CAPITALIZING on Opportunity

AgriBank District 2024 Financial Information
Unaudited
March 31, 2024
AgriBank, FCB and
District Associations

AgriBank
FARM CREDIT BANK

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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 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 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)

	March 31, 2024	December 31, 2023
Total loans	**$165,667,876**	$165,792,497
Allowance for credit losses on loans	**328,593**	335,014
Net loans	**165,339,283**	165,457,483
Total assets	**199,993,005**	199,626,825
Total shareholders' equity	**30,315,379**	29,865,972
For the three months ended March 31,	**2024**	2023
Net interest income	**$1,214,469**	$1,090,946
Provision for credit losses	**17,877**	79,104
Net fee income	**28,243**	21,898
Net income	**811,545**	630,883
Net interest margin	**2.5 %**	2.5 %
Return on average assets	**1.6 %**	1.4 %
Return on average shareholders' equity	**10.9 %**	9.0 %
Operating and other expenses as a percentage of net interest income and non-interest income	**35.1 %**	38.8 %
Net loan (charge-offs) recoveries as a percentage of average loans	**(0.01)%**	0.00 %
Average loans	**$164,790,809**	$150,782,194
Average earning assets	**194,781,919**	175,420,746
Average assets	**198,592,277**	179,589,840

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Net income was $811.5 million for the three months ended March 31, 2024, an increase of $180.7 million, or 28.6 percent, compared to the same period of the prior year. Net interest income increased and was primarily driven by higher loan volume across the District as well as the benefit of equity financing, due to increased interest rates compared to the same period of the prior year. In general, the agricultural sector continues to perform well with strong prices for most commodities and an improved outlook in the pork industry after a difficult 2023. Decreased provision for credit losses in the current year was primarily related to elevated specific reserves established on large loans in the prior year. Non-interest income decreased slightly when compared to the same period of the prior year primarily as a result of losses on Rural Business Investment Company (RBIC) equity investments. Lower FCSIC insurance premiums were offset by higher salaries expense resulting in a slight decrease in non-interest expense.

Net Interest Income

Net interest income increased $123.5 million, or 11.3 percent, compared to the same period of the prior year. The increase was driven by the positive impact of higher loan volume, which was somewhat offset by compressed spreads, compared to the same period of the prior year. Additionally, the increase was driven by the benefit of equity financing from increased interest rates when compared to the same period of the prior year.

Interest rate spreads have decreased when compared to the same period of the prior year. With interest rates and callable debt spreads somewhat increased into 2024, opportunities to call and refinance debt have been negligible and loan conversion activity near zero. Competitive market pressures in a rising interest rate environment have compressed interest rate spreads on the loan portfolios; however, AgriBank implemented temporary pricing changes during 2023 in an effort to combat this competitive pressure for District Associations. This pricing program ended in mid-January 2024.

Conversely, spread income on investment securities was lower when compared to the same period of the prior year as a result of the maturity of low yield debt outpacing the maturity of lower yielding investments, as well as reduced spreads on money market instruments.

Net interest margin was 2.5 percent for the three months ended March 31, 2024, remaining steady compared to the same period of the prior year. The overall rise in interest rates when compared to the same period of the prior year has led to a rise in yield on earning assets financed by equity, as the benefit of equity financing is greater in a rising interest rate environment. However, the impact of favorable equity financing has largely been offset by the overall decline in spreads.

Provision for Credit Losses
The provision for credit losses in 2023 was elevated due to specific reserves established on large loans to a few borrowers impacting the District. In general across District Associations, credit quality continues to be strong and low nonaccrual rates have contributed to decreased provision for credit losses for the three months ended March 31, 2024.

There was $17.9 million of provision for credit losses recognized during the three months ended March 31, 2024. At the agricultural producer level, strong net farm income the past few years and positive working capital positions continue to support high District credit quality. While many commodity prices remain above historical averages, crop prices have decreased in the first quarter of 2024 and are near the lowest levels since late 2020. The favorable commodity prices experienced throughout 2023 are expected to continue to have a generally positive impact on the crop, and certain livestock sectors, primarily cattle. Hog producers experienced poor margins throughout most of 2023 given depressed hog and pork prices, while feed costs remained high. The negative margins increased District adverse hog loan volume in 2023; however, declining feed costs and strong gains in pork and hog prices in early 2024 have significantly improved the outlook for the hog sector for 2024.

The allowance analyses performed at District Associations generally reflect the favorable 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 current and expected related economic conditions.

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 slightly compared to the same period of the prior year. The decrease was primarily as a result of losses on RBIC equity investments, partially offset by increases in fee income, crop insurance income, and mineral income. Fee income and mineral income can be volatile due to the impact from interest rate changes and oil and gas prices, respectively.

Non-interest Expense
Non-interest expense remained stable compared to the same period of the prior year. The Farm Credit System insurance expense decreased in 2024 primarily due to a decrease in the Farm Credit System Insurance Fund (Insurance Fund) premium rate on Systemwide adjusted insured debt. The premium rate, which is primarily impacted by System growth, was 18 basis points in 2023, compared to 10 basis points for the same period in 2024. Lower FCSIC insurance premiums were offset by higher salaries expense, a result of an increased workforce, higher employee incentive levels and annual merit increases that took effect during the first quarter of 2024.

Loan Portfolio

District Loans by Loan Type		
(in thousands)	**March 31, 2024**	December 31, 2023
Real estate mortgage	**$86,282,938**	$85,429,403
Production and intermediate-term	**34,009,434**	36,286,577
Agribusiness:		
Loans to cooperatives	**1,767,653**	1,621,085
Processing and marketing	**23,762,887**	22,953,761
Farm-related businesses	**2,802,607**	2,612,569
Rural infrastructure:		
Power	**5,162,205**	4,635,968
Communications	**3,854,679**	4,035,598
Water/Wastewater	**1,004,492**	1,055,732
Rural residential real estate	**2,752,801**	2,733,813
Agricultural export finance	**459,424**	439,041
Lease receivables	**407,139**	386,530
Loans to other financing institutions	**833,831**	1,043,351
Mission related investments	**2,567,786**	2,559,069
Total	**$165,667,876**	$165,792,497

District loans decreased $124.6 million, or 0.1 percent, from December 31, 2023. The decrease in total loans was primarily due to a decrease in the production and intermediate-term sector, offset mainly by growth in the agribusiness and real estate mortgage sectors. The decrease in production and intermediate-term loans was a result of seasonal growth in December related to borrowers purchasing for the next year's production for tax-planning purposes, followed by repayments in January. Offsetting some of the decrease was elevated operating revolving line of credit utilization in January.

The increase in agribusiness sector loan volume was primarily due to new originations to new customers, as well as, new loans to existing customers in the meat processing and fats and oils industries. To a lesser extent, increased utilization on revolving lines of credit in the meat processing sector also drove the increase. Demand for credit remains strong in this segment as new borrowers are consistently added and driving overall sector growth.

Also somewhat offsetting the decrease in total loans was an increase in real estate mortgage loans. Targeted no fee programs on new originations at various District Associations have contributed to new volume. In addition, unfavorable grain prices have made producers reluctant to sell inventories which has prohibited them from using the typical proceeds to make payments like normal. Overall, the continued pause on interest rate increases by the Fed has had a generally positive impact on originations across the 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.

District Loan Quality by Origination Year

(in thousands)

Balance as of March 31, 2024	Acceptable	Special Mention	Substandard	Doubtful	Total by Year	Charge-offs for the period ended March 31, 2024
2024	**$6,312,686**	**$100,945**	**$48,545**	**$337**	**$6,462,513**	**$4,380**
2023	**24,701,259**	**305,540**	**298,465**	**—**	**25,305,264**	**447**
2022	**22,707,768**	**320,585**	**454,377**	**74**	**23,482,804**	**1,392**
2021	**23,133,529**	**471,440**	**316,812**	**460**	**23,922,241**	**694**
2020	**17,502,733**	**432,358**	**320,187**	**332**	**18,255,610**	**31**
Prior	**40,942,399**	**673,766**	**1,051,803**	**665**	**42,668,633**	**4,150**
Revolving loans	**23,903,236**	**677,108**	**804,240**	**1,758**	**25,386,342**	**16,275**
Revolving converted to term loans	**114,760**	**14,042**	**55,514**	**153**	**184,469**	**75**
Total	**$159,318,370**	**$2,995,784**	**$3,349,943**	**$3,779**	**$165,667,876**	**$27,444**

Balance as of December 31, 2023	Acceptable	Special Mention	Substandard	Doubtful	Total by Year	Charge-offs for the period ended March 31, 2023
2023	$25,924,082	$364,462	$275,269	$359	$26,564,172	$602
2022	24,057,096	296,828	544,298	350	24,898,572	421
2021	24,060,524	445,968	286,136	2,066	24,794,694	484
2020	18,076,637	450,304	305,046	363	18,832,350	282
2019	9,221,474	105,532	319,801	595	9,647,402	699
Prior	33,512,790	581,730	718,615	164	34,813,299	849
Revolving loans	24,843,340	543,477	675,921	5,369	26,068,107	121
Revolving converted to term loans	117,958	17,207	38,574	162	173,901	47
Total	$159,813,901	$2,805,508	$3,163,660	$9,428	$165,792,497	$3,505

Favorable commodity prices in certain sectors, recent strong net farm income and positive farm sector working capital have supported positive credit quality through the end of the first quarter. Net farm income for 2024 is expected to remain above the 10 year average, although it has declined from the peak levels experienced in recent years. Despite the challenges in certain sectors, specifically hogs, credit quality is expected to remain relatively stable due to strong collateral positions across the District portfolio. 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 March 31, 2024 or December 31, 2023.

Charge-offs during the three months ended March 31, 2024 were primarily related to three large borrowers with agribusiness and production and intermediate-term loans, concentrated in the pork, flour milling, and wood building industries.

Nonaccrual Loans

(in thousands)	**March 31, 2024**	December 31, 2023
Nonaccrual Loans:		
Real estate mortgage	**$369,711**	$347,109
Production and intermediate-term	**175,759**	178,212
Agribusiness	**138,213**	121,061
Rural infrastructure	**20,988**	21,366
Rural residential real estate	**9,153**	9,421
Other	**3,543**	1,761
Total nonaccrual loans	**$717,367**	$678,930

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

Nonaccrual loans increased at March 31, 2024, compared to the prior year end as the result of credit deterioration of four large borrowers, in the hogs, tree nuts, and food products industries. While the number of loans experiencing this deterioration has been low, the loans are broadly participated across the District. This increase was partially offset by one large borrower moving to accrual status and another large borrower’s loans were paid off in the first quarter of 2024.

Despite the increase in nonaccrual loans, loan performance has been positively impacted by working capital and commodity prices for some sectors.

Aging Analysis of Loans

(in thousands) **As of March 31, 2024**	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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	**$229,630**	**$154,719**	**$384,349**	**$85,898,590**	**$86,282,939**	**$6,697**
Production and intermediate-term	**383,570**	**131,498**	**515,068**	**33,494,366**	**34,009,434**	**32,686**
Agribusiness	**54,150**	**80,142**	**134,292**	**28,198,855**	**28,333,147**	**—**
Rural infrastructure	**—**	**—**	**—**	**10,021,374**	**10,021,374**	**—**
Rural residential real estate	**11,180**	**2,740**	**13,920**	**2,738,881**	**2,752,801**	**757**
Other	**110,319**	**97,256**	**207,575**	**4,060,606**	**4,268,181**	**95,403**
Total	**$788,849**	**$466,355**	**$1,255,204**	**$164,412,672**	**$165,667,876**	**$135,543**

As of December 31, 2023	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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$233,374	$118,405	$351,779	$85,077,624	$85,429,403	$2,022
Production and intermediate-term	178,178	71,172	249,350	36,037,227	36,286,577	9,362
Agribusiness	68,643	35,606	104,249	27,083,166	27,187,415	—
Rural infrastructure	3,065	—	3,065	9,724,235	9,727,300	—
Rural residential real estate	12,639	2,547	15,186	2,718,627	2,733,813	315
Other	120,931	92,018	212,949	4,215,040	4,427,989	90,610
Total	$616,830	$319,748	$936,578	$164,855,919	$165,792,497	$102,309

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.

Delinquencies at March 31, 2024 increased in most loan types, the largest two being in the production and intermediate-term loans and real estate mortgage loans category when compared to the year ended 2023.

The increase in the 30-89 days past due category was due to the production and intermediate-term loans category resulting from the seasonal behavior of the crop inputs portfolio. However, the risk in this portfolio is significantly mitigated by recourse agreements with crop input dealers. The increase in loans 90 days or more past due was mainly due to a number of large borrowers moving to greater than 90 days past due during the first quarter. This included fruit and tree nut borrowers in the real estate mortgage and production and intermediate-term sector. As well as, meat processors in the agribusiness sector.

The increase in accruing loans 90 days or more past due at March 31, 2024, when compared to December 31, 2023, was due to the seasonality effects of the crop input portfolio, as noted above. Separately contributing to the increase, the cycle of delinquencies was greater than subsequent collections of USDA guarantees for loans issued under District Associations' Mission Related Investment authorities, included in the Other category. All of the loans within the Other category, which were accruing loans 90 days or more past due as of March 31, 2024, were 100 percent secured by federal government guarantees.

Refer to the AgriBank and District Associations' annual reports for information regarding management's method for developing each entity's allowance for credit losses and information used for developing each entity's current estimate of expected credit losses.

Changes in Allowance for Credit Losses by Loan Type

(in thousands)	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Rural Infrastructure	Rural Residential Real Estate	Other	Total
Allowance for credit losses on loans:							
Balance at December 31, 2023	**$114,641**	**$74,556**	**$107,390**	**$21,582**	**$4,856**	**$11,989**	**$335,014**
Provision for credit losses	**(6,110)**	**18,968**	**6,116**	**(819)**	**(668)**	**(2,012)**	**15,475**
Loan recoveries	**1,175**	**3,576**	**777**	**—**	**20**	**—**	**5,548**
Loan charge-offs	**(1,995)**	**(11,658)**	**(13,668)**	**(1)**	**(118)**	**(4)**	**(27,444)**
Balance at March 31, 2024	**$107,711**	**$85,442**	**$100,615**	**$20,762**	**$4,090**	**$9,973**	**$328,593**
Allowance for unfunded commitments:							
Balance at December 31, 2023	**$4,718**	**$20,618**	**$20,286**	**$2,421**	**$113**	**$293**	**$48,449**
Provision for credit losses	**(1,006)**	**1,723**	**690**	**974**	**(38)**	**59**	**2,402**
Balance at March 31, 2024	**$3,712**	**$22,341**	**$20,976**	**$3,395**	**$75**	**$352**	**$50,851**

(in thousands)	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Rural Infrastructure	Rural Residential Real Estate	Other	Total
Allowance for credit losses on loans:							
Balance at December 31, 2022	$86,370	$92,404	$121,822	$14,184	$3,221	$2,962	$320,963
Cumulative effect of change in accounting principle	22,704	(47,260)	(43,277)	(4,183)	2,613	5,320	(64,083)
Provision for credit losses	2,457	29,799	41,998	1,372	37	1,212	76,875
Loan recoveries	299	1,338	43	—	31	—	1,711
Loan charge-offs	(107)	(2,551)	(207)	—	(37)	(603)	(3,505)
Balance at March 31, 2023	$111,723	$73,730	$120,379	$11,373	$5,865	$8,891	$331,961
Allowance for unfunded commitments:							
Balance at December 31, 2022	$4,413	$13,142	$10,289	$328	$—	$(19)	$28,153
Cumulative effect of change in accounting principle	(228)	(1,552)	7,361	977	98	184	6,840
Provision for credit losses	(733)	6,612	(3,720)	26	33	11	2,229
Balance at March 31, 2023	$3,452	$18,202	$13,930	$1,331	$131	$176	$37,222

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 2023 Annual Report for additional information about the Bank's investment portfolio. District Associations have regulatory authority to enter into certain U.S. government or agency guaranteed investments and are primarily held to maturity. Refer to individual District Associations' 2023 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.

The majority of District investments carry a full faith and credit guarantee of the U.S. government or an implicit credit guarantee from its agencies. Therefore, AgriBank and District Associations have not recognized any allowances for credit losses on investments as of March 31, 2024.

AgriBank sold certain investments at an insignificant loss during the three months ended March 31, 2024. Refer to the AgriBank Quarterly Report for additional information.

Investment Information

(in thousands) **As of March 31, 2024**	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
AgriBank investments	**$23,499,230**	**$11,440**	**$715,290**	**$22,795,380**
District Association investments	**5,063,909**	**26,512**	**128,972**	**4,961,449**
Total District investments	**$28,563,139**	**$37,952**	**$844,262**	**$27,756,829**
(in thousands) As of December 31, 2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
AgriBank investments	$22,790,859	$30,939	$709,370	$22,112,428
District Association investments	4,472,725	25,916	110,390	4,388,251
Total District investments	$27,263,584	$56,855	$819,760	$26,500,679

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 $449.4 million, primarily resulting from net income for the three months ended March 31, 2024, partially offset by AgriBank preferred stock redemption and patronage accruals.

Accumulated Other Comprehensive Loss

(in thousands)	**March 31, 2024**	December 31, 2023
Investment securities activity	**$(703,850)**	$(678,429)
Derivatives and hedging activity	**123,223**	27,509
Employee benefit plans activity	**(439,005)**	(448,394)
Total accumulated other comprehensive loss	**$(1,019,632)**	$(1,099,314)

The decrease in accumulated other comprehensive loss as of March 31, 2024 compared to the year ended December 31, 2023 was primarily related to the derivative portfolio market value change. Rising interest rates in the first quarter of 2024 positively impacted and increased the unrealized gains of AgriBank's pay fixed swap portfolio designated as cash flow hedges. Conversely, and somewhat offsetting, is the increasing unrealized losses on available-for-sale investment securities affected by the same change in interest rates.

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

Regulatory Capital Requirements and Ratios

As of March 31, 2024	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 %	**15.7 %**	**12.2 % - 18.7 %**
Tier 1 capital ratio	CET1 capital, non-cumulative perpetual preferred stock	6.0 %	8.5 %	**15.8 %**	**12.6 % - 18.7 %**
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 %	**15.8 %**	**13.5 % - 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 %	**15.8 %**	**13.3 % - 18.8 %**
Non-risk adjusted:					
Tier 1 leverage ratio	Tier 1 capital	4.0 %	5.0 %	**5.1 %**	**12.5 % - 21.2 %**
UREE leverage ratio	URE and URE Equivalents	1.5 %	1.5 %	**1.8 %**	**11.6 % - 21.1 %**

(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

On January 1, 2024 AgriBank redeemed all of its issued and outstanding shares of Series A Non-cumulative Perpetual Preferred Stock, par value $100 per share, in accordance with the terms of the preferred stock.

The capitalization provisions of AgriBank's bylaws were amended, effective January 1, 2024, to make certain changes to the capital stock of AgriBank, including: (1) to issue Class A Common Stock (rather than designating it as Class P Common Stock, Series A Participation Certificates, Series C Participation Certificates or Class F Common Stock); and (2) to establish new Class B Common Stock. Refer to the AgriBank 2023 Annual Report for additional information.

On February 16, 2024, AgriBank's voting shareholders voted to authorize AgriBank to issue (and reissue) one or more series of preferred stock in an amount with an aggregate par value of up to $3.0 billion outstanding at any one time for a period commencing on March 1, 2024 and ending on the 10th anniversary of this date.

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.

The boards of directors of AgCountry Farm Credit Services, ACA, Farm Credit Services of America, ACA, and Frontier Farm Credit, ACA entered into an agreement with an effective date of December 29, 2023, and beginning April 15, 2024, the three Associations are jointly managed and share income and losses. The Associations will deploy a common business approach to the development and delivery of products and services and use common technology platforms that accommodate differences in local marketplace conditions. While the Associations are jointly managed and will operate under jointly developed strategic business plans and supporting plans, they remain separate organizations with strong local representation through independent boards of directors and distinct patronage programs.

Select Information on AgriBank District Associations

(in thousands)

As of March 31, 2024	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	$34,760,811	27.0%	$42,916,836	$7,774,936	14.2%	0.3%	1.9%
Farm Credit Mid-America[2]	29,723,902	23.1%	36,295,993	6,242,056	15.1%	0.6%	1.6%
Compeer Financial	26,417,554	20.6%	32,255,997	5,050,805	13.5%	0.9%	1.9%
AgCountry Farm Credit Services[2]	11,084,177	8.6%	13,999,963	2,716,914	14.7%	0.4%	2.1%
GreenStone Farm Credit Services	10,478,618	8.2%	13,142,273	2,511,753	14.9%	0.4%	2.3%
Farm Credit Illinois	5,544,713	4.3%	6,900,591	1,260,347	15.2%	0.4%	1.6%
FCS Financial	5,242,051	4.1%	6,567,521	1,225,028	14.9%	0.4%	1.9%
AgHeritage Farm Credit Services	1,806,779	1.4%	2,305,978	481,146	16.7%	0.5%	2.1%
Farm Credit Services of Western Arkansas	1,497,716	1.2%	1,924,827	394,115	17.9%	0.8%	1.9%
Farm Credit Services of Mandan	1,128,439	0.9%	1,510,752	365,926	19.0%	0.6%	2.2%
Farm Credit Southeast Missouri	713,504	0.6%	933,762	211,623	18.7%	0.1%	2.0%
Total	$128,398,264	100.0%	$158,754,493	$28,234,649			

[1] Nonperforming loans are composed of nonaccrual 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, 2024	December 31, 2023
Assets		
Cash	**$1,593,971**	$1,715,488
Federal funds and securities purchased under resale agreements	**1,400,000**	1,700,000
Investments	**27,859,289**	26,585,153
Loans	**165,667,876**	165,792,497
Allowance for credit losses on loans	**328,593**	335,014
Net loans	**165,339,283**	165,457,483
Accrued interest receivable	**2,049,515**	2,195,771
Premises and equipment, net	**803,511**	788,855
Other assets	**947,436**	1,184,075
Total assets	**$199,993,005**	$199,626,825
Liabilities		
Bonds and notes	**$162,798,209**	$162,353,014
Subordinated notes	**200,000**	200,000
Member investment bonds	**4,438,226**	3,957,315
Accrued interest payable	**1,078,170**	1,028,189
Patronage distribution payable	**408,431**	1,203,376
Other liabilities	**754,590**	1,018,959
Total liabilities	**169,677,626**	169,760,853
Shareholders' equity		
Preferred stock	**100,000**	350,000
Capital stock and participation certificates	**405,057**	400,964
Capital stock and participation certificates receivable	**(151,112)**	(147,134)
Additional paid-in capital	**2,663,018**	2,663,018
Allocated retained earnings	**162,843**	162,937
Unallocated retained earnings	**27,998,151**	27,381,347
Accumulated other comprehensive loss	**(1,019,632)**	(1,099,314)
Noncontrolling interest	**157,054**	154,154
Total shareholders' equity	**30,315,379**	29,865,972
Total liabilities and shareholders' equity	**$199,993,005**	$199,626,825

Combined Statements of Income

AgriBank, FCB and District Associations

(unaudited)

(in thousands)	Three months	
For the periods ended March 31,	**2024**	2023
Interest Income		
Loans	**$2,421,699**	$1,921,855
Investment securities and other earning assets	**366,635**	225,505
Total interest income	**2,788,334**	2,147,360
Interest Expense	**1,573,865**	1,056,414
Net interest income	**1,214,469**	1,090,946
Provision for credit losses	**17,877**	79,104
Net interest income after provision for credit losses	**1,196,592**	1,011,842
Non-interest income		
Net fee income	**28,243**	21,898
Financially related services income	**35,410**	31,899
Net gains on sales of investments and other assets	**304**	1,331
Mineral income	**24,164**	20,024
Other (loss) income, net	**(1,601)**	14,085
Total non-interest income	**86,520**	89,237
Non-interest expense		
Salaries and employee benefits	**271,619**	257,560
Occupancy and equipment	**45,199**	41,224
Purchased services	**30,050**	26,144
Farm Credit System Insurance Corporation expense	**35,897**	57,803
Other expense	**73,775**	74,976
Total non-interest expense	**456,540**	457,707
Income before income taxes	**826,572**	643,372
Provision for income taxes	**15,027**	12,489
Net income	**$811,545**	$630,883

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FARM CREDIT BANK

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