employee benefit plans activity	**(465,217)**	(473,623)
Total accumulated other comprehensive loss	**$ (516,093)**	$ (522,475)

The improvement in accumulated other comprehensive loss (AOCL) in 2019 primarily relates to decreased unrealized losses on investment securities. Investment securities held by AgriBank and District Associations are primarily debt securities that increase in value as interest rates fall. Due to decreasing interest rates during the first quarter of 2019, the fair value of certain investment securities increased correspondingly. Additionally, the decrease in AOCL was significantly offset by increased unrealized losses on pay fixed derivative instruments that decrease in value when interest rates fall.

The Farm Credit Administration sets minimum regulatory capital requirements for Banks and Associations.

Regulatory Capital Requirements and Ratios

As of March 31, 2019	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer*	Bank	District Associations
Risk adjusted:					
Common equity tier 1 capital ratio (CET1)	Unallocated retained earnings (URE), common cooperative equities (qualifying capital stock and allocated equity)(1)	4.5%	7.0%	**17.2%**	**14.5% - 23.8%**
Tier 1 capital ratio	CET1 capital, non-cumulative perpetual preferred stock	6.0%	8.5%	**18.0%**	**15.0% - 23.8%**
Total capital ratio	Tier 1 capital, allowance for loan losses(2), common cooperative equities(3) and term preferred stock and subordinated debt(4)	8.0%	10.5%	**18.1%**	**15.5% - 24.1%**
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.0%	7.0%	**18.0%**	**15.5% - 24.2%**
Non-risk adjusted:					
Tier 1 leverage ratio	Tier 1 capital	4.0%	5.0%	**5.5%**	**15.0% - 23.2%**
UREE leverage ratio	URE and URE Equivalents	1.5%	1.5%	**2.9%**	**14.3% - 23.4%**

* The 2.5% capital conservation buffer over risk-adjusted ratio minimums is being phased in over three years under the FCA capital requirements. The phase in period ends on December 31, 2019.

(1) Equities outstanding 7 or more years

(2) Capped at 1.25% of risk-adjusted assets

(3) Outstanding 5 or more years, but less than 7 years

(4) Outstanding 5 or more years

Other Matters

During 2016, District Associations and AgriBank conducted research related to repositioning many business services offered by AgriBank into a separate entity jointly owned by AgriBank and participating Associations. The long-term strategic objective of this initiative is to increase scale, improve operating efficiency, and enhance technology and business services. The proposed service entity will be named SunStream Business Services (SunStream). An application to form the service entity was submitted to the FCA for approval in May 2017, and the FCA continues its due diligence on this request.

Select Information on AgriBank District Associations

(in thousands) As of March 31, 2019	Wholesale Loan Amount	% of Wholesale Portfolio	Total Assets	Total Allowance and Capital	Total Regulatory Capital Ratio	Nonperforming[(1)] as a % of Total Loans	Return on Assets
Farm Credit Services of America	$23,904,766	28.3%	$29,880,865	$5,807,364	16.5%	0.9%	2.0%
Farm Credit Mid-America	18,634,177	22.1%	23,708,312	4,872,216	21.1%	1.4%	1.6%
Compeer Financial[(2)]	16,980,548	20.1%	20,977,660	3,740,746	15.5%	0.9%	2.0%
GreenStone Farm Credit Services	7,157,159	8.5%	8,972,585	1,784,723	17.2%	1.1%	2.0%
AgCountry Farm Credit Services[(2)]	5,800,251	6.9%	7,604,958	1,742,628	19.3%	0.5%	1.6%
FCS Financial	3,337,305	4.0%	4,265,006	887,360	18.4%	0.2%	1.6%
Farm Credit Illinois	3,262,437	3.9%	4,302,132	996,205	19.5%	0.2%	1.6%
Farm Credit Services of Western Arkansas	1,093,300	1.3%	1,412,312	293,722	20.0%	0.9%	1.6%
AgHeritage Farm Credit Services	1,085,736	1.3%	1,404,441	310,363	19.2%	1.0%	2.0%
Farm Credit Services of North Dakota	946,687	1.1%	1,257,540	304,047	19.8%	0.7%	1.6%
Farm Credit Services of Mandan	937,359	1.1%	1,209,483	263,120	17.4%	0.3%	2.0%
Farm Credit Midsouth	650,589	0.8%	882,375	225,560	21.3%	1.5%	1.6%
Farm Credit Southeast Missouri	514,450	0.6%	674,599	154,342	21.1%	0.4%	2.0%
Delta Agricultural Credit Association	37,953	0.0%	48,677	9,767	24.1%	0.8%	0.8%
Total	$84,342,717	100.0%	$106,600,945	$21,392,163			

[(1)] Nonperforming loans are comprised of nonaccrual loans, accruing restructured loans and accruing loans 90 days or more past due.

[(2)] Loan amounts do not include fair value adjustments due to merger.

Combined Balance Sheets

AgriBank, FCB and District Associations

(unaudited)
(in thousands)

	March 31, 2019	December 31, 2018
Assets		
Cash	**$ 338,652**	$ 670,856
Federal funds and securities purchased under resale agreements	**1,359,700**	1,698,100
Investments	**16,164,299**	15,093,972
Loans	**108,754,946**	109,081,975
Allowance for loan losses	**505,873**	490,772
Net loans	**108,249,073**	108,591,203
Accrued interest receivable	**1,233,173**	1,357,081
Premises and equipment, net	**599,488**	577,523
Other assets	**644,972**	610,426
Total assets	**$ 128,589,357**	$ 128,599,161
Liabilities		
Bonds and notes	**$ 102,039,902**	$ 102,181,163
Member investment bonds	**1,092,473**	942,181
Accrued interest payable	**452,995**	405,784
Patronage distribution payable	**227,203**	732,471
Other liabilities	**867,937**	847,472
Total liabilities	**104,680,510**	105,109,071
Shareholders' equity		
Preferred stock	**350,000**	350,000
Capital stock and participation certificates	**312,116**	311,527
Additional paid-in capital	**2,084,988**	2,084,988
Allocated retained earnings	**426,919**	426,967
Unallocated retained earnings	**21,183,755**	20,771,011
Accumulated other comprehensive loss	**(516,093)**	(522,475)
Noncontrolling interest	**67,162**	68,072
Total shareholders' equity	**23,908,847**	23,490,090
Total liabilities and shareholders' equity	**$ 128,589,357**	$ 128,599,161

Combined Statements of Income

AgriBank, FCB and District Associations

(unaudited)
(in thousands)

	Three months	
For the periods ended March 31,	**2019**	2018
Interest Income		
Loans	**$ 1,300,197**	$ 1,119,501
Investment securities	**112,895**	83,626
Total interest income	**1,413,092**	1,203,127
Interest Expense	**621,300**	450,325
Net interest income	**791,792**	752,802
Provision for credit losses	**19,997**	13,193
Net interest income after provision for credit losses	**771,795**	739,609
Non-interest income		
Net fee income	**12,193**	15,243
Financially related services income	**25,559**	24,848
Net gains on sales of investments and other assets	**71**	306
Mineral income	**11,797**	14,613
Allocated Insurance Reserve Accounts	**25,526**	65,941
Other (loss) income	**(6,892)**	11,161
Total non-interest income	**68,254**	132,112
Non-interest expense		
Salaries and employee benefits	**191,740**	179,691
Occupancy and equipment	**29,571**	24,937
Purchased services	**17,385**	16,009
Farm Credit System Insurance Corporation expense	**20,904**	19,915
Other expense	**51,539**	55,992
Total non-interest expense	**311,139**	296,544
Income before income taxes	**528,910**	575,177
Provision for income taxes	**7,374**	9,715
Net income	**$ 521,536**	$ 565,462

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