



# QUARTERLY REPORT TO SHAREHOLDERS

## March 31, 2020

### OFFICE LOCATIONS

Blackfoot Admin/Branch Office  
 188 W Judicial St (PO Box 985)  
 Blackfoot, ID 83221  
 (208) 785-1510 or (800) 686-8910

Rexburg Branch Office  
 1586 N 2<sup>nd</sup> E  
 Rexburg, ID 83440  
 (208) 356-5479 or (800) 632-8821

American Falls Branch Office  
 2883 Highway 39  
 American Falls, ID 83211  
 (208) 226-5251 or (800) 831-5143

Twin Falls Loan Office  
 Suite 100A  
 1096 Eastland Drive North  
 Twin Falls, ID 83301  
 (208) 734-0635 or (800) 831-5143

### DIRECTORS, OFFICERS AND STAFF

#### **BOARD OF DIRECTORS**

Ken Black, Chairman..... Burley  
 Twain S. Hayden, Vice Chairman..... Arbon  
 Scott R. Giltner ..... Jerome  
 Wendy Pratt..... Blackfoot  
 Bruce Ricks ..... Sugar City  
 Dennis W. Snarr ..... Idaho Falls  
 Mike Virtue..... Blackfoot

#### **OFFICERS**

Marc Fannesbeck..... President and CEO  
 Jim Chase..... Secretary and CFO  
 Adam C. Jensen..... Vice President and CCO  
 Kirk Powell ..... Assistant Vice President  
 Katie Wallace..... Assistant Vice President  
 Dana Wood..... Assistant Vice President  
 Ryan Funk ..... Chief Information Officer

#### **HEADQUARTERS STAFF**

Jan Gamble ..... Senior Operations Assistant  
 Echo Wren..... Operations Assistant  
 Travis Crook. ....IT Technician

#### **BRANCH STAFF**

Blackfoot Branch Office (208) 785-1510  
 Katie Wallace ..... Branch Manager  
 Avery Robertson ..... Loan Officer  
 Jenny Callison ..... Credit Support Specialist  
 Tenaia Giannini ..... Operations Assistant

Rexburg Branch Office (208) 356-5479  
 Kirk Powell..... Branch Manager  
 Nick Bazil..... Assistant Branch Manager  
 Doug Eck..... Evaluation Manager and  
 Senior Loan Officer

Jared Ashcraft ..... Loan Officer  
 Maguel Sommer..... Credit Analyst  
 Carrie Mackert..... Senior Operations Assistant  
 Tina Morton ..... Senior Loan Processing Specialist  
 Emma Huffaker ..... Operations Assistant

American Falls Branch Office (208) 226-5251  
 Dana Wood ..... Branch Manager  
 Dennis Parry..... Loan Officer  
 Travis Larson..... Credit Analyst  
 Meagan Reed..... Senior Operations Assistant  
 Kiara Anderson ..... Operations Assistant

Twin Falls Loan Office (208) 734-0635  
 Sean Zaugg..... Senior Loan Officer  
 Tianna Fife ..... Loan Officer  
 Dave Scott..... Loan Officer  
 Kaylie Collins..... Credit Support Specialist



### REPORT OF MANAGEMENT

The consolidated financial statements of Idaho AgCredit, ACA and its wholly owned subsidiaries Idaho AgCredit, FLCA and Idaho AgCredit, PCA (collectively Idaho AgCredit) are prepared by management, which is responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements have been prepared in conformity with generally accepted accounting principles appropriate under the circumstances and under the oversight of the Audit Committee (comprised of all board members), and in the opinion of management, fairly present the financial condition and results of operations of Idaho AgCredit.

To meet its responsibility for reliable financial information, management depends on Idaho AgCredit's accounting and internal control systems, which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that transactions are properly authorized and recorded. The systems have been designed to provide the information to facilitate the recognition of costs in relation to benefits derived. To monitor compliance, Idaho AgCredit's staff, contract auditors, CoBank, ACB (CoBank) and an independent accounting firm perform reviews of the accounting records, review accounting systems and internal controls, and recommend improvements as appropriate.

The 2019 consolidated financial statements of Idaho AgCredit were audited by Wipfli LLP, certified public accountants (CPAs), who also conducted a review of the accounting records and such other auditing procedures as they considered necessary to comply with generally accepted auditing standards. A copy of their report was presented in the 2019 Annual Report to Shareholders (Annual Report).

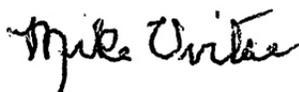
The activities of Idaho AgCredit are also reviewed by the Farm Credit Administration (FCA), and certain actions of Idaho AgCredit are subject to approval by CoBank. Certain actions of CoBank are also subject to FCA approval. The annual and quarterly reports of Idaho AgCredit and CoBank are available upon request at no cost at Idaho AgCredit's administrative and branch offices, or on the websites at [www.idahoagcredit.com](http://www.idahoagcredit.com) and [www.cobank.com](http://www.cobank.com), respectively.

The Board of Directors and Audit Committee have overall responsibility for Idaho AgCredit's systems of internal control and financial reporting. In connection with this obligation, each consults regularly with management and periodically reviews the scope and results of work performed by the CPAs. The CPAs also have direct access to the Board of Directors and Audit Committee.

The undersigned hereby certify that this report has been reviewed and prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate, and complete to the best of the undersigned's knowledge and belief.

  
Ken Black  
Board Chairman

  
Marc Fannesbeck  
President and CEO

  
Mike Virtue  
Audit Committee Chairman

  
Jim Chase  
Secretary and CFO

April 22, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Overview and Economic Conditions:**

The following discussion summarizes the financial position and results of operations of Idaho AgCredit for the three months ended March 31, 2020, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2019 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of the Audit Committee.

Economic conditions for the three months ended March 31, 2020 reflected commodity prices near breakeven or slightly above for wheat, barley, alfalfa, beef cattle, milk and sugar beets. Projected prices for 2020 reflect weak prices, especially given drastic economic changes and consumption habits which have changed suddenly due to the COVID-19/Coronavirus pandemic. In April 2020, prices for most commodities produced in Idaho AgCredit's lending territory have taken unexpected and sudden drops, and/or the projected prices for 2020 commodities and production contracts are unstable or declining. Due to the nature of the market changes, it is too soon to accurately predict whether commodity prices will recover in the near term. Most operations have sufficient diversification to weather short cycles of below breakeven prices for one or two commodities, but these operations may have to make difficult choices regarding machinery replacement and containment of operating costs. Water is projected to be adequate in most areas. Agricultural real estate prices appear to be steady. The increases in real estate values in the last several years could lead to increased loan risk on those operations which purchased higher cost land if real estate values and rental rates decrease. Idaho AgCredit's net income reflects the strong economic success of its customers.

### **Loan Portfolio:**

Gross loan volume as of March 31, 2020 decreased \$10,554,130 from \$286,470,251 at the prior quarter end to \$275,916,121, and increased \$4,126,622 compared to the same quarter in the prior year. The current quarter change in loan volume reflected seasonal changes in operating loan volume and net new commercial and mortgage loan volume. The increase in gross loan volume from the prior year reflects a decrease in the portion of loan volume which was sold to participating lenders, a decrease in loan volume purchased from participating lenders, an increase in other mortgage loans and a decrease in other operating loans.

Nonaccrual loan volume at March 31, 2020 was \$2,150,017, or .78% of gross loan volume, compared to \$2,587,565, or .95% on the same date in the prior year. Idaho AgCredit's total loan portfolio is presently graded 98.8% acceptable and OAEM compared to 97.1% acceptable and OAEM in the prior year. Idaho AgCredit's long-term goal for acceptable and OAEM credit remains at 90.0% or better.

Idaho AgCredit had no net investment in other property owned (aka acquired property) at March 31, 2020, which was the same as on the same date in the prior year. Idaho AgCredit's investment in accrual sales contracts at March 31, 2020 was \$51,512 compared to \$60,990 in the prior year. Idaho AgCredit's ratio of liabilities to net worth at March 31, 2020 was 3.70:1 compared to 3.81:1 the prior year. This ratio change (which reflects that total liabilities have decreased in proportion to net worth) has been caused by retained earnings growing faster in proportion to loan volume growth and the change in the corresponding debt with CoBank.

### **Results of Operations:**

Idaho AgCredit's net income of \$1,176,655 for the quarter was down \$51,771 compared to the same quarter in the prior year. The net interest income after the provision for losses of loan principal and commitment for the quarter was \$58,866 lower than the same period in the prior year due to an decrease in net interest income of \$82,195 and a decrease in the net provision for loan losses of \$23,329. Noninterest income for the quarter was \$45,505 higher than the prior year, primarily due to a decrease in patronage from CoBank of \$41,986, an increase of \$18,595 in other patronage, an increase in loan fees of \$67,825, and a net increase of \$1,071 in financially related service income and other noninterest income. Noninterest expenses for the quarter were \$36,186 higher than the prior year due to the increase in salaries and benefits of \$39,239, an increase of \$255 in director compensation, a decrease in purchased services of \$11,514, a decrease in Farm Credit Insurance Fund premiums of \$8,774, an increase in supervisory and examination costs of \$2,712 and a net increase in all other noninterest expenses of \$14,268. The provision for income taxes was \$2,224 higher than the prior year due to a higher estimate of income taxes.

The Allowance for Loan Losses account balance at March 31, 2020 totaled \$1,542,170 or .56% of gross loan volume compared to an allowance of \$1,193,161 or .44% of gross loan volume for the same date in the prior year. This increase of \$349,009 from the prior year primarily reflects an increase in specific allowance amounts for loans and a very small amount due to normal changes in credit quality and loan volume. After assessing the relative risk based

upon economic conditions, historical annual loan loss experience and potential future losses, management believes the allowance for loan losses adequately covers the inherent risk in the loan portfolio. Ultimate losses which may be experienced by Idaho AgCredit depend upon the impact of future commodity prices, real estate values, government subsidy and disaster programs, weather-related occurrences, operating decisions and public policy. These same factors may also generate recoveries of losses previously recognized.

**Capital Resources:**

Shareholders' equity at March 31, 2020 was \$62,203,426, which increased \$1,192,581 from \$61,010,845 at December 31, 2019. This increase is due to net income plus net stock changes. Since January 1, 2005, Idaho AgCredit's stock requirement has been the minimum allowed by regulation, which is the lesser of 2% of the outstanding principal balance or \$1,000 per customer. Idaho AgCredit's capital amounts, categories and ratios at March 31, 2020 exceeded the FCA minimum regulatory requirements which became effective January 1, 2017.

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

	<b>March 31, 2020 Unaudited</b>	December 31, 2019 Audited	March 31, 2019 Unaudited
<b>ASSETS</b>			
Loans	<b>\$275,916,121</b>	\$286,470,251	\$271,789,499
Less allowance for loan losses	<b>1,542,170</b>	1,572,793	1,193,161
Net loans	<b>274,373,951</b>	284,897,458	270,596,338
Cash	<b>1,163,793</b>	1,453,133	1,566,184
Accrued interest receivable	<b>3,840,348</b>	4,901,371	4,796,577
Investment in CoBank	<b>10,966,466</b>	10,963,123	10,963,123
Premises and equipment, net	<b>1,334,172</b>	1,358,241	1,136,981
Other property owned	<b>0</b>	0	0
Prepaid pension expense	<b>488,286</b>	485,271	306,348
Deferred tax asset, net	<b>101,000</b>	101,000	9,000
Other assets	<b>375,784</b>	1,112,853	501,126
<b>Total assets</b>	<b>\$292,643,800</b>	\$305,272,450	\$289,875,677
<b>LIABILITIES</b>			
Note payable to CoBank	<b>\$221,252,064</b>	\$235,808,464	\$223,111,237
Advance conditional payments	<b>8,157,150</b>	4,290,453	5,444,228
Accrued interest payable	<b>542,046</b>	615,942	601,772
Patronage distributions payable	<b>0</b>	2,884,335	0
Reserve for losses on loan commitment	<b>70,562</b>	52,127	53,392
Other liabilities	<b>418,552</b>	610,284	410,892
<b>Total liabilities</b>	<b>\$230,440,374</b>	\$244,261,605	\$229,621,521
<b>Commitments and Contingencies (See Notes)</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock and participation certificates	<b>\$449,685</b>	\$433,760	\$419,420
Allocated retained earnings (Memo Nonqualified)	<b>22,380,647</b>	20,882,039	20,882,039
Unallocated retained earnings	<b>39,373,094</b>	39,695,046	38,952,697
Accumulated other comprehensive income/(loss)	<b>0</b>	0	0
<b>Total shareholders' equity</b>	<b>\$62,203,426</b>	\$61,010,845	\$60,254,156
<b>Total liabilities and shareholders' equity</b>	<b>\$292,643,800</b>	\$305,272,450	\$289,875,677

The accompanying notes are an integral part of these financial statements.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Three Months Ended March 31,	
	2020	2019
<b>INTEREST INCOME</b>		
Loans	<b>\$3,439,505</b>	\$3,695,665
<b>Total interest income</b>	<b>3,439,505</b>	3,695,665
<b>INTEREST EXPENSE</b>		
Notes payable to CoBank	<b>1,510,742</b>	1,687,640
Advance conditional payments	<b>32,400</b>	29,467
<b>Total interest expense</b>	<b>1,543,142</b>	1,717,107
Net interest income	<b>1,896,363</b>	1,978,558
(Provision for) or Reversal of loan losses and reserves	<b>12,188</b>	(11,141)
Net interest income after (provision)/reversal	<b>1,908,551</b>	1,967,417
<b>NONINTEREST INCOME</b>		
Patronage distributions from CoBank	<b>196,299</b>	238,285
Patronage distributions from other Farm Credit Inst.	<b>77,468</b>	58,873
Loan fees	<b>104,775</b>	36,950
Financially related services income	<b>263</b>	126
Other noninterest income	<b>2,328</b>	1,394
<b>Total Noninterest Income</b>	<b>381,133</b>	335,628
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	<b>770,531</b>	731,292
Director's Compensation	<b>11,684</b>	11,429
Occupancy and equipment	<b>43,732</b>	48,864
Farm Credit Insurance Fund premiums	<b>(22,664)</b>	(13,890)
Supervisory and examination costs	<b>30,581</b>	27,869
Purchased Services	<b>76,597</b>	88,111
Data processing services	<b>2,430</b>	2,430
Losses/(Gains) on other property owned, net	<b>0</b>	0
Other noninterest expense	<b>152,138</b>	132,738
<b>Total noninterest expense</b>	<b>1,065,029</b>	1,028,843
Income (loss) before income taxes	<b>1,224,655</b>	1,274,202
(Provision for)/Benefit from income taxes	<b>(48,000)</b>	(45,776)
<b>Net Income/Comprehensive income</b>	<b>\$1,176,655</b>	\$1,228,426

The accompanying notes are an integral part of these financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

	Capital Stock and Participation Certificates	Memo Allocated Retained Earnings	Unallocated Retained Earnings	Total Shareholders' Equity
<b>Balance at December 31, 2018</b>	\$427,450	\$18,435,269	\$40,171,041	\$59,033,760
Net income/Comprehensive Income		2,446,770	(1,218,344)	1,228,426
Stock issued	43,185			43,185
Stock retired	(51,215)			(51,215)
Other (rounding)		0	0	0
<b>Balance at March 31, 2019</b>	<b>\$419,420</b>	<b>\$20,882,039</b>	<b>\$38,952,697</b>	<b>\$60,254,156</b>
<b>Balance at December 31, 2019</b>	\$433,760	\$20,882,039	\$39,695,046	\$61,010,845
Net income/Comprehensive Income		1,498,608	(321,953)	1,176,655
Stock issued	57,255			57,255
Stock retired	(41,330)			(41,330)
Other (rounding)		0	1	1
<b>Balance at March 31, 2020</b>	<b>\$449,685</b>	<b>\$22,380,647</b>	<b>\$39,373,094</b>	<b>\$62,203,426</b>

The accompanying notes are an integral part of these financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### **Note 1 – Organization and Significant Accounting Policies:**

A description of the organization and operations of Idaho AgCredit, ACA (Idaho AgCredit), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2019, are contained in the 2019 Annual Report to Shareholders (Annual Report). The accompanying unaudited first-quarter 2020 financial statements have been prepared in accordance with the accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2019, as contained in the Annual Report.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2020. Descriptions of the significant accounting policies are included in the Annual Report. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

In December 2019, the Financial Accounting Standards Board (FASB) issued guidance entitled “Simplifying the Accounting for Income Taxes.” This guidance eliminates certain intra period tax allocations, foreign deferred tax recognition and interim period tax calculations. In addition, the guidance simplifies disclosure regarding capital and franchise taxes, the allocation of goodwill in business combinations, subsidiary financial statements and other disclosures. The new guidance is intended to eliminate and/or simplify certain aspects of income tax accounting that are complex or that require significant judgment in application or presentation. The guidance becomes effective for fiscal years beginning after December 15, 2021. Early adoption of this guidance did not materially impact the institution’s financial condition or results of operations.

In August 2018, the FASB issued guidance entitled “Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Cost.” The guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by this guidance. This guidance became effective for interim and annual periods beginning after December 15, 2019. The guidance also requires an entity (customer) to expense the capitalized implementation costs of a hosting arrangement that is a service contract over the term of the hosting arrangement. It further specifies where to present expense and payments in the financial statements. The guidance is to be applied on a retrospective or prospective basis to all implementation costs incurred after the date of adoption. The adoption of this guidance did not materially impact the institution’s financial condition and its results of operations.

In August 2018, the FASB issued guidance entitled “Disclosure Framework — Changes to the Disclosure Requirements for Defined Benefit Plans.” The guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. This guidance becomes effective for fiscal years ending after December 15, 2020. Early adoption is permitted. The guidance is to be applied on a retrospective basis for all periods. The adoption of this guidance will not impact the institution’s financial condition or its results of operations, but will impact the employee benefit plan disclosures.

In August 2018, the FASB issued guidance entitled “Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement.” The guidance modifies the requirements on fair value measurements by removing, modifying or adding to the disclosures. This guidance became effective for interim and annual periods beginning after December 15, 2019. Early adoption was permitted and an entity was permitted to early adopt any removal or modified disclosures and delay adoption of the additional disclosures until their effective date. The institution early adopted the removal and modified disclosures during the fourth quarter of 2018. The adoption of this guidance did not impact the Association’s financial condition or its results of operations, but will impact the fair value measurements disclosures.

In June 2016, FASB issued guidance entitled "Measurement of Credit Losses on Financial Instruments." The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Credit losses relating to available-for-sale securities would also be recorded through an allowance for credit losses. For public business entities that are not U.S. Securities and Exchange Commission filers this guidance was to become effective for interim and annual periods beginning after December 15, 2020, with early application permitted. In November 2019, the FASB issued an update that amends the mandatory effective date for this guidance for certain institutions. The change resulted from a change in the effective date philosophy that extends and simplifies the adoption by staggering the dates between large public entities and other entities. As a result of the change, the new credit loss standard, for those institutions qualifying for the delay, becomes effective for interim and annual reporting periods beginning after December 15, 2022, with early adoption permitted. The institution qualifies for the delay in the adoption date. The institution continues to evaluate the impact of adoption on its financial condition and its results of operations.

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's financial statement presentation. The reclassified amounts include splitting allocated retained earnings (memo nonqualified) from unallocated retained earnings. The amounts shown as allocated retained earnings are considered to be permanently invested in the Association.

Idaho AgCredit may have loans in the categories of real estate mortgage, production and intermediate term, agribusiness (which may be further broken down into loans to cooperatives, processing and marketing and farm related business), rural infrastructure, rural residential real estate, and other. Only those categories for which Idaho AgCredit had loans are shown in these schedules.

**Note 2 – Loans and Allowance for Loan Losses:**

A summary of loans (excluding related accrued interest) follows:

Loans	March 31, 2019	December 31, 2019
Real estate mortgage	\$181,986,386	\$172,849,056
Production and intermediate term	82,747,932	105,286,151
Agribusiness	11,181,803	8,335,044
Total loans	\$275,916,121	\$286,470,251

Idaho AgCredit purchases or sells participation interests with other parties in order to diversify risk, manage loan volume and comply with Farm Credit Administration regulations. All of Idaho AgCredit's participations purchased and participations sold are with other Farm Credit Institutions. The following table presents information regarding participations purchased and sold (excluding related accrued interest) as of March 31, 2020:

Participation Loans	Other Farm Credit Institutions	
	Purchased	Sold
Real estate mortgage	\$39,537,585	\$11,587,859
Production and intermediate term	101,143	2,065,526
Agribusiness	3,211,031	45
Total	\$42,849,759	\$13,653,430

Nonperforming assets (including related accrued interest) and related credit quality statistics are as follows:

	March 31, 2020	December 31, 2019
<u>Nonaccrual loans:</u>		
Real estate mortgage	\$596,427	\$576,175
Production and Intermediate term	1,553,590	1,603,387
Agribusiness	0	0
Total nonaccrual loans	<u>\$2,150,017</u>	<u>\$2,179,562</u>
<u>Accruing restructured loans:</u>		
Total accruing restructured loans	\$0	\$0
<u>Accruing loans 90 days or more past due:</u>		
Real estate mortgage	\$0	\$0
Production and Intermediate term	0	0
Total accruing loans 90 days or more past due	<u>\$0</u>	<u>\$0</u>
Total nonperforming loans	<u>\$2,150,017</u>	<u>\$2,179,562</u>
Other property owned	0	0
Total nonperforming assets	<u>\$2,150,017</u>	<u>\$2,179,562</u>

The following table shows loans and related accrued interest classified under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable by loan type as of:

	March 31, 2020	December 31, 2019
<u>Real estate mortgage</u>		
Acceptable	96.8%	97.1%
OAEM	1.9%	1.4%
Substandard	1.3%	1.5%
Doubtful	0.0%	0.0%
	<u>100.0%</u>	<u>100.0%</u>
<u>Production and intermediate term</u>		
Acceptable	96.4%	96.8%
OAEM	2.4%	2.0%
Substandard	0.8%	0.9%
Doubtful	0.4%	0.3%
	<u>100.0%</u>	<u>100.0%</u>
<u>Agribusiness</u>		
Acceptable	100.0%	100.0%
OAEM	0.0%	0.0%
Substandard	0.0%	0.0%
Doubtful	0.0%	0.0%
	<u>100.0%</u>	<u>100.0%</u>
<u>Total loans</u>		
Acceptable	96.8%	97.1%
OAEM	2.0%	1.6%
Substandard	1.1%	1.2%
Doubtful	0.1%	0.1%
	<u>100.0%</u>	<u>100.0%</u>

The recorded investment in loan receivables is the face amount increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous direct write-down of the investment. The following tables provide an age analysis of past due loans (including accrued interest) as of:

(Dollars in Thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or <30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
<b>March 31, 2020</b>						
Real estate mortgage	\$279	\$466	\$745	\$184,060	\$184,805	\$0
Production and intermediate term	1,446	706	2,152	81,547	83,699	0
Agribusiness	0	0	0	11,252	11,252	0
Total	\$1,725	\$1,172	\$2,897	\$276,859	\$279,756	\$0

December 31, 2019						
Real estate mortgage	\$0	\$468	\$468	\$175,753	\$176,221	\$0
Production and intermediate term	462	1,043	1,505	105,256	106,761	0
Agribusiness	61	0	61	8,329	8,390	0
Total	\$523	\$1,511	\$2,034	\$289,338	\$291,372	\$0

Additional impaired loan information is as follows:

Impaired Loans	At March 31, 2020			At December 31, 2019		
	Recorded Investment	Contractual Principal Balance	Related Allowance	Recorded Investment	Contractual Principal Balance	Related Specific Allowance
<u>With a related allowance:</u>						
Real estate mortgage	\$0	\$0	\$0	\$0	\$0	\$0
Production and intermediate term	305,853	312,378	282,585	309,184	312,378	292,585
Agribusiness	0	0	0	0	0	0
Total	\$305,853	\$312,378	\$282,585	\$309,184	\$312,378	\$292,585
<u>With no related allowance:</u>						
Real estate mortgage	\$596,427	\$667,280	\$0	\$496,846	\$558,934	\$0
Production and intermediate term	1,247,737	1,459,044	0	2,107,651	2,242,007	0
Agribusiness	0	0	0	0	0	0
Total	\$1,844,164	\$2,126,324	\$0	\$2,604,497	\$2,800,941	\$0
<u>Total impaired loans:</u>						
Real estate mortgage	\$596,427	\$667,280	\$0	\$496,846	\$558,934	\$0
Production and intermediate term	1,553,590	1,771,422	282,585	2,416,835	2,554,385	292,585
Agribusiness	0	0	0	0	0	0
Total	\$2,150,017	\$2,438,702	\$282,585	\$2,913,681	\$3,113,319	\$292,585

(Dollars in Thousands) Impaired Loans	For the Quarter Ended			
	March 31, 2020		March 31, 2019	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
<u>With a related allowance:</u>				
Real estate mortgage	\$0	\$0	\$0	\$0
Prod. and intermediate term	307	0	203	0
Agribusiness	0	0	0	0
Total	<b>\$307</b>	<b>\$0</b>	<b>\$203</b>	<b>\$0</b>
<u>With no related allowance:</u>				
Real estate mortgage	\$591	\$0	\$495	\$35
Prod. and intermediate term	1,276	0	1,905	490
Agribusiness	0	0	0	650
Total	<b>\$1,867</b>	<b>\$0</b>	<b>\$2,400</b>	<b>\$1,175</b>
<u>Total impaired loans:</u>				
Real estate mortgage	\$591	\$0	\$495	\$35
Prod. and intermediate term	1,583	0	2,108	490
Agribusiness	0	0	0	650
Total	<b>\$2,174</b>	<b>\$0</b>	<b>\$2,603</b>	<b>\$1,175</b>

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

	Beginning Balance	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Ending Balance
<b>December 31, 2019 to March 31, 2020</b>					
Real estate mortgage	\$554,147	\$0	\$0	\$40,755	\$594,902
Production and intermediate term	997,319	0	0	(83,362)	913,957
Agribusiness	21,327	0	0	11,984	33,311
Total	<b>\$1,572,793</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$30,623)</b>	<b>\$1,542,170</b>
<b>December 31, 2018 to March 31, 2019</b>					
Real estate mortgage	\$545,968	\$0	\$0	\$7,191	\$553,159
Production and intermediate term	623,434	0	0	(6,263)	617,171
Agribusiness	24,072	0	0	(1,241)	22,831
Total	<b>\$1,193,474</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$313)</b>	<b>\$1,193,161</b>

A summary of recorded investment (including accrued interest) for allowance evaluations is as follows:

	Allowance for Loan Losses		Recorded Investments in Loans Outstanding	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
<b>March 31, 2020</b>				
Real estate mortgage	\$0	\$594,902	\$596,427	\$184,208,678
Production and intermediate term	282,585	631,372	1,553,590	82,145,640
Agribusiness	0	33,311	0	11,252,133
Total	\$282,585	\$1,259,585	\$2,150,017	\$277,606,451
<b>December 31, 2019</b>				
Real estate mortgage	\$0	\$554,147	\$576,175	\$175,644,709
Production and intermediate term	292,585	704,734	1,603,387	105,157,267
Agribusiness	0	21,327	0	8,390,084
Total	\$292,585	\$1,280,208	\$2,179,562	\$289,192,060
<b>March 31, 2019</b>				
Real estate mortgage	\$0	\$553,159	\$494,692	\$166,949,684
Production and intermediate term	24,006	593,165	2,092,873	89,995,510
Agribusiness	0	22,831	0	12,256,740
Total	\$24,006	\$1,169,155	\$2,587,565	\$269,201,934

There were no loans acquired which had credit quality that had deteriorated since origination for the periods shown.

A restructuring of debt constitutes troubled debt restructuring if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. Idaho AgCredit had no troubled debt restructurings that occurred during the years represented in these statements.

**Note 3 – Capital:**

There have not been any significant capitalization bylaw changes or significant other capitalization plan or status changes since the date of the Annual Report and Idaho AgCredit is in compliance with FCA capital regulations.

**Note 4 – Income Taxes:**

There have not been any significant changes in the composition or valuation of tax assets or liabilities since the date of the Annual Report.

**Note 5 – Contingent Liabilities and Litigation:**

Idaho AgCredit has various commitments outstanding and contingent liabilities, as described in Note 14 "Commitments and Contingencies" of the Annual Report. There have not been any significant changes related to this subject area since that report, other than normal seasonal and operational variations in the amounts of outstanding commitments and deposit balances. There are no legal actions pending against Idaho AgCredit.

**Note 6 – Whistleblower Notices:**

Idaho AgCredit has established a whistleblower program to encourage reporting by any employee, customer or member of the public about any improper accounting or other activity to the Association's Audit Committee. Details about the whistleblower program and contact information for making whistleblower complaints are listed on the Association website at [www.idahoagcredit.com](http://www.idahoagcredit.com).

**Note 7 – Subsequent Events:**

Idaho AgCredit has evaluated subsequent events through April 22, 2020, which is the date the financial statements were available to be issued.