INVESTING
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FUTURE

2019 FIRST QUARTER INFORMATION

March 31, 2019

TEXAS FARM CREDIT DISTRICT

First Quarter 2019 Financial Information

(unaudited)

INTRODUCTION AND DISTRICT OVERVIEW

The Farm Credit Bank of Texas (bank) is one of the banks of the Farm Credit System (System), a nationwide system of cooperatively owned banks and associations established by acts of Congress. The System is subject to the provisions of the Farm Credit Act. The System specializes in providing financing and related services to qualified borrowers for agricultural and rural purposes.

As of March 31, 2019, the nation was served by three Farm Credit Banks (FCBs), each of which has specific lending authority within its chartered territory, and one Agricultural Credit Bank (ACB) — collectively, the “System banks” — which has nationwide lending authority for lending to cooperatives. The ACB also has lending authorities of an FCB within its chartered territories. The bank is chartered to service the states of Alabama, Louisiana, Mississippi, New Mexico and Texas.

Each FCB and the ACB serve one or more Agricultural Credit Associations (ACAs) and/or Federal Land Credit Associations (FLCAs). The bank and its related associations collectively are referred to as the Farm Credit Bank of Texas and affiliated associations (Texas Farm Credit District). The district’s one FLCA, 13 ACA parent associations, each containing two wholly-owned subsidiaries (an FLCA and a Production Credit Association [PCA]), certain Other Financing Institutions (OFIs) and preferred stockholders jointly owned the bank at March 31, 2019. The FLCA and ACAs collectively are referred to as associations.

Each FCB and the ACB provides funding for its district associations and is responsible for supervising certain activities of the associations within their districts. The FCBs and/or associations make loans to or for the benefit of eligible borrower-stockholders for qualified agricultural purposes. District associations borrow the majority of funds from their related bank. The System banks obtain a substantial majority of their funds for lending operations through the sale of consolidated Systemwide bonds and notes to the public, but also obtain a portion of their funds from internally generated earnings and from the issuance of common and preferred stock.

The System is a cooperative structure. Farm Credit’s funds are raised by the Federal Farm Credit Banks Funding Corporation (the Funding Corporation) and insured by the Farm Credit System Insurance Corporation (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 System banks. Farm Credit associations receive funding through one 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. 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).

The contents of the unaudited quarterly Texas Farm Credit District financial information has been modified to include only disclosures that highlight the risks of the combined Texas Farm Credit District. Beginning in 2018, the combined Texas Farm Credit District report will no longer include information such as the debt, shareholders’ equity, fair value measurement and derivatives footnotes as the information is duplicated in the bank’s audited annual financial statements.

The following commentary provides a high-level discussion and analysis of the combined financial position and results of operations of the Farm Credit Bank of Texas (bank), the Federal Land Credit Association (FLCA) and the Agricultural Credit Associations (ACAs) for the three months ended March 31, 2019. The bank and its affiliated associations are collectively referred to as “Texas Farm Credit District.”

TEXAS FARM CREDIT DISTRICT
FINANCIAL INFORMATION

Financial Highlights

(in thousands)	**March 31, 2019**	December 31 2018
Total loans	**$ 25,195,400**	$ 24,852,133
Allowance for loan losses	**86,484**	82,069
Net loans	**25,108,916**	24,770,064
Total assets	**31,728,955**	31,569,158
Total members' equity	**4,640,588**	4,531,099

Three Months Ended March 31,	**2019**	2018
Net interest income	**$ 198,429**	$ 194,415
Provision for loan losses	**6,226**	2,666
Net fee income	**5,953**	8,065
Net income	**114,491**	130,032
Net interest margin	**2.60%**	2.70%
Net loan charge-offs (recoveries) as a percentage of average loans	**0.01**	<0.01
Return on average assets (ROA)	**1.44**	1.69
Return on average shareholders' equity	**9.84**	11.56
Operating expenses as a percentage of net interest income and noninterest income	**44.56**	41.85
Average loans	**$ 25,043,346**	$ 23,863,225
Average earning assets	**30,919,141**	29,235,804
Average total assets	**31,610,953**	29,854,291

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Net Income

The district's net income of $114.5 million for the three months ended March 31, 2019, reflected a decrease of $15.5 million, or 12.0 percent, over the same period of 2018. The return on average assets decreased to 1.44 percent for the three months ended March 31, 2019, from 1.69 percent reported for the same period of 2018. The decrease in net income was due primarily to a $13.9 million decrease in noninterest income, a $3.5 million increase in provision for loan losses and a $2.2 million increase in noninterest expenses, partially offset by a $4.0 million increase in net interest income.

Net Interest Income

Net interest income for the three months ended March 31, 2019 was $198.4, an increase of $4.0 million, or 2.1 percent, over the same period of 2018.

The increase in net interest income at March 31, 2019 was the result of a $1.7 billion increase in combined district average earning assets, offset by a 20-basis-point decrease in net interest rate spread, to 2.22 percent. The increase in earning assets included growth in the associations' loan portfolios, the bank's investment portfolio and the bank's capital market loan portfolio. The net interest rate margin decreased by 10 basis points to 2.60 percent for the three months ended March 31, 2019, as compared with 2.70 percent for the same period of the prior year. The decline in the net interest rate margin resulted from the previously mentioned decrease in net interest rate spread which was attributed to an increase in debt costs and lower lending spreads due to competitive pressures, offset by a 10-basis-point increase to 0.38 percent in income earned on earning assets funded by noninterest-bearing sources (principally capital) due to increased interest rates.

Provision for Loan Losses

The provision for loan losses for the three months ended March 31, 2019 was $6.2 million, reflecting an increase of $3.5 million from the $2.7 million provision recorded over the same period of 2018. The provision for 2019 primarily reflected deterioration in loans in the production and intermediate term as well as real estate mortgage sectors, partially offset by a decrease in provisions in the agribusiness and energy sectors.

Noninterest Income

Noninterest income for the three months ended March 31, 2019 was $19.1 million, a decrease of $13.9 million, or 42.1 percent, compared to the same period of 2018. The decrease was primarily due to $12.8 million in lower refunds from the Farm Credit System Insurance Corporation.

Noninterest Expense

Noninterest expense for the three months ended March 31, 2019 totaled $97.4 million, increasing $2.6 million, or 2.8 percent, from the same period of 2018. The increase in noninterest expense is driven by a $2.1 million increase in salaries and employee benefits as a result of increased compensation and higher staffing levels.

Loan Portfolio

A summary of the district's loan types follows:

District Loans by Loan Type

(in thousands)	**March 31, 2019**	December 31, 2018
Real estate mortgage	**$ 14,918,431**	$ 14,859,093
Production and intermediate term	**3,189,080**	3,235,481
Agribusiness:		
Loans to cooperatives	**501,544**	408,350
Processing and marketing	**3,948,593**	3,747,010
Farm-related business	**211,974**	182,655
Communications	**512,463**	513,286
Energy (rural utilities)	**1,349,888**	1,355,187
Water and waste disposal	**150,535**	143,863
Rural residential real estate	**240,850**	240,587
Mission-related	**97,892**	96,109
Loans to other financing institutions (OFIs)	**40,738**	36,341
Lease receivables	**33,412**	34,171
Total loans	**$ 25,195,400**	$ 24,852,133

The district loan portfolio consists only of retail loans. Bank loans to its affiliated associations have been eliminated in the combined financial statements. Total loan volume at March 31, 2019 was $25.2 billion, an increase of $343.3 million, or 1.38 percent, from the $24.9 billion loan portfolio balance at December 31, 2018. The loan volume increase of $343.3 million during the first three months of 2019 was primarily driven by a $174.9 million increase in the bank's capital markets loan portfolio and a $168.4 million increase in the associations' loan portfolios.

The bank's capital market loan portfolio predominantly includes participations, syndications and purchased whole loans, along with other financing structures within our lending authorities. The bank also refers to the capital market portfolio as participations purchased. In addition to purchasing loans from our district associations, which may exceed their hold limits, the bank seeks the purchase of participations and syndications originated outside of the district's territory by other System institutions, commercial banks and other lenders. These loans may be held as earning assets of the bank or subparticipated to the associations or to other System entities.

Loan Quality

One credit quality indicator utilized by the bank and associations is the Farm Credit Administration Uniform Loan Classification System that 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 (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 loans and related accrued interest classified under the Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable by loan type:

District Loan Quality

	March 31, 2019	December 31, 2018
Acceptable	**96.8%**	97.2%
OAEM (special mention)	**1.6**	1.5
Substandard/doubtful	**1.6**	1.3
Total	**100.0%**	100.0%

During the first three months, overall credit quality at the bank and at the district associations remained strong. Loans classified (under the FCA's Uniform Loan Classification System) as "acceptable" or "other assets especially mentioned" as a percentage of total loans and accrued interest receivable were 98.4 percent at March 31, 2019 compared to 98.7 percent at December 31, 2018.

Nonperforming Assets

(in thousands)		March 31, 2019		December 31, 2018
Nonaccrual loans:				
Real estate mortgage	**$**	**77,453**	$	71,512
Production and intermediate term		**27,820**		21,113
Agribusiness		**15,190**		11,211
Energy (rural utilities)		**13,584**		13,704
Rural residential real estate		**784**		817
Mission-related		**1,181**		1,286
Total nonaccrual loans	**$**	**136,012**	$	119,643
Accruing restructured loans:				
Real estate mortgage	**$**	**17,287**	$	16,423
Production and intermediate term		**5,707**		6,130
Rural residential real estate		**31**		33
Mission-related		**5,556**		5,476
Total accruing restructured loans	**$**	**28,581**	$	28,062
Accruing loans 90 days or more past due:				
Real estate mortgage	**$**	**2,568**	$	273
Production and intermediate term		**2,279**		634
Total accruing loans 90 days or more past due	**$**	**4,847**	$	907
Total nonperforming loans	**$**	**169,440**	$	148,612
Other property owned		**8,091**		9,229
Total nonperforming assets	**$**	**177,531**	$	157,841

Nonperforming loan volume is composed of nonaccrual loans, accruing restructured loans and accruing loans 90 days or more past due, and is referred to as impaired loans. Nonperforming assets consist of nonperforming loans and other property owned (OPO). Total nonperforming assets have increased by $19.7 million, or 12.5 percent, from $157.8 million at December 31, 2018, to $177.5 million at March 31, 2019. The increase in nonperforming assets during the first three months of 2019 includes a $16.4 million increase in nonaccrual loans resulting from transfers to nonaccrual status of $31.7 million and $2.4 million in advances, offset by repayments of $15.7 million, transfers out of nonaccrual status of $1.0 million, and charge-offs totaling $1.9 million.

At March 31, 2019, $77.5 million, or 57.0 percent, of loans classified as nonaccrual were current as to principal and interest, compared to $82.0 million, or 68.5 percent, of nonaccrual loans at December 31, 2018.

The following table provides an age analysis of past due loans (including accrued interest):

Aging Analysis of Loans

(in thousands) **March 31, 2019**	**30-89 Days Past Due**	**90 Days or More Past Due**	**Total Past Due**	**Not Past Due or Less Than 30 Days Past Due**	**Total Loans**
Real estate mortgage	**$ 102,880**	**$ 28,928**	**$ 131,808**	**$ 14,934,101**	**$ 15,065,909**
Production and intermediate term	**25,556**	**8,062**	**33,618**	**3,197,432**	**3,231,050**
Agribusiness	**230**	**5,088**	**5,318**	**4,680,452**	**4,685,770**
Communications	**-**	**-**	**-**	**512,774**	**512,774**
Energy (rural utilities)	**-**	**-**	**-**	**1,358,365**	**1,358,365**
Water and waste disposal	**-**	**-**	**-**	**151,399**	**151,399**
Rural residential real estate	**3,485**	**110**	**3,595**	**238,184**	**241,779**
Mission-related	**-**	**1,181**	**1,181**	**97,554**	**98,735**
Loans to OFIs	**-**	**-**	**-**	**40,852**	**40,852**
Lease receivables	**-**	**-**	**-**	**33,559**	**33,559**
Total loans	**$ 132,151**	**$ 43,369**	**$ 175,520**	**$ 25,244,672**	**$ 25,420,192**

December 31, 2018	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 72,053	$ 21,755	$ 93,808	$ 14,909,688	$ 15,003,496
Production and intermediate term	28,019	5,365	33,384	3,242,487	3,275,871
Agribusiness	5,996	131	6,127	4,353,967	4,360,094
Communications	-	-	-	513,428	513,428
Energy (rural utilities)	-	-	-	1,362,078	1,362,078
Water and waste disposal	-	-	-	144,794	144,794
Rural residential real estate	2,432	193	2,625	238,762	241,387
Mission-related	-	1,286	1,286	95,596	96,882
Loans to OFIs	-	-	-	36,435	36,435
Lease receivables	-	-	-	34,305	34,305
Total loans	$ 108,500	$ 28,730	$ 137,230	$ 24,931,540	$ 25,068,770

A summary of changes in the allowance for loan losses and period-end recorded investment in loans is as follows:

(in thousands)	Real Estate Mortgage	Production and Intermediate Term	Agri-business	Communi-cation	Energy and Water/Waste Disposal	Rural Residential Real Estate	Mission-Related	Loans to OFIs	Lease Receivables	Total
Allowance for Loan Losses:										
Balance at December 31, 2018	$ 40,137	$ 20,483	$ 13,413	$ 851	$ 6,494	$ 458	$ 132	$ -	$ 101	$ 82,069
Provision for (negative provision) loan losses	574	5,084	363	(224)	395	22	1	-	11	6,226
Recoveries	32	363	94	-	-	8	-	-	-	497
Charge-offs	(521)	(1,349)	-	-	-	(51)	-	-	-	(1,921)
Other*	(1)	(336)	(23)	(7)	(20)	-	1	-	(1)	(387)
Balance at March 31, 2019	$ 40,221	$ 24,245	$ 13,847	$ 620	$ 6,869	$ 437	$ 134	$ -	$ 111	$ 86,484
Individually evaluated for impairment	$ 2,193	$ 3,194	$ 3,951	$ -	$ 3,793	$ 85	$ 108	$ -	$ -	$ 13,324
Collectively evaluated for impairment	38,028	21,051	9,896	620	3,076	352	26	-	111	73,160
Balance at March 31, 2019	$ 40,221	$ 24,245	$ 13,847	$ 620	$ 6,869	$ 437	$ 134	$ -	$ 111	$ 86,484
Recorded Investments in Loans Outstanding:										
Balance at March 31, 2019										
Loans individually evaluated for impairment	$ 95,599	$ 30,350	$ 15,894	$ -	$ 13,544	$ 1,564	$ 6,662	$ -	$ -	$ 163,613
Loans collectively evaluated for impairment	14,970,003	3,200,700	4,669,966	512,774	1,496,244	240,215	92,073	40,852	33,559	25,256,386
Loans acquired with deteriorated credit quality	193	-	-	-	-	-	-	-	-	193
Balance at March 31, 2019	$ 15,065,795	$ 3,231,050	$ 4,685,860	$ 512,774	$ 1,509,788	$ 241,779	$ 98,735	$ 40,852	$ 33,559	$ 25,420,192

*Reserve for losses on letters of credit and unfunded commitments is recorded in other liabilities.

(in thousands)	Real Estate Mortgage	Production and Intermediate Term	Agri-business	Communi-cation	Energy and Water/Waste Disposal	Rural Residential Real Estate	Mission-Related	Loans to OFIs	Lease Receivables	Total
Allowance for Loan Losses:										
Balance at December 31, 2017	$ 41,630	$ 23,212	$ 10,994	$ 826	$ 5,839	$ 532	$ 200	$ -	$ 35	$ 83,268
Provision for (negative provision) loan losses	(1,037)	(747)	3,040	(135)	1,498	(39)	(19)	-	105	2,666
Recoveries	112	113	85	161	-	(1)	-	-	-	470
Charge-offs	(79)	(1,410)	-	-	-	-	-	-	-	(1,489)
Other*	50	379	(359)	3	(182)	1	9	-	-	(99)
Balance at March 31, 2018	$ 40,676	$ 21,547	$ 13,760	$ 855	$ 7,155	$ 493	$ 190	$ -	$ 140	$ 84,816
Individually evaluated for impairment	$ 1,332	$ 2,614	$ 3,875	$ -	$ 4,327	$ 47	$ 174	$ -	$ -	$ 12,369
Collectively evaluated for impairment	39,344	18,933	9,885	855	2,828	446	16	-	140	72,447
Balance at March 31, 2018	$ 40,676	$ 21,547	$ 13,760	$ 855	$ 7,155	$ 493	$ 190	$ -	$ 140	$ 84,816
Recorded Investments in Loans Outstanding:										
Balance at March 31, 2018										
Loans individually evaluated for impairment	$ 115,424	$ 37,123	$ 11,057	$ -	$ 16,500	$ 1,452	$ 7,218	$ -	$ 57	$ 188,831
Loans collectively evaluated for impairment	14,441,736	2,870,091	4,365,580	477,333	1,492,645	233,446	101,203	41,964	30,508	24,054,506
Loans acquired with deteriorated credit quality	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2018	$ 14,557,160	$ 2,907,214	$ 4,376,637	$ 477,333	$ 1,509,145	$ 234,898	$ 108,421	$ 41,964	$ 30,565	$ 24,243,337

*Reserve for losses on letters of credit and unfunded commitments is recorded in other liabilities.

Loans, net of the allowance for loan losses, represented 79.1 percent of total assets at March 31, 2019 and 78.5 percent as of December 31, 2018.

Investments

The bank 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. Due to the liquidity needs, bank typically holds investments on an available–for-sale basis. Refer to the bank's 2019 first quarter report for additional description of the types of investments and maturities. District associations have regulatory authority to enter into certain guaranteed investments and are typically mortgage-backed or asset-backed securities. District associations' investments are typically held to maturity.

Investment Information

(in thousands) **March 31, 2019**		**Amortized Cost**		**Unrealized Gains**		**Unrealized Losses**		**Fair Value**
Bank investments	**$**	**5,750,019**	**$**	**13,586**	**$**	**(59,629)**	**$**	**5,703,976**
District association investments		**73,160**		**290**		**(49)**		**73,401**
Total district investments	**$**	**5,823,179**	**$**	**13,876**	**$**	**(59,678)**	**$**	**5,777,377**
December 31, 2018		Amortized Cost		Unrealized Gains		Unrealized Losses		Fair Value
Bank investments	$	5,789,180	$	7,513	$	(82,055)	$	5,714,638
District association investments		15,657		7		(143)		15,521
Total district investments	$	5,804,837	$	7,520	$	(82,198)	$	5,730,159

Capital Resources

District members' equity totaled $4.6 billion at March 31, 2019, including $720.0 million in preferred stock, $66.3 million in capital stock and participation certificates, $3.8 billion in retained earnings and $224.6 million in additional paid-in-capital, offset by accumulated other comprehensive losses of $149.7 million.

Borrower equity purchases required by association capitalization bylaws, combined with a history of growth in retained earnings at district institutions, have resulted in district institutions being able to maintain strong capital positions. The $4.6 billion capital position of the district at March 31, 2019, reflects an increase of 2.4 percent over the December 31, 2018, capital position of $4.5 billion. This increase is attributable to year-to-date net income of $114.5 million, a decrease of $13.2 million in accumulated other comprehensive loss, and $2.2 million in capital stock issued, offset by cash patronage of $11.1 million, dividends accrued and paid on preferred stock totaling $7.1 million, and retirement of capital stock and allocated equities of $2.1 million.

Accumulated other comprehensive loss totaled $149.7 million at March 31, 2019, a decrease of $13.2 million from December 31, 2018. The decrease in accumulated other comprehensive losses included $28.7 million in unrealized losses on investments and amortization of $2.4 million related to employee benefit plan activity, offset by unrealized losses of $18.0 million in cash flow interest rate swaps and interest rate caps.

The return on average members' equity for the three months ended March 31, 2019 was 9.84 percent, compared to 10.65 percent reported for the year ended December 31, 2018.

Following is a summary of the components of accumulated other comprehensive income (loss) (AOCL):

Accumulated Other Comprehensive Income (Loss)

(in thousands)		**March 31, 2019**		**December 31, 2018**
Unrealized losses on investment securities	$	(45,795)	$	(74,541)
Derivatives and hedging activity		(25,123)		(7,125)
Employee benefit plan activity		(78,805)		(81,231)
Total Accumulated Other Comprehensive Loss	$	(149,723)	$	(162,897)

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

Regulatory Capital Requirements and Ratios

As of March 31, 2019	Primary Components of Numerator	Regulatory Minimums	Minimum With Buffer*	Bank	District Associations
Risk adjusted:					
Common equity tier 1, capital ratio	Unallocated retained earnings (URE), common cooperative equities (qualifying capital stock and allocated equity)[1]	4.5%	7.0%	9.5%	11.9% - 22.0%
Tier 1 capital ratio	CET1 capital, noncumulative perpetual preferred stock	6.0%	8.5%	15.9%	11.9% - 22.0%
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%	16.0%	13.3% - 22.5%
Permanent capital ratio	Retained earnings, common stock, noncumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.0%	7.0%	15.9%	13.0% - 22.1%
Non-risk adjusted:					
Tier 1 leverage ratio **	Tier 1 capital	4.0%	5.0%	7.2%	10.4% - 20.6%
UREE leverage ratio	URE and URE equivalents	1.5%	1.5%	2.8%	8.0% - 21.7%

* The new capital requirements have a three-year phase-in of the capital conservation buffer applied to the risk-adjusted capital ratios. There is no phase-in of the leverage buffer. Amounts shown reflect the full capital conservation buffer.

** 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% or risk-adjusted assets

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

4 Outstanding 5 or more years

Regulatory Capital Requirements and Ratios

As of December 31, 2018	Primary Components of Numerator	Regulatory Minimums	Minimum With Buffer*	Bank	District Associations
Risk adjusted:					
Common equity tier 1, capital ratio	Unallocated retained earnings (URE), common cooperative equities (qualifying capital stock and allocated equity)[1]	4.5%	7.0%	9.9%	12.0% - 21.8%
Tier 1 capital ratio	CET1 capital, noncumulative perpetual preferred stock	6.0%	8.5%	16.3%	12.0% - 21.8%
Total capital ratio	Tier 1 capital, allowance for loan losses[2], common cooperative equities[3] and term preferred stock and subordinated debt[4]	8.0%	10.5%	16.4%	13.4% - 22.3%
Permanent capital ratio	Retained earnings, common stock, noncumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.0%	7.0%	16.3%	13.1% - 21.9%
Non-risk adjusted:					
Tier 1 leverage ratio **	Tier 1 capital	4.0%	5.0%	7.4%	10.6% - 20.7%
UREE leverage ratio	URE and URE equivalents	1.5%	1.5%	3.1%	9.5% - 22.0%

* The new capital requirements have a three-year phase-in of the capital conservation buffer applied to the risk-adjusted capital ratios. There is no phase-in of the leverage buffer. Amounts shown reflect the full capital conservation buffer.

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1 Equities outstanding 7 or more years

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4 Outstanding 5 or more years

TEXAS FARM CREDIT DISTRICT
(BANK AND DISTRICT ASSOCIATIONS)

Combined Balance Sheets
(Unaudited)

(in thousands)		**March 31, 2019 (Unaudited)**		December 31, 2018 (Unaudited)
ASSETS				
Cash	**$**	**30,318**	$	139,489
Federal funds sold and overnight investments		**126,957**		281,131
Investment securities		**5,777,385**		5,730,295
Loans		**25,195,400**		24,852,133
Less allowance for loan losses		**86,484**		82,069
Net loans		**25,108,916**		24,770,064
Accrued interest receivable		**238,307**		229,386
Premises and equipment, net		**181,105**		168,030
Other assets		**265,967**		250,763
Total assets	**$**	**31,728,955**	$	31,569,158
LIABILITIES				
Bonds and notes	**$**	**26,503,049**	$	26,347,363
Accrued interest payable		**102,437**		96,164
Patronage distributions payable		**35,744**		185,669
Preferred stock dividends payable		**21,613**		21,613
Other liabilities		**425,524**		387,250
Total liabilities	**$**	**27,088,367**	$	27,038,059
MEMBERS' EQUITY				
Preferred stock	**$**	**720,000**	$	720,000
Capital stock and participation certificates		**66,251**		66,178
Allocated retained earnings		**746,489**		746,248
Unallocated retained earnings		**3,032,946**		2,936,945
Additional paid-in-capital		**224,625**		224,625
Accumulated other comprehensive loss		**(149,723)**		(162,897)
Total members' equity	**$**	**4,640,588**	$	4,531,099
Total liabilities and members' equity	**$**	**31,728,955**	$	31,569,158

TEXAS FARM CREDIT DISTRICT
(BANK AND DISTRICT ASSOCIATIONS)

Combined Statements of Income
(Unaudited)

(in thousands)		Three Months Ended March 31, 2019 (Unaudited)		2018 (Unaudited)
INTEREST INCOME				
Investment securities	**$**	**38,689**	$	26,299
Loans		**323,705**		281,294
Total interest income	**$**	**362,394**	$	307,593
INTEREST EXPENSE				
Bonds and notes		**133,864**		91,551
Notes payable and other		**30,101**		21,627
Total interest expense	**$**	**163,965**	$	113,178
Net interest income	**$**	**198,429**	$	194,415
Provision for loan losses		**6,226**		2,666
Net interest income after provision for loan losses	**$**	**192,203**	$	191,749
NONINTEREST INCOME				
Patronage income		**4,997**		5,006
Fees for loan-related services		**5,953**		8,065
Refunds from Farm Credit System Insurance Corporation		**6,469**		19,269
Other income, net		**1,678**		649
Total noninterest income	**$**	**19,097**	$	32,989
NONINTEREST EXPENSE				
Salaries and employee benefits		**57,341**		55,278
Occupancy and equipment		**10,228**		9,048
Purchased Services		**8,502**		9,911
Farm Credit System Insurance Corporation expense		**5,134**		4,682
Other operating expenses		**15,727**		15,863
Total noninterest expense	**$**	**96,932**	$	94,782
Income before income taxes		**114,368**		129,956
Provision for (benefit from) income taxes		**(123)**		(76)
Net income	**$**	**114,491**	$	130,032

TEXAS FARM CREDIT DISTRICT
(BANK AND DISTRICT ASSOCIATIONS)

Select information on district associations

(in thousands) **As of March 31, 2019**		**Wholesale Loans**	**% of Total Wholesale**		**Total Assets**		**Total Allowance and Capital**	**Total Capital Ratio**	**Nonperforming Loans as a % of Total Loans**	**ROA**
Ag New Mexico, Farm Credit Services, ACA	$	262,464	1.40%	$	275,621	$	42,270	14.57%	0.11%	1.17%
AgTexas Farm Credit Services		1,921,620	10.25%		2,066,128		272,638	13.29%	0.77%	1.60%
Alabama Ag Credit, ACA		1,030,373	5.50%		1,059,168		193,585	16.96%	0.66%	1.63%
Alabama Farm Credit, ACA		807,079	4.30%		835,228		124,816	15.14%	0.79%	1.90%
Capital Farm Credit, ACA		7,440,119	39.68%		7,691,109		1,304,641	14.28%	1.02%	2.30%
Central Texas Farm Credit, ACA		514,139	2.74%		532,015		114,057	18.93%	0.36%	1.87%
Heritage Land Bank, ACA		518,913	2.77%		531,898		89,178	16.09%	0.14%	1.57%
Legacy Ag Credit, ACA		264,801	1.41%		271,903		59,274	22.45%	3.12%	1.54%
Lone Star, ACA		1,556,626	8.30%		1,594,078		358,396	20.04%	0.32%	1.63%
Louisiana Land Bank, ACA		788,139	4.20%		811,445		159,811	17.89%	0.89%	1.82%
Mississippi Land Bank, ACA		687,936	3.67%		712,780		127,875	16.00%	0.18%	1.56%
Plains Land Bank, FLCA		648,137	3.46%		671,148		121,358	16.56%	0.44%	1.79%
Southern AgCredit, ACA		1,048,624	5.59%		1,098,101		168,532	14.39%	0.48%	1.96%
Texas Farm Credit Services		1,261,808	6.73%		1,320,385		206,170	14.13%	0.97%	2.16%
Totals	$	18,750,778	100.00%	$	19,471,007	$	3,342,601			

District Contact Information

Name of Entity	**Headquarters Location**	**Contact Number**	**Website**
Ag New Mexico, Farm Credit Services, ACA	4501 N. Prince Street, Clovis, New Mexico 88101	575-762-3828	www.agnewmexico.com
AgTexas Farm Credit Services	5004 N. Loop 289, Lubbock, Texas 79416	806-687-4068	www.agtexas.com
Alabama Ag Credit, ACA	2660 EastChase Lane, Suite 401, Montgomery, Alabama 36117	334-270-8687	www.alabamaagcredit.com
Alabama Farm Credit, ACA	1740 Eva Road NE, Cullman, Alabama 35055	256-737-7128	www.alabamafarmcredit.com
Capital Farm Credit, ACA	3000 Briarcrest Drive, Suite 601, Bryan, Texas 77802	979-822-3018	www.capitalfarmcredit.com
Central Texas Farm Credit, ACA	1026 Early Boulevard, Early, Texas 76802	325-643-5563	www.ranchmoney.com
Farm Credit Bank of Texas	4801 Plaza on the Lake Drive, Austin, Texas 78746	512-465-0400	www.farmcreditbank.com
Heritage Land Bank, ACA	4608 Kinsey Drive, Suite 100, Tyler, Texas 75703	903-534-4975	www.heritagelandbank.com
Legacy Ag Credit, ACA	303 Connally Street, Sulphur Springs, Texas 75482	903-885-9566	www.legacyaca.com
Lone Star, ACA	1612 Summit Avenue, Suite 300, Fort Worth, Texas 76102	817-332-6565	www.lonestaragcredit.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	806-331-0926	www.plainslandbank.com
Southern AgCredit, ACA	402 West Parkway Place, 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