2024
Annual Report

Moving Forward with Purpose

Texas Farm Credit District

2024 Annual Financial Information

(Unaudited)

INTRODUCTION AND TEXAS FARM CREDIT DISTRICT OVERVIEW

The Farm Credit Bank of Texas (the Bank) and its affiliated associations, collectively referred to as the Texas Farm Credit District (the Texas District), are part of the Farm Credit System (the System). The System is a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations. The Texas District's chartered territory includes the states of Alabama, Louisiana, Mississippi, New Mexico and Texas. As of December 31, 2024, the Bank served one Federal Land Credit Association (FLCA) and 11 Agricultural Credit Associations (ACAs) (collectively referred to as Associations). The Bank also serves certain Other Financing Institutions (OFIs), which are not part of the System.

The U.S. Congress authorized the creation of the first System institutions in 1916 to provide support for the agricultural sector because of its significance to the well-being of the U.S. economy and the U.S. consumer. The mission of the System is to provide sound and dependable credit to American farmers, ranchers, producers or harvesters of aquatic products, their cooperatives, and certain farm-related businesses. The System does this by making appropriately structured loans to qualified individuals and businesses at competitive rates, and providing financial services and advice to those persons and businesses. The System is a cooperative structure. Cooperatives are organizations that are owned and controlled by their members who use the cooperatives' products or services.

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). On behalf of the four System banks, the Funding Corporation issues a variety of Federal Farm Credit Banks Combined Systemwide Debt Securities with broad ranges of maturities and structures. Each System bank has exposure to systemwide credit risk because it is jointly and severally liable for all debt issued by the Funding Corporation. The associations in each district receive funding from their System bank and, in turn, provide credit to their borrower-shareholders. The associations have specific lending authority within their chartered territories and are subject to examination and regulation by an independent federal agency, the Farm Credit Administration.

The following commentary reviews the combined financial statements of condition and results of operations of the Texas District for the years ended December 31, 2024, 2023 and 2022.

COMBINED FINANCIAL HIGHLIGHTS

(in thousands)	December 31, 2024	December 31, 2023	December 31, 2022
Total loans	**$ 39,797,143**	$ 37,720,675	$ 36,421,444
Allowance for credit losses on loans	**130,933**	121,261	85,517
Net loans	**39,666,210**	37,599,414	36,335,927
Total assets	**48,203,586**	45,906,962	44,580,370
Total members' equity	**5,809,862**	5,497,476	5,306,032

Year Ended December 31,	2024	2023	2022
Net interest income	**$ 1,192,469**	$ 1,135,317	$ 1,116,073
Provision for credit losses on loans	**51,312**	53,100	2,314
Net fee income	**45,595**	44,549	45,846
Net income	**690,869**	643,086	688,615
Net interest margin	**2.61 %**	2.55 %	2.65 %
Net loan charge-offs as a percentage of average loans	**0.10 %**	0.07 %	— %
Return on average assets (ROA)	**1.48 %**	1.41 %	1.59 %
Return on average shareholders' equity (ROE)	**11.62 %**	11.58 %	12.18 %
Operating expenses as a percentage of net interest income and noninterest income	**41.94 %**	43.54 %	42.75 %
Average loans	**$ 38,449,415**	$ 37,286,116	$ 35,188,810
Average interest earning assets	**45,756,488**	44,513,406	42,155,155
Average total assets	**46,826,167**	45,538,735	43,173,749

MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollars in thousands, except as noted)

CONDITIONS IN THE TEXAS DISTRICT

The Texas District continues to fulfill its mission to support agriculture and rural communities by providing access to reliable and consistent credit in the midst of financial and macroeconomic volatility. Despite the challenging operating environment, credit quality in the Texas District has remained strong. Volatility in risk ratings remains a concern in the near future due to such factors as high production costs, elevated cost of debt and declining farm income over the last two years (19.1 percent decline in 2023 and 5.6 percent decline in 2024).

According to the U.S. Bureau of Labor Statistics (BLS), the Consumer Price Index for All Urban Consumers (CPI) increased by 3.0 percent for the twelve-month period ending January 2025, persistently above the Federal Reserve's long-term target of approximately 2.0 percent. CPI has increased month-over-month for the last four consecutive months from a low of 2.4 percent in September 2024 to 3.0 percent in January 2025, while decreasing year-over-year from 3.1 percent. From July 2023 to August 2024, the Federal Open Market Committee (FOMC) maintained the target federal funds rate within the 5.25 – 5.50 percent range. Starting at the September 2024 meeting, the FOMC decided to reduce the target federal funds rate by 50 bps and then by 25 bps in each of its subsequent November and December meetings to the 4.25 – 4.50 percent range. The target federal funds rate was unchanged at the January 2025 meeting. The FOMC stated that it is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

On January 30, 2025, the U.S. Bureau of Economic Analysis (BEA) released its advance estimate of real gross domestic product (GDP) for the fourth quarter of 2024. U.S. real GDP increased at an annual rate of 2.3

percent during the fourth quarter, down from 3.1 percent during the previous quarter and during the same period a year ago. The International Monetary Fund estimated in its World Economic Outlook projections released in January 2025 that the annual percentage change in real GDP growth in the United States was 2.8 percent in 2024 and would be 2.7 percent in 2025 and 2.1 percent in 2026. The increase in real GDP during the fourth quarter of 2024 primarily reflected increases in consumer and government spending that were partly offset by a decrease in investment. Within the Texas District, the third quarter 2024 annualized real GDP growth rates ranged from a low of 2.3 percent in Louisiana to a high of 6.0 percent in Alabama. Texas real GDP grew at an annual rate of 4.2 percent during the third quarter, above the national average of 3.1 percent.

Data from the BLS released on February 7, 2025 indicates that the U.S. unemployment rate decreased month-over-month by 0.1 percent to 4.0 percent in January 2025; however, the unemployment rate is up from 3.7 percent during the same period a year ago. The December state unemployment rates in the Texas District ranged from a low of 3.3 percent in Alabama and Mississippi to a high of 4.4 percent in New Mexico and Louisiana. The Texas unemployment rate remained at 4.2 percent in December 2024, slightly higher than the national average. The West Texas Intermediate (WTI) crude oil futures price (front-month) decreased from an average of about $75 per barrel in the third quarter to an average of about $70 per barrel during the fourth quarter of 2024. Similarly, the average front-month WTI price decreased by approximately 10.5 percent (about $8 per barrel) during the fourth quarter of 2024 compared to the same period a year ago. The front-month WTI price increased by less than $1.0 per barrel month-over-month to $72.5 per barrel in January 2025. In the February 2025 edition of the Short-Term Energy Outlook (STEO), the U.S. Energy Information Administration (EIA) indicates that the monthly average WTI spot price was nearly $77 per barrel in 2024 and is expected to depict a downward trend in 2025 and 2026, averaging about $71 per barrel and $63 per barrel, respectively. The front-month WTI futures price was volatile in January 2025, rising to a three-month high of about $80 per barrel in mid-January due to factors such as OPEC+ temporarily rolling over production cuts, extremely cold weather in the beginning of the year in Northern Europe and the Northeastern U.S. putting pressure on oil inventories and a new set of U.S. sanctions targeting Russian oil that was unveiled on January 10, 2025.

On February 6, 2025, the U.S. Department of Agriculture (USDA) released its 2025 Farm Income Forecast. Net farm income (nominal), a broad measure of profits, is forecasted at $180.1 billion in 2025, up by $41.0 billion, or 29.5 percent, relative to 2024. This forecasted increase in net farm income in 2025 is mostly driven by an expected annual increase of $33.1 billion (+355 percent) in Federal Government direct farm program payments. The increase follows a record high in net farm income of $182.0 billion in calendar year 2022 and two years of consecutive declines of about $34.7 billion, or 19.1 percent, in 2023 and $8.2 billion, or 5.6 percent, in 2024. Total crop receipts are forecasted to decrease year-over-year by $5.6 billion, or 2.3 percent, to $239.6 billion in 2025, mostly due to lower receipts for corn and soybeans. However, total animal and animal product receipts are projected to continue increasing year-over-year by $3.8 billion, or 1.4 percent, to $275.4 billion in 2025. Receipts for hogs, milk and broilers are forecasted to rise in 2025. Total production expenses are forecasted to continue decreasing year-over-year by $2.5 billion, or 0.6 percent, to $450.4 billion in 2025. Farm sector assets and equity are forecasted to increase by 4.2 and 4.3 percent, respectively. Farm sector debt is expected to increase by 3.7 percent in 2025, leading to a slight year-over-year improvement in the debt-to-asset ratio from 12.84 to 12.78 percent in 2025.

According to USDA's February 2025 World Agricultural Supply and Demand Estimates (WASDE) report, average farm prices for corn, soybeans, wheat and cotton are estimated to continue decreasing during the 2024/25 season from a range of 4.4 percent decline in corn to 20.3 percent decline in wheat. Steer, barrow/gilt and broiler prices are estimated to have increased year-over-year by 6.6 percent, 5.1 percent and 4.0 percent, respectively, in 2024. Turkey prices are estimated to have declined year-over-year by an average of 33.1 percent in 2024. Subsequently, steer, barrow/gilt, broiler and turkey prices are projected to increase year-over-year by about 7.4 percent, 4.0 percent, 2.0 percent, and 3.5 percent in 2025, respectively. USDA also estimates that after decreasing by nearly 20.0 percent in 2023, all-milk prices are estimated to have increased by about 11.2 percent in 2024 from an average of about $20.3 per hundredweight (/cwt.) in 2023 to $22.6/

cwt. in 2024. Average all-milk prices are projected to remain relatively stable year-over-year in 2025. The front-month random length lumber futures price increased quarter-over-quarter by about 5.7 percent from a quarterly average of $521.0 per thousand board feet (/tbf) in the third quarter of 2024 to about $550.5/tbf in the fourth quarter of 2024 but decreased year-over-year by about 3.8 percent in December 2024. The front-month lumber futures price increased month-over-month by about 7.5 percent in January 2025 to $592.0/tbf.

According to the U.S. Monthly Drought Outlook released on January 31, 2025 by the U.S. Climate Prediction Center from the National Weather Service, periods of rainfall eased drought across parts of eastern Texas and Mississippi, but drought conditions worsened in areas that did not receive sufficient rainfall including parts of southern Texas. February is a drier time of the year for this region. Dry conditions are expected across much of Texas. The revised outlook for February favors below-normal precipitation across central-western Texas and drought expansion is expected. Drought persistence and development is likely for portions of New Mexico. Above normal precipitation is predicted for northern portions of Mississippi, favoring soil moisture. Rain similarly brought drought improvement to parts of Alabama, but drought persistence is in the forecast for parts of this area. The seasonal temperature outlook indicates that above-normal temperatures are expected for most of the Texas District from February through April 2025. Similarly, the seasonal precipitation outlook indicates that below normal precipitation is in the forecast for most of the Texas District. Additionally, the national drought severity and coverage index was more severe by the end of January 2025 than the index of the same year-ago period.

Agricultural producers and processors are expected to face several risk factors in 2025, including volatile commodity prices, high input costs, trade disruptions, geopolitical challenges and adverse weather conditions. The Texas District's loan portfolio is well-supported by industry diversification and conservative advance rates. Additionally, a high percentage of the Texas District's borrowers primarily rely on non-farm sources of income to repay their loans.

Association Mergers

Effective December 1, 2024, two of the Bank's affiliated Associations, Texas Farm Credit Services and Heritage Land Bank, ACA, merged and are doing business as Texas Farm Credit Services.

Effective December 1, 2023, two of the Bank's affiliated Associations, Ag New Mexico Farm Credit Services, ACA and Lone Star, ACA, merged and are doing business as AgTrust Farm Credit, ACA.

Results of Operations

Net Income

The Texas District's net income of $690.9 million for the year ended December 31, 2024 reflected an increase of $47.8 million, or 7.43 percent, from the same period of 2023. The increase in net income was primarily driven by a $57.2 million increase in net interest income, partially offset by a $12.0 million decrease in noninterest income. The return on average assets increased to 1.48 percent for the year ended December 31, 2024, from 1.41 percent for the year ended December 31, 2023.

The Texas District's net income of $643.1 million for the year ended December 31, 2023 reflected a decrease of $45.5 million, or 6.61 percent, from the same period of 2022. The decrease in net income was driven by a $50.8 million increase in the provision for credit losses on loans and a $21.0 million increase in noninterest expense, partially offset by a $19.2 million increase in net interest income and a $7.0 million increase in noninterest income. The return on average assets decreased to 1.41 percent for the year ended December 31, 2023, from 1.59 percent for the year ended December 31, 2022.

Net Interest Income

Net interest income for the year ended December 31, 2024 was $1.19 billion, an increase of $57.2 million, or 5.03 percent, over the same period of 2023, driven by a $1.24 billion increase in Texas District average interest earning assets, partially offset by a decrease in the interest rate spread of 1 basis point. The decrease in the net interest spread of 1 basis point during the year ended December 31, 2024, from 2.13 percent to 2.12 percent, was attributable to a 46 basis point increase in the average cost of debt, partially offset by a 45 basis point increase in the yield on average interest earning assets. Net interest margin increased by 6 basis points to 2.61 percent for the year ended December 31, 2024, compared to 2.55 percent for the same period of 2023, due to an increase in income earned on earning assets funded by noninterest-bearing sources.

Net interest income for the year ended December 31, 2023 was $1.14 billion, an increase of $19.2 million, or 1.72 percent, over the same period of 2022, driven by a $2.36 billion increase in Texas District average interest earning assets, partially offset by a decrease in the net interest rate spread. The decrease in the net interest spread of 30 basis points during the year ended December 31, 2023, from 2.44 percent to 2.14 percent was attributable to a 176 basis point increase in the average cost of debt, partially offset by a 146 basis point increase in the yield on average interest earning assets. Net interest margin decreased by 10 basis points to 2.55 percent for the year ended December 31, 2023, compared to 2.65 percent for the same period of 2022 due to the decline in the net interest rate spread, partially offset by an increase in income earned on earning assets funded by noninterest-bearing sources.

During the years ended December 31, 2024 and December 31, 2023, the Bank reduced its interest expense by calling and replacing fixed-rate debt totaling $1.74 billion and $375.0 million, respectively. The Bank also called and replaced $1.55 billion and $775.0 million in callable floating rate notes during the years ended December 31, 2024 and December 31, 2023, respectively. During the years ended December 31, 2024, and December 31, 2023, the Bank recognized concession expense of $3.8 million and $915 thousand.

Provision for Credit Losses on Loans

The provision for credit losses on loans for the year ended December 31, 2024, totaled $51.3 million, a decrease of $1.8 million compared to $53.1 million for the same period of 2023. The combined Associations recorded a provision for credit losses on loans of $27.7 million for the twelve months ended December 31, 2024, compared to $15.2 million during 2023. The provision for credit losses for the combined Associations during the twelve months ended December 31, 2024 reflects specific reserves for certain loans in the agribusiness, production and intermediate-term and real estate mortgage loan sectors as well as increases in general reserves related to lending activities. The Bank recorded a provision for credit losses on loans of $23.6 million for the twelve months ended December 31, 2024, compared to $37.9 million during 2023. The provision for credit losses for the Bank for the twelve months ended December 31, 2024 reflects specific reserves for certain loans in the agribusiness and production and intermediate-term loan sectors and higher general reserves due to credit deterioration on select borrowers in the agribusiness loan sector and more challenging economic forecasts.

The provision for credit losses on loans for the year ended December 31, 2023 totaled $53.1 million, an increase of $50.8 million compared to $2.3 million for the same period of 2022. The combined Associations recorded a provision for credit losses on loans of $15.2 million for the twelve months ended December 31, 2023, compared to a loan loss reversal of $2.3 million during 2022. The provision for credit losses for the combined Associations during the twelve months ended December 31, 2023 reflects credit deterioration in a few select borrowers, which resulted in increased specific reserves, as well as increases in general reserves due to lending activities. The Bank recorded a provision for credit losses on loans of $37.9 million for the twelve months ended December 31, 2023, primarily due to the recording of specific reserves resulting from credit deterioration among select borrowers in the agribusiness, energy and production and intermediate-term sectors as well as an increase in general reserves due to more pessimistic economic forecasts than the prior year.

Noninterest Income

Noninterest income for the year ended December 31, 2024 was $86.0 million, a decrease of $12.0 million, or 12.24 percent, compared to the same period of 2023. The decrease was driven by the recognition of valuation losses on certain Rural Business Investment Companies (RBICs) and losses on loans sold and held for sale, partially offset by a return of excess insurance funds from Farm Credit System Insurance Corporation (FCSIC) in April 2024 of $12.6 million.

Noninterest income for the year ended December 31, 2023 was $98.0 million, an increase of $7.0 million, or 7.71 percent, compared to the same period of 2022. The increase was driven by an increase in patronage income recognized from out-of-district participants.

Noninterest Expense

Noninterest expense for the year ended December 31, 2024 totaled $536.1 million, a decrease of $871 thousand, or 0.16 percent, from the same period of 2023. The decrease in noninterest expense was primarily driven by a $27.1 million decrease in FCSIC insurance expense due to a lower FCSIC premium rate assessed during 2024, largely offset by a $20.3 million increase in salary and employee benefits and a $4.8 million increase in occupancy and equipment reflecting higher software licensing costs and higher costs for office space.

Noninterest expense for the year ended December 31, 2023 totaled $537.0 million, an increase of $21.0 million, or 4.08 percent, from the same period of 2022. The increase in noninterest expense was primarily driven by a $9.3 million increase in other operating expenses reflecting the impact of the settlement of a contingent liability in December 2022 as well as increases in public and member relations expenses, travel and training expenses, a $9.1 million increase in occupancy and equipment for software licensing and depreciation expense, and a $7.8 million increase in salary and employee benefits. These increases were partially offset by a $2.5 million decrease in FCSIC insurance expense and a $2.7 million decrease in purchased services.

The expense for FCSIC insurance premiums is directly impacted by the premium rate assessed by FCSIC. The FCSIC board meets periodically throughout the year to review premium rates. The premium rates were 10 basis points in 2024, 18 basis points in 2023 and 20 basis points in 2022. In February 2025, FCSIC determined that it would assess a premium rate of 10 basis points for 2025.

Loan Portfolio

The following table summarizes Texas District loans by loan type:

(in thousands)	December 31, 2024	December 31, 2023	December 31, 2022
Real estate mortgage	**$ 23,526,342**	$ 22,507,216	$ 22,114,936
Production and intermediate-term	**5,828,651**	5,293,706	4,555,061
Agribusiness:			
Loans to cooperatives	**571,612**	629,393	695,077
Processing and marketing	**5,423,930**	4,965,804	5,003,502
Farm-related business	**533,116**	579,206	623,805
Communications	**1,169,983**	1,180,113	1,134,299
Energy (rural utilities)	**1,776,002**	1,599,892	1,512,093
Water and waste disposal	**374,046**	423,731	248,392
Rural residential real estate	**251,242**	263,188	281,281
International	**229,549**	157,693	128,201
Mission-related	**30,512**	29,869	34,635
Loans to other financing institutions (OFIs)	**56,397**	55,304	51,878
Lease receivables	**25,761**	35,560	38,284
Total loans	**$ 39,797,143**	$ 37,720,675	$ 36,421,444

The Texas District loan portfolio consists predominantly of retail loans. The Bank's loans to the Texas District Associations, also referred to as direct notes, have been eliminated in the combined financial statements. Total Texas District loan volume at December 31, 2024 was $39.80 billion, an increase of $2.08 billion, or 5.50 percent, from the $37.72 billion loan portfolio balance at December 31, 2023. The loan volume increase during the twelve months ended December 31, 2024, was driven by a $1.60 billion or 5.51 percent, increase, in the Texas District Associations' loan portfolios and a $479.7 million, or 5.51 percent increase in the Bank's capital markets loan portfolio.

The Bank's capital markets loan portfolio, also referred to as participations purchased loan portfolio, predominantly includes participations, syndications and purchased whole loans, along with other financing structures within our lending authorities. In addition to purchasing loans from the Texas District Associations, which may exceed their hold limits, the Bank seeks the purchase of participations and syndications originated outside of the Texas District's territory by other System institutions, commercial banks and other lenders. The Bank's capital markets loan portfolio depends to a significant degree on the relationships with other Farm Credit institutions. These loans may be held as interest earning assets of the Bank or sub-participated to the Texas District Associations or other System entities.

Portfolio Diversification

Loan concentrations exist when there are amounts loaned to multiple borrowers engaged in similar activities, or within close proximity, which could cause them to be similarly impacted by economic or other conditions. While the amounts represent the maximum potential credit risk, a substantial portion of the Texas District's lending activities are collateralized and, accordingly, the credit risk associated with lending activities is considerably less than the recorded loan principal and is considered in the allowance for credit losses on loans.

Portfolio credit risk is also evaluated with the goal of managing the concentration of credit risk. Concentration risk is reviewed and measured by industry, commodity, geography and customer limits.

The Texas District's concentration of credit risk in various agricultural commodities is shown in the following table:

	December 31, 2024		**December 31, 2023**		**December 31, 2022**	
Livestock	**$ 13,165,662**	**33 %**	$ 12,494,481	33 %	$ 12,009,366	33 %
Crops	**5,288,806**	**13**	5,104,513	14	4,992,378	14
Timber	**2,368,009**	**6**	2,209,315	6	2,230,796	6
Dairy	**2,222,649**	**6**	2,167,734	6	2,017,010	6
Poultry	**1,369,292**	**3**	1,015,711	3	1,029,976	3
Cotton	**993,126**	**2**	1,292,254	3	1,199,461	3
Rural residential real estate	**251,242**	**1**	263,336	1	253,336	1
All other commodities	**14,138,357**	**36**	13,173,331	34	12,689,121	34
Total Loans	**$ 39,797,143**	**100 %**	$ 37,720,675	100 %	$ 36,421,444	100 %

The diversity of states underlying the Texas District's loan portfolio is reflected in the following table:

	December 31, 2024	**December 31, 2023**	**December 31, 2022**
Texas	**54 %**	53 %	53 %
Alabama	**6**	6	6
Mississippi	**6**	5	6
Louisiana	**4**	4	4
California	**3**	3	3
All other states	**27**	29	28
Total Loans	**100 %**	100 %	100 %

Loan Quality

One credit quality indicator utilized by the Texas District is the Farm Credit Administration Uniform Loan Classification System that categorizes loans into five categories. The categories are defined as follows:

- *Acceptable* — assets expected to be fully collectible and represent the highest quality;
- *Other assets especially mentioned (OAEM)* — 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; and
- *Loss* — assets are considered uncollectible.

The following table shows the amortized cost of loans (principal balance adjusted for discounts, premiums, charge-offs, recoveries and deferred loan fees and costs) classified under the Uniform Loan Classification System by origination year as of December 31, 2024 and December 31, 2023:

December 31, 2024	**Acceptable**	**OAEM (Special Mention)**	**Substandard**	**Doubtful**	**Total**	**Gross Charge-offs for the year ended December 31, 2024**
2024	$ 5,684,316	$ 60,450	$ 40,600	$ —	$ 5,785,366	$ 146
2023	4,346,134	52,601	52,492	—	4,451,227	288
2022	5,414,618	149,932	28,236	4,579	5,597,365	5,633
2021	6,213,444	93,322	67,210	815	6,374,791	11,966
2020	3,829,858	79,368	77,932	—	3,987,158	542
Prior	6,609,656	133,950	59,822	—	6,803,428	11,463
Revolving loans	6,278,482	282,281	130,936	1,380	6,693,079	9,835
Revolving converted to term loans	96,755	1,861	6,113	—	104,729	—
Total	$ 38,473,263	$ 853,765	$ 463,341	$ 6,774	$ 39,797,143	$ 39,873
Percentage	96.67 %	2.15 %	1.16 %	0.02 %	100.00 %	

December 31, 2023	Acceptable	OAEM (Special Mention)	Substandard	Doubtful	Total	Gross Charge-offs for the year ended December 31, 2023
2023	$ 4,905,277	$ 42,717	$ 54,014	$ —	$ 5,002,008	$ 1,601
2022	6,422,981	84,052	52,414	—	6,559,447	5,972
2021	7,277,276	95,811	57,127	—	7,430,214	25
2020	4,508,421	107,165	63,610	—	4,679,196	1
2019	2,049,172	31,487	51,445	—	2,132,104	9,008
Prior	6,000,062	66,687	18,773	33,322	6,118,844	3,921
Revolving loans	5,233,151	108,312	79,653	—	5,421,116	8,345
Revolving converted to term loans	374,035	3,311	400	—	377,746	—
Total	$ 36,770,375	$ 539,542	$ 377,436	$ 33,322	$ 37,720,675	$ 28,873
Percentage	97.48 %	1.43 %	1.00 %	0.09 %	100.00 %	

The following table shows loans and related accrued interest receivable classified under the Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable as of December 31, 2022:

	December 31, 2022
Acceptable	98.38 %
OAEM (special mention)	0.71
Substandard	0.91
Doubtful	—
Total	100.00 %

Overall credit quality in the Texas District remained strong at December 31, 2024. Loans classified as acceptable or OAEM as a percentage of total loans were 98.82 percent, 98.91 percent and 99.09 percent as of December 31, 2024, 2023 and 2022, respectively.

The table below summarizes the amortized cost of the Texas District's nonperforming assets:

(in thousands)	December 31, 2024	December 31, 2023	December 31, 2022
Nonaccrual loans:			
Real estate mortgage	**$ 59,931**	$ 39,118	$ 56,389
Production and intermediate-term	**69,411**	45,073	16,407
Agribusiness	**23,686**	40,558	55,879
Energy (rural utilities)	**1,663**	5,801	9,880
Rural residential real estate	**466**	342	279
Leases	**386**	—	1,297
Total nonaccrual loans	**155,543**	130,892	140,131
Accruing loans 90 days or more past due:			
Real estate mortgage	**2,765**	1,193	7,891
Production and intermediate-term	**823**	339	1,431
Rural residential real estate	**188**	—	—
Mission-related	**282**	1,101	5,032
Total accruing loans 90 days or more past due	**4,058**	2,633	14,354
Total nonperforming loans	**159,601**	133,525	154,485
Other property owned	**8,813**	37,032	4,712
Total nonperforming assets	**$ 168,414**	$ 170,557	$ 159,197

The Texas District's nonperforming loans are composed of nonaccrual loans and accruing loans 90 days or more past due. Nonperforming assets consist of nonperforming loans and other property owned (OPO). Total nonperforming assets have decreased by $2.1 million, or 1.26 percent, from $170.6 million at December 31, 2023, compared to $168.4 million at December 31, 2024. The increase in nonaccrual loans of $24.7 million since December 31, 2023 reflects the credit deterioration among select borrowers in the real estate mortgage, agribusiness and production and intermediate-term loan sectors, partially offset by the move of a large production and intermediate-term loan to OPO and associated charge-offs as well as loan repayments on other nonaccrual loans.

At December 31, 2024, $88.6 million, or 56.95 percent, of loans classified as nonaccrual were current as to principal and interest, compared to $44.8 million, or 34.26 percent, of nonaccrual loans at December 31, 2023, and $43.1 million, or 49.93 percent, of nonaccrual loans at December 31, 2022.

The following table provides an aging analysis of past due loans at amortized cost by portfolio segment:

December 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 Loans
Real estate mortgage	**$ 178,601**	**$ 33,517**	**$ 212,118**	**$ 23,314,224**	**$ 23,526,342**
Production and intermediate-term	**26,825**	**2,361**	**29,186**	**5,799,465**	**5,828,651**
Agribusiness	**23,624**	**5,035**	**28,659**	**6,499,999**	**6,528,658**
Communications	**—**	**—**	**—**	**1,169,983**	**1,169,983**
Energy (rural utilities)	**—**	**—**	**—**	**1,776,002**	**1,776,002**
Water and waste disposal	**—**	**—**	**—**	**374,045**	**374,045**
Rural residential real estate	**3,510**	**188**	**3,698**	**247,545**	**251,243**
International	**—**	**—**	**—**	**229,549**	**229,549**
Mission-related	**1,534**	**282**	**1,816**	**28,696**	**30,512**
Loans to OFIs	**—**	**—**	**—**	**56,397**	**56,397**
Lease receivables	**386**	**—**	**386**	**25,375**	**25,761**
Total loans	**$ 234,480**	**$ 41,383**	**$ 275,863**	**$ 39,521,280**	**$ 39,797,143**

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 Loans
Real estate mortgage	$ 128,365	$ 11,150	$ 139,515	$ 22,367,701	$ 22,507,216
Production and intermediate-term	58,982	8,500	67,482	5,226,224	5,293,706
Agribusiness	3,237	28,410	31,647	6,142,756	6,174,403
Communications	—	—	—	1,180,113	1,180,113
Energy (rural utilities)	—	—	—	1,599,892	1,599,892
Water and waste disposal	—	—	—	423,731	423,731
Rural residential real estate	2,180	138	2,318	260,870	263,188
International	—	—	—	157,693	157,693
Mission-related	2,418	1,101	3,519	26,350	29,869
Loans to OFIs	—	—	—	55,304	55,304
Lease receivables	1,507	—	1,507	34,053	35,560
Total loans	$ 196,689	$ 49,299	$ 245,988	$ 37,474,687	$ 37,720,675

Prior to the adoption of CECL, the aging analysis of past due loans included accrued interest as follows:

December 31, 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 Loans
Real estate mortgage	$ 92,420	$ 36,756	$ 129,176	$ 22,183,978	$ 22,313,154
Production and intermediate-term	37,334	12,375	49,709	4,553,960	4,603,669
Agribusiness	18,382	2,387	20,769	6,341,264	6,362,033
Communications	—	—	—	1,137,459	1,137,459
Energy (rural utilities)	—	6	6	1,520,132	1,520,138
Water and waste disposal	—	—	—	249,385	249,385
Rural residential real estate	2,419	79	2,498	279,725	282,223
International	—	—	—	129,559	129,559
Mission-related	3,176	5,032	8,208	26,837	35,045
Loans to OFIs	—	—	—	52,054	52,054
Lease receivables	245	1,297	1,542	36,894	38,436
Total loans	$ 153,976	$ 57,932	$ 211,908	$ 36,511,247	$ 36,723,155

A summary of changes in the allowance for credit losses on loans and the allowance for credit losses on unfunded commitments for the year ended December 31, 2024 and December 31, 2023, are as follows:

	Real Estate Mortgage	Production and Intermediate-Term	Agri-business	Communi-cations	Energy and Water/Waste Disposal	Rural Residential Real Estate	Inter-national	Mission-Related	Loans to OFIs	Lease Receivables	Total
Allowance for Credit Losses on Loans:											
Balance at December 31, 2023	$ 54,375	$ 25,677	$ 32,207	$ 2,337	$ 5,227	$ 670	$ 119	$ 12	$ —	$ 637	$ 121,261
Charge-offs	(310)	(8,128)	(31,424)	—	—	(11)	—	—	—	—	(39,873)
Recoveries	201	1,045	415	—	—	3	—	107	—	—	1,771
Provision for credit losses/(Loan loss reversal)	5,803	15,884	29,771	164	(1,508)	15	179	(107)	—	767	50,968
Adjustment due to merger	(99)	(1,497)	(1,580)	—	—	(18)	—	—	—	—	(3,194)
Balance at December 31, 2024	$ 59,970	$ 32,981	$ 29,389	$ 2,501	$ 3,719	$ 659	$ 298	$ 12	$ —	$ 1,404	$ 130,933
Allowance for credit losses on unfunded commitments:											
Balance at December 31, 2023	$ 486	$ 1,129	$ 4,749	$ 151	$ 714	$ 1	$ 66	$ —	$ —	$ —	$ 7,296
Provision for credit losses/(Loan loss reversal)	463	658	(947)	50	136	—	(16)	—	—	—	344
Balance at December 31, 2024	$ 949	$ 1,787	$ 3,802	$ 201	$ 850	$ 1	$ 50	$ —	$ —	$ —	$ 7,640

	Real Estate Mortgage	Production and Intermediate-Term	Agri-business	Communi-cations	Energy and Water/Waste Disposal	Rural Residential Real Estate	Inter-national	Mission-Related	Loans to OFIs	Lease Receivables	Total
Allowance for Credit Losses on Loans:											
Balance at December 31, 2022	$ 44,759	$ 13,539	$ 21,629	$ 959	$ 3,700	$ 319	$ 80	$ 64	$ —	$ 469	$ 85,518
Adjustment in beginning balance due to change in accounting for credit losses	5,969	(3,237)	5,286	382	623	375	15	(11)	—	209	9,611
Balance at January 1, 2023	50,728	10,302	26,915	1,341	4,323	694	95	53	—	678	95,129
Charge-offs	(239)	(14,481)	(12,142)	—	(701)	—	—	—	—	(1,310)	(28,873)
Recoveries	622	1,032	1,134	—	48	3	—	27	—	—	2,866
Provision for credit losses/(Loan loss reversal)	3,295	30,131	16,561	972	1,559	(20)	28	(68)	—	1,260	53,718
Adjustment due to merger	(31)	(1,307)	(261)	24	(2)	(7)	(4)	—	—	9	(1,579)
Balance at December 31, 2023	$ 54,375	$ 25,677	$ 32,207	$ 2,337	$ 5,227	$ 670	$ 119	$ 12	$ —	$ 637	$ 121,261
Allowance for credit losses on unfunded commitments:											
Balance at December 31, 2022	$ 664	$ 1,935	$ 2,221	$ 53	$ 307	$ 1	$ 32	$ —	$ —	$ —	$ 5,213
Adjustment in beginning balance due to change in accounting for credit losses	177	(897)	2,800	100	489	(1)	33	—	—	—	2,701
Balance at January 1, 2023	841	1,038	5,021	153	796	—	65	—	—	—	7,914
Provision for credit losses/(Loan loss reversal)	(355)	91	(272)	(2)	(82)	1	1	—	—	—	(618)
Balance at December 31, 2023	$ 486	$ 1,129	$ 4,749	$ 151	$ 714	$ 1	$ 66	$ —	$ —	$ —	$ 7,296

Prior to the adoption of CECL, a summary of changes in the allowance for credit losses for the year ended December 31, 2022, is as follows:

	Real Estate Mortgage	Production and Intermediate-Term	Agri-business	Communi-cations	Energy and Water/Waste Disposal	Rural Residential Real Estate	Inter-national	Mission-Related	Loans to OFIs	Lease Receivables	Total
Allowance for Credit Losses on Loans:											
Balance at December 31, 2021	$ 44,490	$ 15,495	$ 14,701	$ 824	$ 9,296	$ 313	$ 90	$ 128	$ —	$ 133	$ 85,470
Charge-offs	(548)	(1,406)	—	—	(1,333)	—	—	—	—	—	(3,287)
Recoveries	269	1,108	654	—	—	3	—	8	—	—	2,042
Provision for credit losses/(Loan loss reversal)	625	(1,435)	7,034	145	(4,320)	5	(3)	(72)	—	335	2,314
Other*	(77)	(223)	(760)	(10)	57	(2)	(7)	—	—	1	(1,021)
Balance at December 31, 2022	$ 44,759	$ 13,539	$ 21,629	$ 959	$ 3,700	$ 319	$ 80	$ 64	$ —	$ 469	$ 85,518

*Prior to the adoption of CECL on January 1, 2023, the provision for the allowance for losses on unfunded commitments was included in the allowance for credit losses on loans and transferred to the allowance for losses on unfunded commitments. After the adoption of CECL, the provision for allowance for losses on unfunded commitments is included within that roll-forward. Allowance for losses on letters of credit and unfunded commitments are recorded in other liabilities in all periods presented.

Loans, net of the allowance for credit losses, represented 82.29 percent, 81.90 percent and 81.51 percent of total assets at December 31, 2024, 2023 and 2022, respectively.

Investments

The Bank is responsible for meeting the Texas District's funding, liquidity and asset/liability management needs. While access to the unsecured debt capital markets remains the Bank'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 holds these investments on an available-for-sale basis. Refer to the Bank's 2024 Annual Report for additional description of the types of investments and maturities. Additionally, the Texas District Associations have regulatory authority to enter into certain guaranteed investments that are typically mortgage-backed or asset-backed securities. The Texas District's investment portfolio is summarized in the following table:

(in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
December 31, 2024				
Bank investments	**$ 7,174,737**	**$ 4,472**	**$ (536,725)**	**$ 6,642,484**
Texas District Association investments	**251,587**	**1,066**	**(1,038)**	**251,615**
Total Texas District investments	**$ 7,426,324**	**$ 5,538**	**$ (537,763)**	**$ 6,894,099**
December 31, 2023				
Bank investments	$ 7,178,757	$ 1,953	$ (570,281)	$ 6,610,429
Texas District Association investments	191,764	1,161	(630)	192,295
Total Texas District investments	$ 7,370,521	$ 3,114	$ (570,911)	$ 6,802,724
December 31, 2022				
Bank investments	$ 7,261,356	$ 1,267	$ (607,672)	$ 6,654,952
Texas District Association investments	132,434	935	(346)	133,023
Total Texas District investments	$ 7,393,790	$ 2,202	$ (608,018)	$ 6,787,975

The Texas District Associations' investments in the preceding table include held-to-maturity securities with an amortized cost of $35.8 million (unrealized net loss of $243 thousand and fair value of $35.6 million) as of December 31, 2024. As of December 31, 2023, the investments in the preceding table include held-to-maturity securities with an amortized cost of $2.4 million (unrealized net loss of $71 thousand and fair value of $2.4 million). As of December 31, 2022, the investments in the preceding table include held-to-maturity securities with an amortized cost of $3.4 million (an unrealized loss of $142 thousand and fair value of $3.2 million). These securities are reported at amortized cost and included in investment securities on the balance sheets.

The Texas District evaluated its investment securities with unrealized losses for impairment at the end of each quarter within the year ended December 31, 2024. As a result of the assessment, the Texas District concluded that it does not intend to sell any securities and it is more likely than not that it would not be required to sell any securities, prior to recovery of the amortized cost basis. The Texas District concluded that a credit impairment did not exist at December 31, 2024.

Capital Resources

The Texas District's equity totaled $5.81 billion at December 31, 2024, including $1.03 billion in preferred stock, $73.2 million in capital stock and participation certificates, $4.84 billion in retained earnings and $347.9 million in additional paid-in-capital, partially offset by accumulated other comprehensive loss of $480.8 million. On May 20, 2024, the Bank issued $300.0 million of Class B perpetual non-cumulative subordinated preferred stock, Series 5 (Class B-5), representing 300,000 shares at $1,000 per share par value, for net proceeds of $296.7 million, with issuance costs of $3.3 million. On September 16, 2024, the Bank redeemed its $300.0 million of Class B perpetual non-cumulative subordinated preferred stock, Series 2 (Class B-2) at a redemption price of $100 per share, or $300.0 million in the aggregate, together with an amount equal to all dividends accrued and unpaid up to the redemption date.

Borrower equity purchases required by Texas District Association capitalization bylaws, combined with a history of growth in retained earnings at Texas District institutions, have resulted in Texas District institutions being able to maintain strong capital positions. The $5.81 billion capital position of the Texas District at December 31, 2024 reflected an increase of $312.4 million compared to the capital position of $5.50 billion at December 31, 2023. The increase since December 31, 2023 primarily reflects annual net income of $690.9 million and a $63.6 million decrease in accumulated other comprehensive loss, partially offset by estimated patronage payments of $367.2 million and preferred stock dividend payments of $74.6 million.

Following is a summary of the components of accumulated other comprehensive loss:

(in thousands)	December 31, 2024	December 31, 2023	December 31, 2022
Unrealized losses on investment securities	**$ (532,225)**	$ (567,798)	$ (605,817)
Derivatives and hedging position	**65,086**	44,892	63,900
Employee benefit plan position	**(13,631)**	(21,440)	(24,310)
Total Accumulated Other Comprehensive Loss	**$ (480,770)**	$ (544,346)	$ (566,227)

Accumulated other comprehensive loss totaled $480.8 million at December 31, 2024, a decrease of $63.6 million from December 31, 2023. The decrease in accumulated other comprehensive loss reflects a $35.6 million decrease in unrealized losses on the Bank's available-for-sale investments, a $20.2 million increase related to changes in the valuation of interest rate swaps at the Bank, and a $7.8 million decrease in unrealized losses on pension and other postretirement benefit plans. All changes are primarily attributable to fluctuations in interest rates.

The Farm Credit Administration sets minimum regulatory capital requirements for System banks and associations.

December 31, 2024	Primary Components of Numerator	Regulatory Minimums with Capital Conservation Buffers	Bank	Texas District Associations
Risk adjusted:				
Common equity tier 1 capital ratio	Unallocated retained earnings (URE), common cooperative equities (qualifying capital stock and allocated equity)[1]	7.00%	8.58%	10.26% - 18.63%
Tier 1 capital ratio	CET1 capital, noncumulative perpetual preferred stock	8.50%	13.04%	11.80% - 18.63%
Total capital ratio	Tier 1 capital, allowance for loan losses[2], common cooperative equities[3] and term preferred stock and subordinated debt[4]	10.50%	13.30%	12.26% - 18.96%
Permanent capital ratio	Retained earnings, common stock, noncumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.00%	13.07%	11.85% - 18.69%
Non-risk adjusted:				
Tier 1 leverage ratio*	Tier 1 capital	5.00%	5.64%	11.36% - 17.59%
UREE leverage ratio	URE and URE equivalents	1.50%	2.18%	4.62% - 17.31%

*Must include the regulatory minimum requirements for the URE and UREE leverage ratio

[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

Employee Benefit Plans

Employees of the Texas District participate in either the Texas District's defined benefit retirement plan (DB plan) or in a non-elective defined contribution feature (DC plan) within the Farm Credit Benefits Alliance 401(k) plan. The DB plan is noncontributory, and benefits are based on salary and years of service. The legal name of the plan is Farm Credit Bank of Texas Pension Plan; its employer identification number is 74-1110170. As of January 1, 1996, the Bank and Associations froze participation in their defined benefit pension plan and offered defined contribution retirement plans to all employees hired subsequent to the freeze. Effective January 1, 2025, the DB plan was amended to change the interest rates that are used to calculate lump sum payments. Prior to the amendment, lump sums were calculated using the IRS published §417(e) segment rates for November of the year proceeding the distribution year. For lump sum payments made on or after January 1, 2025, the amendment adds 300 basis points to the rates published by the IRS for November of each year.

Participants in the DC plan generally include employees who elected to transfer from the DB plan prior to January 1, 1996, and employees hired on or after January 1, 1996. Participants in the non-elective pension feature of the DC plan direct the placement of their employers' contributions made on their behalf into various investment alternatives.

The Texas District also participates in the Farm Credit Benefits Alliance 401(k) plan, which offers a pre-tax and after-tax Roth compensation deferral feature. Employers match 100 percent of employee contributions for the first 3 percent of eligible compensation and then match 50 percent of employee contributions on the next 2 percent of eligible compensation, for a maximum employer contribution of 4 percent of eligible compensation.

In addition, the Bank and Associations provide certain healthcare and other postretirement benefits to eligible retired employees, beneficiaries and directors (other postretirement benefit plan). Employees may become eligible for healthcare and other postretirement benefits if they reach normal retirement age while working for the Bank or an Association. These benefits are not characterized as multiemployer and, consequently, the liability for these benefits is included in other liabilities individually for the Bank and each applicable Association.

Certain executive or highly compensated employees in the district are eligible to participate in a separate nonqualified supplemental 401(k) plan, named the Farm Credit Benefits Alliance Nonqualified Supplemental 401(k) Plan (Supplemental 401(k) Plan). This plan allows district employers to elect to participate in any or all of the following benefits:

- *Restored Employer Contributions* — to allow "make-up" contributions for eligible employees whose benefits to the qualified 401(k) Plan were limited by the Internal Revenue Code during the year;
- *Elective Deferrals* — to allow eligible employees to make pre-tax deferrals of compensation above and beyond any deferrals into the qualified 401(k) Plan; and/or
- *Discretionary Contributions* — to allow participating employers to make a discretionary contribution to an eligible employee's account in the Supplemental 401(k) Plan and to designate a vesting schedule.

The unfunded status of the pension benefit plan decreased $14.8 million, or 21.64 percent, compared to the prior year driven by a decrease in the projected benefit obligation as well as plan assets. The unfunded status of the other postretirement benefit plan increased $6.0 million, or 9.38 percent, compared to the prior year.

The funding status and the amounts recognized in the combined balance sheet of the Texas District for pension and other postretirement benefit plans follows:

(in thousands)

December 31, 2024	Pension Benefit Plan	Other Postretirement Benefit Plan
Fair value of plan assets	$ 167,368	$ —
Projected benefit obligation	221,126	70,158
Funded (unfunded) status	$ (53,758)	$ (70,158)
Accumulated benefit obligation	$ 219,568	$ —
Assumptions used to determine benefit obligations:		
Discount rate	5.60 %	5.35 %
Expected long-term rate of return	6.93 %	N/A
Rate of compensation increase	3.00 %	N/A

December 31, 2023	Pension Benefit Plan	Other Postretirement Benefit Plan
Fair value of plan assets	$ 188,081	$ —
Projected benefit obligation	256,687	64,141
Funded (unfunded) status	$ (68,606)	$ (64,141)
Accumulated benefit obligation	$ 253,876	$ —
Assumptions used to determine benefit obligations:		
Discount rate	4.95 %	5.50 %
Expected long-term rate of return	6.70 %	N/A
Rate of compensation increase	4.50 %	N/A

December 31, 2022	Pension Benefit Plan	Other Postretirement Benefit Plan
Fair value of plan assets	$ 184,418	$ —
Projected benefit obligation	260,042	62,409
Funded (unfunded) status	$ (75,624)	$ (62,409)
Accumulated benefit obligation	$ 256,801	$ —
Assumptions used to determine benefit obligations:		
Discount rate	5.15 %	5.20 %
Expected long-term rate of return	6.80 %	N/A
Rate of compensation increase	5.00 %	N/A

Combined Balance Sheets

(Unaudited)

(in thousands)	December 31, 2024	December 31, 2023	December 31, 2022
ASSETS			
Cash	**$ 39,935**	$ 78,513	$ 141,371
Federal funds sold and overnight investments	**455,323**	312,399	301,678
Investment securities	**6,894,099**	6,802,724	6,787,975
Loans	**39,797,143**	37,720,675	36,421,444
Less allowance for credit losses on loans	**130,933**	121,261	85,517
Net loans	**39,666,210**	37,599,414	36,335,927
Accrued interest receivable	**432,335**	401,520	323,883
Premises and equipment, net	**319,002**	306,669	265,531
Other assets	**396,682**	405,723	424,005
Total assets	**$ 48,203,586**	$ 45,906,962	$ 44,580,370
LIABILITIES			
Bonds and notes	**$ 41,508,770**	$ 39,483,325	$ 38,321,742
Accrued interest payable	**256,764**	227,680	153,471
Patronage distributions payable	**285,646**	288,004	280,859
Preferred stock dividends payable	**13,500**	13,798	11,600
Other liabilities	**329,044**	396,679	506,666
Total liabilities	**42,393,724**	40,409,486	39,274,338
MEMBERS' EQUITY			
Preferred stock	**1,030,000**	1,030,000	1,030,000
Capital stock and participation certificates	**73,182**	72,834	72,715
Allocated retained earnings	**1,113,807**	1,091,910	1,030,345
Unallocated retained earnings	**3,725,717**	3,592,182	3,517,173
Additional paid-in-capital	**347,926**	254,896	222,026
Accumulated other comprehensive loss	**(480,770)**	(544,346)	(566,227)
Total members' equity	**5,809,862**	5,497,476	5,306,032
Total liabilities and members' equity	**$ 48,203,586**	$ 45,906,962	$ 44,580,370

Combined Statements of Income

(Unaudited)

(in thousands)	December 31, 2024	2023	2022
Interest Income			
Investment securities	**$ 284,366**	$ 245,312	$ 122,820
Loans	**2,486,066**	2,248,823	1,622,223
Total interest income	**2,770,432**	2,494,135	1,745,043
Interest Expense			
Bonds and notes	**1,312,025**	1,106,495	532,833
Notes payable and other	**265,938**	252,323	96,137
Total interest expense	**1,577,963**	1,358,818	628,970
Net interest income	**1,192,469**	1,135,317	1,116,073
Provision for credit losses on loans	**51,312**	53,100	2,314
Net interest income after provision for credit losses on loans	**1,141,157**	1,082,217	1,113,759
Noninterest income			
Patronage income	**42,548**	40,717	33,269
Fees for loan-related services	**45,595**	44,549	45,846
Refunds from Farm Credit System Insurance Corporation	**12,615**	—	—
(Loss) gain on Rural Business Investment Companies	**(16,895)**	(1,517)	1,188
Other (loss) income, net	**2,154**	14,265	10,694
Total noninterest income	**86,017**	98,014	90,997
Noninterest expense			
Salaries and employee benefits	**302,409**	282,083	274,290
Occupancy and equipment	**73,173**	68,385	59,314
Purchased services	**39,436**	39,148	41,805
Farm Credit System Insurance Corporation expense	**35,957**	63,018	65,503
Other operating expenses	**85,173**	84,385	75,065
Total noninterest expense	**536,148**	537,019	515,977
Income before income taxes	**691,026**	643,212	688,779
Provision for income taxes	**157**	126	164
Net income	**$ 690,869**	$ 643,086	$ 688,615

Select Information on Texas District Associations

(Unaudited)

(in thousands) As of December 31, 2024	Direct Notes	% of Total Direct Notes	Total Assets	Total Allowance and Capital	Total Capital Ratio	Nonperforming Loans as a % of Total Loans	Annualized ROA
AgTexas Farm Credit Services	$ 2,884,177	10.71%	$ 3,419,656	$ 475,157	13.10%	0.26%	2.20%
AgTrust Farm Credit, ACA	2,646,731	9.83	3,163,220	491,048	14.56	0.05	1.95
Alabama Ag Credit, ACA	1,171,472	4.35	1,434,980	248,782	16.22	0.35	1.55
Alabama Farm Credit, ACA	1,057,328	3.93	1,232,063	163,933	12.26	0.51	1.48
Capital Farm Credit, ACA	11,372,524	42.23	13,511,855	1,919,599	12.62	0.53	2.04
Central Texas Farm Credit, ACA	577,790	2.15	724,683	132,612	17.07	0.03	1.85
Legacy Ag Credit, ACA	318,438	1.18	392,726	73,013	18.96	0.09	1.32
Louisiana Land Bank, ACA	902,907	3.35	1,124,011	202,840	17.41	0.29	1.78
Mississippi Land Bank, ACA	928,974	3.45	1,133,150	177,922	14.67	0.01	1.51
Plains Land Bank, FLCA	955,639	3.55	1,150,279	189,276	14.43	0.19	2.13
Southern AgCredit, ACA	1,373,990	5.10	1,642,769	229,852	13.83	0.02	1.51
Texas Farm Credit Services	2,740,549	10.17	3,155,572	410,959	14.20	0.74	1.75
Totals	$ 26,930,519	100.00%	$ 32,084,964	$ 4,714,993			

Texas District Contact Information

Name of Entity	Headquarters Location	Contact Number	Website
AgTexas Farm Credit Services	5004 N. Loop 289, Lubbock, Texas 79416	806-687-4068	*www.agtexas.com*
AgTrust Farm Credit, ACA	5600 Clearfork Main Street, Suite 600, Fort Worth, Texas 76109	817-332-6565	*www.agtrustaca.com*
Alabama Ag Credit, ACA	7480 Halcyon Pointe Drive, Suite 201, Montgomery, Alabama 36117	334-270-8687	*www.alabamaagcredit.com*
Alabama Farm Credit, ACA	300 2nd Avenue SW, Cullman, Alabama 35055	256-737-7128	*www.alabamafarmcredit.com*
Capital Farm Credit, ACA	3902 South Traditions Drive, College Station, Texas 77845	979-822-3018	*www.capitalfarmcredit.com*
Central Texas Farm Credit, ACA	1026 Early Boulevard, Early, Texas 76082	325-643-5563	*www.centraltexasfarmcredit.com*
Farm Credit Bank of Texas	4801 Plaza on the Lake Drive, Austin, Texas 78746	512-465-0400	*www.farmcreditbank.com*
Legacy Ag Credit, ACA	303 Connally Street, Sulphur Springs, Texas 75482	903-885-9566	*www.legacyaca.com*
Louisiana Land Bank, ACA	2413 Tower Drive, Monroe, Louisiana 71201	318-387-7535	*www.louisianalandbank.com*
Mississippi Land Bank, ACA	5509 Highway 51 North, Senatobia, Mississippi 38668	662-562-9671	*www.mslandbank.com*
Plains Land Bank, FLCA	5625 Fulton Drive, Amarillo, Texas 79109	806-353-6688	*www.plainslandbank.com*
Southern AgCredit, ACA	306 Commerce Center Drive, Ridgeland, Mississippi 39157	601-499-2820	*www.southernagcredit.com*
Texas Farm Credit Services	545 S. Highway 77, Robstown, Texas 78380	361-387-8563	*www.texasfarmcredit.com*

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