AGRIBANK DISTRICT 2022 FINANCIAL INFORMATION

Unaudited

JUNE 30, 2022

AGRIBANK, FCB AND DISTRICT ASSOCIATIONS

THRIVING

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 Farm Credit System (System or Farm Credit), a federally chartered network of borrower-owned lending institutions composed of cooperatives and related service organizations. 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.

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).

AgriBank is primarily owned by 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 those 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.

Combined Financial Highlights

AgriBank, FCB and District Associations

(dollars in thousands)

	June 30, 2022	December 31, 2021
Total loans	**$143,552,073**	$140,458,534
Allowance for loan losses	**317,105**	372,359
Net loans	**143,234,968**	140,086,175
Total assets	**169,024,390**	164,442,280
Total shareholders' equity	**27,719,773**	27,327,290
For the six months ended June 30,	**2022**	2021
Net interest income	**$1,911,707**	$1,757,660
Reversal of credit losses	**(62,003)**	(46,882)
Net fee income	**47,709**	66,810
Net income	**1,254,956**	1,221,123
Net interest margin	**2.4 %**	2.4 %
Return on average assets	**1.5 %**	1.6 %
Return on average shareholders' equity	**9.2 %**	9.3 %
Operating and other expenses as a percentage of net interest income and non-interest income	**40.8 %**	37.8 %
Net loan recoveries (chargeoffs) as a percentage of average loans	**0.01 %**	0.00 %
Average loans	**$141,816,079**	$128,990,908
Average earning assets	**163,442,941**	150,017,138
Average assets	**166,205,174**	152,488,395

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Net income was $1.3 billion for the six months ended June 30, 2022, an increase of $33.8 million, or 2.8 percent, compared to the same period of the prior year. Net interest income increased due to continued growth in loan volume across the District, primarily processing and marketing loans. Agricultural producers continue to perform well resulting in reversals of provision for credit losses in the current year, which contributed to the increased income compared to the same period last year. Non-interest income decreased when compared to the same period of the prior year primarily as a result of diminished fee income and losses on Rural Business Investment Company (RBIC) equity investments. Additionally, there was an increase in non-interest expense mainly due to higher FCSIC insurance premiums and salaries expense.

Net Interest Income
Net interest income increased $154.0 million, or 8.8 percent, compared to the same period of the prior year, due to increased loan volume across the District. Overall, interest rate spreads have decreased slightly compared to the same period of the prior year. The rising rate environment has increased investment spreads. Investment spreads have increased across multiple asset classes coinciding with the bond market selloff and market turmoil caused by rising inflation concerns and deteriorating economic conditions. Market opportunities and increased holdings in money market securities with favorable spreads have led to a year-over-year improvement in investment spread income.

Net interest margin was 2.4 percent for the six months ended June 30, 2022, steady compared to the same period of the prior year. With interest rates rising rapidly through 2022, opportunities to refinance debt in a more efficient manner than the loan portfolio have diminished. However, the favorable impact of rising interest rates on equity financing was sufficient to fully offset the lack of opportunity to execute efficient debt refinancing.

Reversal of Credit Losses
A reversal of credit losses of $62.0 million was recognized during the six months ended June 30, 2022. Any reserves for unfunded commitments and letters of credit are recorded in "Other liabilities" on the Combined Balance Sheets.

At the agricultural producer level, strong net farm income and positive working capital positions continue to support strong District credit quality. Favorable commodity prices continued into 2022, having a generally positive impact on the crop, dairy and some livestock sectors, primarily hogs and poultry. The allowance analyses performed at District Associations generally reflect the improved positions for large portions of the respective portfolios. The year-over-year fluctuations for the District's provision for credit losses will be impacted by each institution's relative exposure to agricultural sectors and the economic conditions in individual agricultural sectors.

The performance of the broader economy, shifting global trade patterns, political instability abroad, and disruptive weather both domestically and internationally could create volatility in the agriculture sector. Each of these factors could translate into changes in credit quality, which may impact provision for credit losses across the District.

Non-interest Income
Non-interest income decreased due to the rising interest rate environment, which has slowed prepayment and refinancing activity, resulting in lower fee income compared to the prior year. Also contributing to the decrease were net losses on RBIC investments compared to net gains in the prior year. Offsetting some of the decreases were increases in mineral income boosted by higher oil prices.

Non-interest Expense
Non-interest expense increased compared to the same period of the prior year. In June 2022, the Farm Credit System Insurance Corporation announced an increase in premium rates for all Farm Credit institutions from 16 basis points to 20 basis points, effective retroactively to January 1, 2022. This increase had an impact of $23.7 million additional expense during the second quarter of 2022. Additionally, the growth in salaries expense has been due to an increased headcount across District Associations and annual merit increases that went into effect during the first quarter of 2022. To a lesser extent, a decrease in deferrals of loan origination costs contributed to the increase in salaries expense.

Loan Portfolio

District Loans by Loan Type		
(in thousands)	**June 30, 2022**	December 31, 2021
Real estate mortgage	**$79,898,332**	$78,221,408
Production and intermediate-term	**28,648,340**	31,324,281
Agribusiness:		
Loans to cooperatives	**2,050,597**	1,511,502
Processing and marketing	**18,599,292**	16,333,188
Farm-related businesses	**2,191,121**	1,719,434
Rural infrastructure:		
Power	**2,246,870**	1,879,594
Communications	**3,128,166**	2,757,668
Water/Wastewater	**415,737**	342,509
Rural residential real estate	**2,634,345**	2,691,710
Agricultural export finance	**345,746**	345,763
Lease receivables	**268,328**	234,992
Loans to other financing institutions	**759,718**	703,471
Mission related investments	**2,365,481**	2,393,014
Total	**$143,552,073**	$140,458,534

District loans increased $3.1 billion, or 2.2 percent, from December 31, 2021. The increase in total loans was primarily due to increased agribusiness volume. Strong demand from increased grain prices and margin calls as well as other increased input costs caused higher draws on operating lines for processing and marketing customers in the first quarter. Subsequently, and partially offsetting the year-to-date growth, repayments by these customers were made in the normal seasonal course of selling inventories. These repayments were larger and came later than normal following the spring commodity price run-ups.

Growth in the real estate mortgage sector was due to continued demand for lower fixed rates in the first quarter as long-term rates have risen sharply. The quickly rising interest rate environment has started to slow growth in the second quarter.

The increases in total loans was somewhat offset by decreases in the production and intermediate-term sector. The loan portfolios exhibit 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. A second seasonality impact generally raises balances at the end of December as producers purchase inputs for the upcoming crop year, followed by sharp repayments in January. Higher grain prices have also increased the repayments of many operating loans from the extra cash flow across District Associations.

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

	June 30, 2022	December 31, 2021
Acceptable	**96.3 %**	95.0 %
Special Mention	**1.9 %**	2.7 %
Substandard/Doubtful	**1.8 %**	2.3 %
Total	**100.0 %**	100.0 %

Overall credit quality is strong as favorable net farm income and farm sector working capital persisted through the six months ended June 30, 2022, driven by commodity prices in certain sectors. The District has also maintained disciplined origination standards supporting high quality loans. Substandard/Doubtful loans, collectively called adverse loans, are loans AgriBank and District Associations have identified as showing some credit weakness according to established credit standards. No loans were categorized as loss as of June 30, 2022 or December 31, 2021.

Nonperforming Assets		
(in thousands)	**June 30, 2022**	December 31, 2021
Nonaccrual Loans:		
Real estate mortgage	**$259,113**	$315,136
Production and intermediate-term	**122,923**	131,580
Agribusiness	**28,791**	35,037
Rural infrastructure	**5,155**	5,681
Rural residential real estate	**11,378**	13,954
Other	**1,252**	1,544
Total nonaccrual loans	**$428,612**	$502,932
Accruing Restructured Loans:		
Real estate mortgage	**$49,747**	$48,808
Production and intermediate-term	**14,618**	14,294
Agribusiness	**10,069**	1,713
Rural residential real estate	**1,765**	1,897
Total accruing restructured loans	**$76,199**	$66,712
Accruing Loans 90 Days or More Past Due:		
Real estate mortgage	**$3,500**	$1,648
Production and intermediate-term	**15,934**	2,531
Rural residential real estate	**979**	—
Other	**200,542**	83,909
Total accruing loans 90 days or more past due	**$220,955**	$88,088
Total nonperforming loans	**$725,766**	$657,732
Other property owned	**3,873**	22,769
Total nonperforming assets	**$729,639**	$680,501

Note: Accruing loans include accrued interest receivable.

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

Overall, nonperforming assets have increased primarily due to the increase in accruing loans 90 days or more past due with an offset due to the decrease in total nonaccrual loans.

Accruing loans 90 days or more past due increased primarily due to one large loan included in the Other category. This loan is held by two District Associations, and it became more than 90 days past due in the second quarter. All of the loans within the Other category and are accruing loans 90 days or more past due are 100% secured by Federal Government guarantees. While past-due volume is expected to be periodically elevated over the next several months, there are minimal expected losses because of the guarantees.

Nonaccrual loans decreased during the six months ended June 30, 2022 due to repayment of large nonaccrual loans at one Association and the payoff of a large loan at another. In addition, the restoration of a number of smaller loans to accrual status contributed to the decrease. In general, loan performance has been positively impacted by working capital and commodity prices.

Aging Analysis of Loans

(in thousands) **As of June 30, 2022**	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	**$104,729**	**$51,501**	**$156,230**	**$80,520,453**	**$80,676,683**
Production and intermediate-term	**91,123**	**48,648**	**139,771**	**28,806,572**	**28,946,343**
Agribusiness	**1,341**	**2,117**	**3,458**	**22,925,177**	**22,928,635**
Rural infrastructure	**—**	**—**	**—**	**5,800,026**	**5,800,026**
Rural residential real estate	**10,230**	**3,053**	**13,283**	**2,630,646**	**2,643,929**
Other	**133,951**	**201,574**	**335,525**	**3,430,295**	**3,765,820**
Total	**$341,374**	**$306,893**	**$648,267**	**$144,113,169**	**$144,761,436**

As of December 31, 2021	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	$131,944	$56,108	$188,052	$78,818,252	$79,006,304
Production and intermediate-term	82,740	42,576	125,316	31,527,220	31,652,536
Agribusiness	4,282	2,105	6,387	19,623,111	19,629,498
Rural infrastructure	—	—	—	4,987,654	4,987,654
Rural residential real estate	10,277	3,159	13,436	2,688,549	2,701,985
Other	178,405	85,305	263,710	3,439,870	3,703,580
Total	$407,648	$189,253	$596,901	$141,084,656	$141,681,557

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.

Overall, delinquencies at June 30, 2022 increased slightly during the six months ended June 30, 2022 compared to the year ended 2021.

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, 2021	**$140,904**	**$123,613**	**$90,460**	**$9,551**	**$4,194**	**$3,637**	**$372,359**
(Reversal of) provision for credit losses	**(29,390)**	**(38,027)**	**6,040**	**671**	**(594)**	**(703)**	**(62,003)**
Loan recoveries	**612**	**11,735**	**107**	**188**	**108**	**—**	**12,750**
Loan charge-offs	**(1,434)**	**(2,941)**	**(2)**	**—**	**(141)**	**—**	**(4,518)**
Adjustment due to merger	**(285)**	**(1,821)**	**(1,369)**	**(444)**	**—**	**(3)**	**(3,922)**
Reclassification from (to) reserve for unfunded commitments*	**—**	**2,439**	**—**	**—**	**—**	**—**	**2,439**
Balance as of June 30, 2022	**$110,407**	**$94,998**	**$95,236**	**$9,966**	**$3,567**	**$2,931**	**$317,105**
As of June 30, 2022							
Ending balance: individually evaluated for impairment	**12,452**	**14,431**	**6,367**	**1,225**	**203**	**580**	**35,258**
Ending balance: collectively evaluated for impairment	**97,955**	**80,567**	**88,869**	**8,741**	**3,364**	**2,351**	**281,847**
Recorded investment in loans outstanding:							
Ending balance as of June 30, 2022	**$80,676,683**	**$28,946,343**	**$22,928,635**	**$5,800,026**	**$2,643,929**	**$3,765,820**	**$144,761,436**
Ending balance: individually evaluated for impairment	**312,360**	**153,475**	**38,860**	**5,155**	**14,122**	**201,794**	**725,766**
Ending balance: collectively evaluated for impairment	**80,364,323**	**28,792,868**	**22,889,775**	**5,794,871**	**2,629,807**	**3,564,026**	**144,035,670**

(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, 2020	$251,097	$169,467	$71,726	$9,188	$5,953	$3,708	$511,139
(Reversal of) provision for credit losses	(36,361)	(27,894)	16,237	1,369	(556)	323	(46,882)
Loan recoveries	783	5,182	2,423	—	236	—	8,624
Loan charge-offs	(2,186)	(8,653)	(7)	—	(264)	—	(11,110)
Reclassification from (to) reserve for unfunded commitments*	—	1,509	—	—	—	—	1,509
Balance at June 30, 2021	$213,333	$139,611	$90,379	$10,557	$5,369	$4,031	$463,280
As of December 31, 2021							
Ending balance: individually evaluated for impairment	18,614	18,159	14,521	1,225	193	663	53,375
Ending balance: collectively evaluated for impairment	122,290	105,454	75,939	8,326	4,001	2,974	318,984
Recorded investment in loans outstanding:							
Ending balance as of December 31, 2021	$79,006,304	$31,652,536	$19,629,498	$4,987,654	$2,701,985	$3,703,580	$141,681,557
Ending balance: individually evaluated for impairment	365,592	148,405	36,750	5,681	15,851	85,453	657,732
Ending balance: collectively evaluated for impairment	78,640,712	31,504,131	19,592,748	4,981,973	2,686,134	3,618,127	141,023,825

*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

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 high-quality investments and other short-term liquid assets on an available-for-sale basis. Refer to the AgriBank 2021 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 primarily held to maturity. Refer to individual District Associations' 2021 annual reports for specific information about the investments at the District Associations. Investment securities held by AgriBank and District Associations are primarily debt securities that decrease in value as interest rates rise. During the first half of 2022, unrealized gains decreased and unrealized losses increased in the investment portfolios as a result of the rise in interest rates.

AgriBank sold certain investments during the six months ended June 30, 2022. Refer to the AgriBank Quarterly Report for additional information.

Investment Information

(in thousands) **As of June 30, 2022**	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
AgriBank investments	**$20,310,857**	**$564**	**$705,722**	**$19,605,699**
District Association investments	**2,148,635**	**1,426**	**158,535**	**1,991,526**
Total District investments	**$22,459,492**	**$1,990**	**$864,257**	**$21,597,225**
(in thousands) As of December 31, 2021	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
AgriBank investments	$18,470,968	$28,438	$106,778	$18,392,628
District Association investments	2,021,166	30,394	20,513	2,031,047
Total District investments	$20,492,134	$58,832	$127,291	$20,423,675

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 growth needs. Total shareholders' equity increased $392.5 million, primarily resulting from net income for the six months ended June 30, 2022, partially offset by patronage accruals.

Accumulated Other Comprehensive Loss

(in thousands)	**June 30, 2022**	December 31, 2021
Investment securities activity	**$(705,156)**	$(78,338)
Derivatives and hedging activity	**(39,323)**	(130,663)
Employee benefit plans activity	**(410,146)**	(433,328)
Total accumulated other comprehensive loss	**$(1,154,625)**	$(642,329)

The increase in accumulated other comprehensive loss as of June 30, 2022 compared to the year ended December 31, 2021 relates to the increasing unrealized losses on available-for-sale investment securities affected by rising interest rates during the first half of 2022. This was slightly offset by derivative and hedging activity. Rising interest rates in the first half of 2022 positively impacted AgriBank's pay-fixed swap portfolio designated as cash flow hedges.

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

Regulatory Capital Requirements and Ratios

As of June 30, 2022	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer	Bank	District Associations[5]	
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 %	**16.8 %**	**13.3 % -**	**18.9 %**
Tier 1 capital ratio	CET1 capital, non-cumulative perpetual preferred stock	6.0 %	8.5 %	**17.4 %**	**14.0 % -**	**18.9 %**
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 %	**17.5 %**	**15.0 % -**	**19.0 %**
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.0 %	7.0 %	**17.4 %**	**14.9 % -**	**18.9 %**
Non-risk adjusted:						
Tier 1 leverage ratio	Tier 1 capital	4.0 %	5.0 %	**5.1 %**	**14.1 % -**	**20.5 %**
UREE leverage ratio	URE and URE Equivalents	1.5 %	1.5 %	**2.2 %**	**12.4 % -**	**20.3 %**

[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
[5] Due to the pending liquidation status and minimal assets remaining at Delta, ACA, capital ratios for the entity have been excluded for this table

Effective January 1, 2022, the FCA regulations slightly modified the calculation of the unallocated retained earnings and equivalents leverage ratio to include certain additional deductions. The modification did not have a material impact on the calculation for any District entity.

Other Matters

AgriBank's approval is required for significant structure changes at District Associations including, but not limited to: merger, acquisition, liquidation, or reaffiliation to another Farm Credit District.

On June 24, 2022, the boards of directors of Farm Credit Midsouth, ACA and Farm Credit Mid-America, ACA executed a letter of intent to merge the two associations. The merged association would be named Farm Credit Mid-America, ACA and headquartered in Louisville, Kentucky. Both associations are undertaking due diligence to assess merger benefits. If the outcome of due diligence is satisfactory and related approvals are received from both boards, AgriBank and the Farm Credit Administration (FCA), customer-owners would vote on the merger in early 2023. If approved, the target effective date for the merger is April 1, 2023.

Effective January 1, 2022, two District Associations, AgCountry Farm Credit Services, ACA and Farm Credit Services of North Dakota, ACA merged and are doing business as AgCountry Farm Credit Services, ACA with headquarters in Fargo, N.D.

In 2021, Delta, ACA's (Delta's) board of directors determined that it was in the best interests of Delta to voluntarily dissolve and approved a preliminary resolution to proceed with a plan to voluntarily liquidate and dissolve the Association (the Plan). On March 17, 2022, the FCA preliminarily approved the Plan. On April 14, 2022, Delta's stockholders approved the Plan, which includes an agreement to sell the loan portfolio to another District Association. Subsequently, on April 19, 2022, the FCA provided final approval of the Plan. The sale of Delta's entire loan portfolio to AgHeritage Farm Credit Services, ACA occurred on May 1, 2022. All employees were terminated effective May 31, 2022. The assets are under the control of a liquidation agent, and the ultimate timing of the final liquidation is uncertain and subject to multiple considerations.

Select Information on AgriBank District Associations

(in thousands)

As of June 30, 2022	Wholesale Loan Amount	% of Wholesale Portfolio	Total Assets	Total Allowance and Capital	Total [3] Regulatory Capital Ratio	Nonperforming [1] as a % of Total Loans	Return on Assets
Farm Credit Services of America	$30,290,707	27.4%	$37,569,774	$7,053,011	15.3%	0.5%	1.8%
Farm Credit Mid-America	24,241,870	22.0%	30,025,105	5,548,196	17.0%	1.1%	1.5%
Compeer Financial	21,986,893	20.0%	27,342,688	4,626,850	15.0%	0.5%	1.8%
GreenStone Farm Credit Services	9,861,325	9.0%	12,204,718	2,228,460	15.7%	0.2%	2.5%
AgCountry Farm Credit Services[2]	9,019,867	8.2%	11,555,411	2,436,531	17.0%	0.1%	1.5%
FCS Financial	4,744,299	4.3%	5,880,117	1,091,138	15.6%	0.3%	1.8%
Farm Credit Illinois	3,932,783	3.6%	5,122,694	1,155,904	18.4%	0.0%	1.6%
AgHeritage Farm Credit Services	1,750,009	1.6%	2,174,355	414,657	16.5%	0.1%	2.0%
Farm Credit Services of Western Arkansas	1,418,781	1.3%	1,795,914	356,800	18.2%	0.4%	1.7%
Farm Credit Services of Mandan	1,151,735	1.0%	1,495,540	332,330	17.9%	0.3%	1.8%
Farm Credit Midsouth	956,349	0.9%	1,229,699	263,421	18.8%	0.0%	1.3%
Farm Credit Southeast Missouri	716,552	0.7%	914,996	191,183	19.0%	0.1%	2.0%
Delta Agricultural Credit Association	—	—%	7,110	7,107	NM	—%	NM
Total	$110,071,170	100.0%	$137,318,121	$25,705,588			

[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.

[3] Not meaningful; due to the pending liquidation status and minimal assets remaining at Delta, ACA, certain ratios for the entity have been excluded for this table.

Combined Balance Sheets

AgriBank, FCB and District Associations

(unaudited)

(in thousands)

	June 30, 2022	December 31, 2021
Assets		
Cash	**$549,497**	$1,376,581
Federal funds and securities purchased under resale agreements	**921,700**	—
Investments	**21,754,334**	20,413,794
Loans	**143,552,073**	140,458,534
Allowance for loan losses	**317,105**	372,359
Net loans	**143,234,968**	140,086,175
Accrued interest receivable	**1,252,488**	1,271,385
Premises and equipment, net	**708,777**	702,637
Other assets	**602,626**	591,708
Total assets	**$169,024,390**	$164,442,280
Liabilities		
Bonds and notes	**$136,462,838**	$132,665,518
Subordinated notes	**200,000**	200,000
Member investment bonds	**3,047,824**	2,037,089
Accrued interest payable	**362,396**	261,016
Patronage distribution payable	**486,821**	1,043,699
Other liabilities	**744,738**	907,668
Total liabilities	**141,304,617**	137,114,990
Shareholders' equity		
Preferred stock	**450,000**	450,000
Capital stock and participation certificates	**364,217**	362,995
Capital stock and participation certificates receivable	**(126,002)**	(118,179)
Additional paid-in capital	**2,443,241**	2,084,988
Allocated retained earnings	**267,697**	269,317
Unallocated retained earnings	**25,346,588**	24,802,092
Accumulated other comprehensive loss	**(1,154,625)**	(642,329)
Noncontrolling interest	**128,657**	118,406
Total shareholders' equity	**27,719,773**	27,327,290
Total liabilities and shareholders' equity	**$169,024,390**	$164,442,280

Combined Statements of Income

AgriBank, FCB and District Associations

(unaudited)

(in thousands)	Three months		Six months	
For the periods ended June 30,	**2022**	2021	**2022**	2021
Interest Income				
Loans	**$1,331,241**	$1,145,465	**$2,556,107**	$2,278,343
Investment securities and other earning assets	**54,656**	37,506	**90,850**	77,695
Total interest income	**1,385,897**	1,182,971	**2,646,957**	2,356,038
Interest Expense	**417,151**	297,537	**735,250**	598,378
Net interest income	**968,746**	885,434	**1,911,707**	1,757,660
Reversal of credit losses	**(22,613)**	(26,743)	**(62,003)**	(46,882)
Net interest income after reversal of credit losses	**991,359**	912,177	**1,973,710**	1,804,542
Non-interest income				
Net fee income	**25,737**	32,033	**47,709**	66,810
Financially related services income	**23,298**	26,096	**55,174**	53,984
Net gains on sales of investments and other assets	**(3,406)**	713	**(3,117)**	1,367
Mineral income	**21,313**	13,647	**40,121**	24,608
Other income	**4,896**	4,410	**14,534**	26,114
Total non-interest income	**71,838**	76,899	**154,421**	172,883
Non-interest expense				
Salaries and employee benefits	**225,300**	207,818	**459,623**	402,187
Occupancy and equipment	**37,952**	37,942	**74,611**	72,742
Purchased services	**25,583**	27,387	**50,592**	49,173
Farm Credit System Insurance Corporation expense	**71,937**	44,251	**118,629**	87,723
Other expense	**73,286**	65,033	**139,831**	118,111
Total non-interest expense	**434,058**	382,431	**843,286**	729,936
Income before income taxes	**629,139**	606,645	**1,284,845**	1,247,489
Provision for income taxes	**15,691**	13,646	**29,889**	26,366
Net income	**$613,448**	$592,999	**$1,254,956**	$1,221,123

AgriBank
FARM CREDIT BANK

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