Idaho AgCredit
Helping you grow

QUARTERLY REPORT TO SHAREHOLDERS
June 30, 2024

OFFICE LOCATIONS

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

Rexburg Branch Office
1586 N 2nd E
Rexburg, ID 83440
(208) 356-5479

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

Twin Falls Branch Office
Suite 100A, 1096 Eastland Drive North
Twin Falls, ID 83301
(208) 734-0635

DIRECTORS, OFFICERS AND STAFF

BOARD OF DIRECTORS

Ken Black, Chairman	Burley
Tina Clinger, Vice Chairman	American Falls
Richard Blaser	Rexburg
Scott R. Giltner	Jerome
Sam Jensen	Firth
Ryan Mathews	Blackfoot
Dawn Winder	Roberts

OFFICERS

Marc Fonnesbeck	President and CEO
Dana Wood	Secretary and CFO
Adam C. Jensen	Executive Vice President and CCO
Kirk Powell	VP of Capital Markets
Katie Wallace	VP of Lending and Human Resources
Ryan Funk.	Vice President and CIO

HEADQUARTERS STAFF

Jan Gamble	Senior Operations Assistant
Lori Bartausky	Operations Assistant
Hallie Mickelsen	Financial Analyst
Travis Crook	IT Administrator

AUDIT COORDINATOR

Meagan Reed	Audit Coordinator

BRANCH STAFF

Blackfoot Branch Office	(208)785-1510
Katie Wallace	Branch Manager
Trevor Schmidt	Loan Officer
Josey Nate	Credit Analyst
Tyler Mabey	Credit Analyst
Tenaia Giannini	Credit Support Specialist
Kristen Ipsen	Operations Assistant

Rexburg Branch Office	(208)356-5479
Nick Bazil	Branch Manager
Doug Eck	Evaluation Manager and Senior Loan Officer
Jared Ashcraft	Loan Officer
Zach Burgess	Loan Officer
Sam Erickson	Operations Assistant
Tina Morton	Senior Loan Processing Specialist

American Falls Branch Office	(208)226-5251
Dylan Orr	Branch Manager
Rob Acevedo	Credit Officer
Cyndi Campbell	Operations Assistant
Meagan Reed	Loan Processing Specialist

Twin Falls Branch Office	(208)734-0635
Tianna Fife	Branch Manager
Sean Zaugg	Senior Loan Officer
Dave Scott	Marketing Officer
Kaylie Collins	Credit Support Specialist
Nicolette Mikesell	Operations Assistant

Idaho AgCredit
Helping you grow

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 2023 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 2023 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 and 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.

/s/ Ken Black	/s/ Marc Fonnesbeck
Ken Black Board Chairman	Marc Fonnesbeck President and CEO
/s/ Ryan Mathews	/s/ Dana Wood
Ryan Mathews Audit Committee Chairman	Dana Wood Secretary and CFO

July 16, 2024

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 June 30, 2024, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes in the 2023 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of the Audit Committee.

Economic conditions for the three months ended June 30, 2024 reflected commodity prices at breakeven or above for contracted potatoes, beef, and sugar beets. Fresh and open market potatoes are operating at or below breakeven due to abundant supplies. Alfalfa is operating at or near breakeven due to lower demand. Wheat and barley are operating at or near breakeven due to recent declines in market prices. Additionally, wheat and barley crop quality may be impacted by late frosts. Dairy operations have been generally operating at breakeven as milk prices have improved and lower cost 2023 feed is being consumed. Due to the uncertain nature of changes to consumption habits and market changes due to ongoing world events, it is too soon to accurately predict commodity prices 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 expected to be adequate for the 2024 crop year. Agricultural real estate prices appear to be steady to increasing. 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 June 30, 2024 increased $21,583,823 from $380,691,349 at the prior quarter end to $402,275,172, and increased $51,563,975 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, mortgage, and mortgage purchased participation loan volume. The increase in gross loan volume from the prior year reflects a net increase in commercial loans and an increase in mortgage and mortgage purchased participation loans with other lenders.

Nonaccrual loan volume at June 30, 2024 was $3,139,331, or 0.77% of gross loan volume, compared to $422,204, or 0.12% on the same date in the prior year. Idaho AgCredit's total loan portfolio is presently graded 98.2% acceptable and OAEM compared to 99.3% 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 June 30, 2024, which was the same as on the same date in the prior year. Idaho AgCredit's investment in accrual sales contracts at June 30, 2024 was $0 compared to $16,295 in the prior year. Idaho AgCredit's ratio of liabilities to net worth at June 30, 2024 was 4.40:1 compared to 4.05:1 the prior year. This ratio change (which reflects that total liabilities have increased in proportion to net worth) has been caused by retained earnings growing slower in proportion to loan volume growth and the change in the corresponding debt with CoBank.

Results of Operations:

Idaho AgCredit's net income of $1,893,049 for the quarter was down $35,620 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 $108,462 lower than the same period in the prior year due to an increase in net interest income of $300,771 and an increase in the net provision for credit losses of $409,233. Noninterest income for the quarter was $76,943 higher than the prior year, primarily due to an increase in patronage from CoBank of $58,000 and an increase in loan fees of $18,386. Noninterest expenses for the quarter were $19,899 lower than the prior year due primarily to increases in salaries and benefits of $132,876, a reduction of Farm Credit Insurance Fund premiums of $116,108, and a reduction of other noninterest expenses of $52,413.

The allowance for credit losses on loans balance at June 30, 2024 totaled $2,777,181 or 0.69% of gross loan volume compared to an allowance of $1,737,019 or 0.50% of gross loan volume for the same date in the prior year. This increase of $1,040,162 from the prior year primarily reflects changes in credit quality, loan volume, and calculation methodology factors. The allowance for credit losses for unfunded commitments balance at June 30, 2024 totaled $194,797 compared to an allowance of $183,612 for the same date in the prior year. The increase of $11,185 primarily reflects changes in credit quality, unfunded commitment volume, and calculation methodology factors. After assessing the relative risk based upon economic conditions, historical annual credit loss experience and potential future losses, management believes the allowances for credit losses adequately cover 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 June 30, 2024 was $77,645,409, which increased $3,752,044 from $73,893,365 at December 31, 2023. 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 June 30, 2024 exceeded the FCA minimum regulatory requirements which became effective January 1, 2017.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	June 30 2024 Unaudited	December 31, 2023 Audited	June 30, 2023 Unaudited
ASSETS			
Loans	**$402,275,172**	$393,906,005	$350,711,197
Less allowance for credit losses on loans	**2,777,181**	1,967,692	1,737,019
Net loans	**399,497,991**	391,938,313	348,974,178
Cash	**1,053,355**	3,494,708	2,872,948
Accrued interest receivable	**7,008,852**	7,393,375	5,328,740
Investment in CoBank	**7,813,951**	7,896,585	7,896,585
Premises and equipment, net	**1,314,116**	1,281,843	1,289,992
Other property owned	**0**	0	0
Prepaid pension expense	**1,725,465**	1,747,573	1,774,778
Deferred tax asset, net	**0**	0	0
Other assets	**1,108,715**	2,172,650	777,961
Total assets	**$419,522,445**	$415,925,047	$368,915,182
LIABILITIES			
Note payable to CoBank	**$306,043,464**	$311,960,232	$251,076,090
Advance conditional payments	**33,298,013**	23,430,108	42,531,923
Accrued interest payable	**1,508,349**	1,746,894	1,187,384
Patronage distributions payable	**0**	3,665,810	0
Reserve for credit losses on loan commitment	**194,797**	132,190	183,612
Deferred tax liability, net	**128,900**	128,900	166,000
Other liabilities	**703,513**	967,548	765,119
Total liabilities	**$341,877,036**	$342,031,682	$295,910,128
Commitments and Contingencies (See Notes)			
SHAREHOLDERS' EQUITY			
Capital stock and participation certificates	**$521,455**	$516,040	$511,780
Allocated retained earnings (Memo Nonqualified)	**32,245,237**	28,403,776	28,403,776
Unallocated retained earnings	**44,878,717**	44,973,549	44,089,498
Accumulated other comprehensive income/(loss)	**0**	0	0
Total shareholders' equity	**$77,645,409**	$73,893,365	$73,005,054
Total liabilities and shareholders' equity	**$419,522,445**	$415,925,047	$368,915,182

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	**2024**	2023
INTEREST INCOME				
Loans	**$6,129,876**	$4,989,300	**$11,954,177**	$9,432,285
Total interest income	**6,129,876**	4,989,300	**11,954,177**	9,432,285
INTEREST EXPENSE				
Notes payable to CoBank	**2,381,834**	1,482,087	**4,563,664**	2,822,009
Advance conditional payments	**377,827**	437,769	**751,329**	797,746
Total interest expense	**2,759,661**	1,919,856	**5,314,993**	3,619,755
Net interest income	**3,370,215**	3,069,444	**6,639,184**	5,812,530
(Provision for) or Reversal of loan losses and reserves	**(536,960)**	(127,727)	**(872,096)**	(34,817)
Net interest income after (provision)/reversal	**2,833,255**	2,941,717	**5,767,088**	5,777,713
NONINTEREST INCOME				
Patronage distributions from CoBank	**332,000**	274,000	**654,145**	542,717
Patronage distributions from other Farm Credit Inst.	**0**	26	**53,981**	48,781
Loan fees	**82,616**	64,230	**186,579**	225,183
Financially related services income	**225**	154	**225**	406
Other noninterest income	**2,239**	1,727	**5,184**	3,329
Total noninterest income	**417,080**	340,137	**900,114**	820,416
NONINTEREST EXPENSE				
Salaries and employee benefits	**1,083,415**	950,539	**2,153,105**	1,909,235
Director's Compensation	**7,659**	8,307	**21,066**	28,949
Occupancy and equipment	**29,239**	40,847	**67,862**	77,843
Farm Credit Insurance Fund premiums	**(36,108)**	80,000	**27,892**	177,000
Supervisory and examination costs	**39,037**	34,990	**78,074**	69,980
Purchased Services	**78,187**	54,232	**155,729**	139,756
Data processing services	**2,430**	2,430	**4,860**	4,860
Losses/(Gains) on other property owned, net	**0**	0	**0**	0
Other noninterest expense	**108,427**	160,840	**321,985**	343,858
Total noninterest expense	**1,312,286**	1,332,185	**2,830,573**	2,751,481
Income (loss) before income taxes	**1,938,049**	1,949,669	**3,836,629**	3,846,648
(Provision for)/Benefit from income taxes	**(45,000)**	(21,000)	**(90,000)**	(42,000)
Net Income/Comprehensive income	**$1,893,049**	$1,928,669	**$3,746,629**	$3,804,648

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
Balance at December 31, 2022	$506,675	$25,909,762	$43,010,916	$69,427,353
Net income/Comprehensive Income		2,494,014	1,310,634	3,804,648
Stock issued	82,655			82,655
Stock retired	(77,550)			(77,550)
Patronage Distributions (Cash)				
January 1, 2023 adjustment for ACL-Loans			(115,434)	(115,434)
January 1, 2023 adjustment for ACL-Commitments			(116,617)	(116,617)
Other (rounding)	0	0	(1)	(1)
Balance at June 30, 2023	$511,780	$28,403,776	$44,089,498	$73,005,054
Balance at December 31, 2023	$516,040	$28,403,776	$44,973,549	$73,893,365
Net income/Comprehensive Income		3,841,461	(94,832)	3,746,629
Stock issued	89,610			89,610
Stock retired	(84,195)			(84,195)
Patronage Distributions (Cash)				
Other (rounding)	0	0	0	0
Balance at June 30, 2024	**$521,455**	**$32,245,237**	**$44,878,717**	**$77,645,409**

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, 2023, are contained in the 2023 Annual Report to Shareholders (Annual Report). The accompanying unaudited second-quarter 2024 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, 2023, as contained in the Annual Report.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments, consisting of normal recurring 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, 2024. 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.

Recently Adopted or Issued Accounting Pronouncements
In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09 - Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this standard require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. The amendments are effective for annual periods beginning after December 15, 2025.The adoption of this guidance is not expected to have a material impact on the System's financial condition, results of operations or cash flows.

In November 2023, the FASB issued ASU 2023-07 - Segment Reporting: Improvements to Reportable Segment Disclosures. The standard requires a public entity to disclose, on an annual and interim basis, the following:

- significant segment expenses that are readily provided to the chief operating decision maker ("CODM") and included in segment profit or loss,
- composition and aggregate amount of other segment items, which represent the difference between profit or loss and segment revenues less significant segment expenses,
- the title and position of the CODM, and
- an explanation of how the CODM uses the reported segment measures in assessing segment performance and deciding how to allocate resources.

Even if a public entity has a single reportable segment, it is required to provide all disclosures set forth in the standard and all existing segment disclosures. The amendments in the standard are to be applied retrospectively to all prior periods presented and are effective for fiscal years beginning after December 31, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The System is currently assessing the potential impact of this standard on its disclosures.

Note 2 – Loans and Allowance for Credit Losses:
A summary of loans (excluding related accrued interest) follows:

Loans	**June 30, 2024**	December 31, 2023
Real estate mortgage	**$229,162,850**	$225,069,735
Production and intermediate term	**94,060,817**	104,085,304
Agribusiness	**60,040,544**	51,869,520
Rural infrastructure	**19,010,961**	12,881,446
Total loans	**$402,275,172**	$393,906,005

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 June 30, 2024:

	Other Farm Credit Institutions	
Participation Loans	Purchased	Sold
Real estate mortgage	$41,640,754	$17,842,464
Production and intermediate term	3,024,763	4,789,939
Agribusiness	30,092,994	0
Rural infrastructure	19,010,961	0
Total	$93,769,472	$22,632,403

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit and unfunded loan commitments. The entity manages credit risk associated with the retail lending activities through an analysis of the credit risk profile of an individual borrower using its own set of underwriting standards and lending policies, approved by its board of directors, which provides direction to its loan officers. The retail credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on the real estate (collateral). As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The entity uses a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default. Probability of default is the probability that a borrower will experience a default during the life of the loan. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses and risks in a particular relationship. The institution reviews, at least on an annual basis, or when a credit action is taken the probability of default category.

Each of the probability of default categories carries a distinct percentage of default probability. The probability of default rate between one and nine of the acceptable categories is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain. These 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 as substandard assets. However, doubtful assets have additional weaknesses in existing facts, conditions and values that make collection in full highly questionable.
- Loss – Assets are not considered collectible.

The following table presents credit quality indicators by loan type and the related principal balance as of June 30, 2024:

	Term Loans Amortized Cost by Origination Year (Vintage)						Revolving Loans	Revolving Loans Converted to Term Loans	
	2024	2023	2022	2021	2020	Prior	Amortized Cost Basis	Amortized Cost Basis	Total
Real estate mortgage									
Acceptable	10,780,871	20,930,862	23,282,018	33,849,250	39,105,341	85,553,775	8,581,405	0	222,083,522
OAEM	611,463	0	0	0	449,192	2,736,880	9,315	0	3,806,850
Substandard	0	0	1,426,700	365,989	1,340,411	134,378	4,000	0	3,271,478
Doubtful	0	0	0	0	0	0	1,000	0	1,000
									229,162,850
Production and Intermediate-term									
Acceptable	18,908,176	10,032,914	5,459,195	6,752,347	2,844,385	938,644	40,801,009	299,979	86,036,649
OAEM	3,892,736	579,725	204,607	9,351	0	105,111	0	530,039	5,321,569
Substandard	189,500	766,275	0	45,481	0	0	1,445,890	0	2,447,146
Doubtful	0	0	0	0	0	255,453	0	0	255,453
									94,060,817
Agribusiness									
Acceptable	9,093,110	28,822,454	10,871,079	2,156,113	1,067,412	4,365,060	2,346,201	0	58,721,429
OAEM	0	0	0	0	0	0	0	0	0
Substandard	0	0	1,319,115	0	0	0	0	0	1,319,115
									60,040,544
Rural Infrastructure									
Acceptable	6,237,069	9,174,489	971,724	1,583,036	1,044,643	0	0	0	19,010,961
									19,010,961
Total Loans									
Acceptable	45,019,226	68,960,719	40,584,016	44,340,746	44,061,781	90,857,479	51,728,615	299,979	385,852,561
OAEM	4,504,199	579,725	204,607	9,351	449,192	2,841,991	9,315	530,039	9,128,419
Substandard	189,500	766,275	2,745,815	411,470	1,340,411	134,378	1,449,890	0	7,037,739
Doubtful	0	0	0	0	0	255,453	1,000	0	256,453
Current charge-offs	0	0	0	0	0	0	0	0	0
Totals:	**49,712,925**	**70,306,719**	**43,534,438**	**44,761,567**	**45,851,384**	**94,089,301**	**53,188,820**	**830,018**	**402,275,172**

All categories are shown in Total Loans, but only applicable categories are shown elsewhere. Minor rounding differences compared to other schedules.

The following table presents credit quality indicators by loan type and the related principal balance as of December 31, 2023:

	Term Loans Amortized Cost by Origination Year (Vintage)						Revolving Loans	Revolving Loans Converted to Term Loans	
	2023	2022	2021	2020	2019	Prior	Amortized Cost Basis	Amortized Cost Basis	Total
Real estate mortgage									
Acceptable	20,355,693	24,417,158	34,940,699	40,836,703	17,978,126	72,735,630	6,838,273	0	218,102,282
OAEM	568,569	1,464,752	364,303	1,582,168	0	2,834,048	5,005	0	6,818,845
Substandard	0	0	2,788	0	0	141,820	3,000	0	147,608
Doubtful	0	0	0	0	0	0	1,000	0	1,000
									225,069,735
Production and Intermediate-term									
Acceptable	30,761,536	7,718,452	9,603,945	4,169,125	981,055	727,866	46,801,534	0	100,763,513
OAEM	1,947,833	119,300	79,370	0	0	0	0	0	2,146,503
Substandard	912,636	0	0	0	0	0	0	0	912,636
Doubtful	0	0	0	0	0	262,652	0	0	262,652
									104,085,304
Agribusiness									
Acceptable	29,587,126	10,602,043	2,221,941	1,292,700	1,304,903	3,363,412	2,157,124	0	50,529,249
OAEM	0	1,340,271	0	0	0	0	0	0	1,340,271
									51,869,520
Rural Infrastructure									
Acceptable	9,261,989	971,723	1,595,069	1,052,665	0	0	0	0	12,881,446
									12,881,446
Total Loans									
Acceptable	89,966,344	43,709,376	48,361,654	47,351,193	20,264,084	76,826,908	55,796,931	0	382,276,490
OAEM	2,516,402	2,924,323	443,673	1,582,168	0	2,834,048	5,005	0	10,305,619
Substandard	912,636	0	2,788	0	0	141,820	3,000	0	1,060,244
Doubtful	0	0	0	0	0	262,652	1,000	0	263,652
Current charge-offs	0	0	0	0	0	0	0	0	0
Totals:	**93,395,382**	**46,633,699**	**48,808,115**	**48,933,361**	**20,264,084**	**80,065,428**	**55,805,936**	**0**	**393,906,005**

All categories are shown in Total Loans, but only applicable categories are shown elsewhere. Minor rounding differences compared to other schedules.

The following table shows loans under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type as of:

	June 30, 2024	December 31, 2023
Real estate mortgage		
Acceptable	**96.9%**	96.9%
OAEM	**1.7%**	3.0%
Substandard	**1.4%**	0.1%
Doubtful	**0.0%**	0.0%
	100.0%	100.0%
Production and intermediate term		
Acceptable	**91.4%**	96.8%
OAEM	**5.7%**	2.1%
Substandard	**2.6%**	0.9%
Doubtful	**0.3%**	0.2%
	100.0%	100.0%
Agribusiness		
Acceptable	**97.8%**	97.4%
OAEM	**0.0%**	2.6%
Substandard	**2.2%**	0.0%
Doubtful	**0.0%**	0.0%
	100.0%	100.0%
Rural infrastructure		
Acceptable	**100.0%**	100.0%
OAEM	**0.0%**	0.0%
Substandard	**0.0%**	0.0%
Doubtful	**0.0%**	0.0%
	100.0%	100.0%
Total loans		
Acceptable	**95.9%**	97.0%
OAEM	**2.3%**	2.7%
Substandard	**1.7%**	0.2%
Doubtful	**0.1%**	0.1%
	100.0%	100.0%

Accrued interest receivable on loans of $7,008,852 and $7,393,375 at June 30, 2024 and December 31, 2023 have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Financial Condition. The entity wrote off accrued interest receivable of $41,856 and $0 for the six months ended June 30, 2024 and 2023.

The following table reflects nonperforming assets, which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned and related credit quality statistics:

	June 30, 2024	December 31, 2023
Nonaccrual loans:		
Real estate mortgage	**$1,564,763**	$146,609
Production and Intermediate term	**255,453**	262,652
Agribusiness	**1,319,115**	0
Rural infrastructure	**0**	0
Total nonaccrual loans	**$3,139,331**	$409,261
Accruing loans 90 days or more past due:		
Real estate mortgage	**0**	0
Production and Intermediate term	**0**	0
Agribusiness	**0**	0
Rural infrastructure	**0**	0
Total accruing loans 90 days or more past due	**$0**	$0
Total nonperforming loans	**$3,139,331**	$409,261
Other property owned:	**0**	0
Total nonperforming assets	**$3,139,331**	$409,261
Nonaccrual loans as a percentage of total loans	0.77%	0.10%
Nonperforming assets as a percentage of total loans and other property owned	0.77%	0.10%
Nonperforming assets as a percentage of net worth	4.04%	0.55%

The following table provides the amortized cost for nonaccrual loans with and without a related allowance for loan losses, as well as interest income recognized on nonaccrual loans during the period:

	June 30, 2024			Interest Income Recognized	
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	for the Three Months Ended June 30, 2024	for the Six Months Ended June 30, 2024
Nonaccrual loans:					
Real estate mortgage	**$1,426,700**	**$138,063**	**$1,564,763**	**$0**	**$0**
Production and Intermediate term	**255,453**	**0**	**255,453**	**0**	**0**
Agribusiness	**1,319,115**	**0**	**1,319,115**	**0**	**0**
Rural infrastructure	**0**	**0**	**0**	**0**	**0**
Total nonaccrual loans	**$3,001,268**	**$138,063**	**$3,139,331**	**$0**	**$0**

	December 31, 2023			Interest Income Recognized	
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	for the Three Months Ended June 30, 2023	for the Six Months Ended June 30, 2023
Nonaccrual loans:					
Real estate mortgage	$0	$146,609	$146,609	$0	$5
Production and Intermediate term	262,652	0	262,652	0	0
Agribusiness	0	0	0	0	0
Rural infrastructure	0	0	0	0	0
Total nonaccrual loans	$262,652	$146,609	$409,261	$0	$5

The following table provides an age analysis of past due loans at amortized cost by portfolio segment 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
June 30, 2024						
Real estate mortgage	**$1,656**	**$0**	**$1,656**	**$227,506**	**$229,162**	**$0**
Production and intermediate term	**0**	**0**	**0**	**94,061**	**94,061**	**0**
Agribusiness	**1,428**	**0**	**1,428**	**58,613**	**60,041**	**0**
Rural infrastructure	**0**	**0**	**0**	**19,011**	**19,011**	**0**
Total	**$3,084**	**$0**	**$3,084**	**$399,191**	**$402,275**	**$0**

(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
December 31, 2023						
Real estate mortgage	$585	$0	$585	$224,485	$225,070	$0
Production and intermediate term	0	0	0	104,085	104,085	0
Agribusiness	0	0	0	51,870	51,870	0
Rural infrastructure	0	0	0	12,881	12,881	0
Total	$585	$0	$585	$393,321	$393,906	$0

A loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The collateral dependent loans are primarily real estate mortgage loans.

Loan Modifications to Borrowers Experiencing Financial Difficulties

The following tables show the **amortized cost basis** at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted.

Loan Modifications for the Three Months Ended June 30, 2024

	Real estate mortgage	Production & intermediate term	Agribusiness	Rural infrastructure	
	Modification Amount	Modification Amount	Modification Amount	Modification Amount	Total Modification Amount
Term Extension	$0	$271,000	$0	$0	$271,000
Payment Extension	0	0	0	0	0
Interest Rate Reduction	0	0	0	0	0
Principal Forgiveness	0	0	0	0	0
Total	$0	$271,000	$0	$0	$271,000
% Total Loans by Loan Type	0.0%	0.2%	0.0%	0.0%	0.2%

Loan Modifications for the Three Months Ended June 30, 2023

	Real estate mortgage	Production & intermediate term	Agribusiness	Rural infrastructure	
	Modification Amount	Modification Amount	Modification Amount	Modification Amount	Total Modification Amount
Term Extension	$0	$563,894	$0	$0	$563,894
Payment Extension	0	0	0	0	0
Interest Rate Reduction	0	0	0	0	0
Principal Forgiveness	0	0	0	0	0
Total	$0	$563,894	$0	$0	$563,894
% Total Loans by Loan Type	0.0%	0.7%	0.0%	0.0%	0.7%

Accrued interest receivables related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended June 30, 2024 and June 30, 2023 were $10,456 and $5,497.

Loan Modifications for the Six Months Ended June 30, 2024

	Real estate mortgage	Production & intermediate term	Agribusiness	Rural infrastructure	
	Modification Amount	Modification Amount	Modification Amount	Modification Amount	Total Modification Amount
Term Extension	$0	$830,771	$0	$0	$830,771
Payment Extension	0	0	0	0	0
Interest Rate Reduction	0	0	0	0	0
Principal Forgiveness	0	0	0	0	0
Total	$0	$830,771	$0	$0	$830,771
% Total Loans by Loan Type	0.0%	0.9%	0.0%	0.0%	0.9%

Loan Modifications for the Six Months Ended June 30, 2023

	Real estate mortgage	Production & intermediate term	Agribusiness	Rural infrastructure	
	Modification Amount	Modification Amount	Modification Amount	Modification Amount	Total Modification Amount
Term Extension	$0	$563,894	$0	$0	$563,894
Payment Extension	0	0	0	0	0
Interest Rate Reduction	0	0	0	0	0
Principal Forgiveness	0	0	0	0	0
Total	$0	$563,894	$0	$0	$563,894
% Total Loans by Loan Type	0.0%	0.7%	0.0%	0.0%	0.7%

Accrued interest receivables related to loan modifications granted to borrowers experiencing financial difficulty as of the six months ended June 30, 2024 and June 30, 2023 were $10,778 and $5,497.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended June 30, 2024:

Financial Effect of Modifications Granted for the Three Months Ended June 30, 2024

Real estate mortgage	None
Production & intermediate term	
Term Extension	Extended weighted average maturity by 7 months
Agribusiness	None
Rural infrastructure	None

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended June 30, 2023:

Financial Effect of Modifications Granted for the Three Months Ended June 30 2023

Real estate mortgage	None
Production & intermediate term	
Term Extension	Extended weighted average maturity by 12 months
Agribusiness	None
Rural infrastructure	None

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the six months ended June 30, 2024:

Financial Effect of Modifications Granted for the Six Months Ended June 30, 2024	
Real estate mortgage	None
Production & intermediate term	
Term Extension	Extended weighted average maturity by 12 months
Agribusiness	None
Rural infrastructure	None

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the six months ended June 30, 2023:

Financial Effect of Modifications Granted for the Six Months Ended June 30, 2023	
Real estate mortgage	None
Production & intermediate term	
Term Extension	Extended weighted average maturity by 12 months
Agribusiness	None
Rural infrastructure	None

There were no loans to borrowers experiencing financial difficulty that defaulted during the three or six months ended June 30, 2024 and received a modification in the twelve months before default. There were no loans to borrowers experiencing financial difficulty that defaulted during the three or six months ended June 30, 2023 and received a modification in the twelve months before default or since January 1, 2023, the date of adoption of CECL.

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to June 30, 2024:

	Real estate mortgage	Production & intermediate term	Agribusiness	Rural infrastructure
Current	$0	$1,099,424	$0	$0
30-89 Days Past Due	0	0	0	0
90 Days or More Past Due	0	0	0	0
Total	$0	$1,099,424	$0	$0

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified on or after January 1, 2023, the date of the adoption of the guidance noted above, through June 30, 2023:

	Real estate mortgage	Production & intermediate term	Agribusiness	Rural infrastructure
Current	$0	$563,894	$0	$0
30-89 Days Past Due	0	0	0	0
90 Days or More Past Due	0	0	0	0
Total	$0	$563,894	$0	$0

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the six months ended June 30, 2024 were $828,729 and during the year ended December 31, 2023 were $703,557. There were no loans held for sale during any reporting periods.

Allowance for Credit Losses

The credit risk rating methodology is a key component of the institution’s allowance for credit losses evaluation, and is generally incorporated into the institution’s loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established by the institution to manage credit exposure. The regulatory limit to a single borrower or lessee is 15% of the institution’s lending and leasing limit base including long-term, short-term and intermediate-term lending authorities. Idaho AgCredit’s board of directors have established more restrictive lending limits.

A summary of changes in the allowance for credit losses by portfolio segment are as follows:

	Beginning Balance	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Ending Balance
March 31, 2024 to June 30, 2024					
Allowance for Credit Losses (Loans)					
Real estate mortgage	**$627,235**	**$0**	**$0**	**$204,595**	**$831,830**
Production and intermediate term	**790,635**	**0**	**0**	**$139,845**	**930,480**
Agribusiness	**675,746**	**0**	**0**	**$186,022**	**861,768**
Rural infrastructure	**138,724**	**0**	**0**	**$14,379**	**153,103**
Total	**$2,232,340**	**$0**	**$0**	**$544,841**	**$2,777,181**
Allowance for Unfunded Commitments					
Real estate mortgage	**$3,533**	**$0**	**$0**	**($368)**	**$3,165**
Production and intermediate term	**148,949**	**0**	**0**	**($3,381)**	**145,568**
Agribusiness	**37,473**	**0**	**0**	**($6,836)**	**30,637**
Rural infrastructure	**12,723**	**0**	**0**	**$2,704**	**15,427**
Total	**$202,678**	**$0**	**$0**	**($7,881)**	**$194,797**
Total allowance for credit losses	**$2,435,018**	**$0**	**$0**	**$536,960**	**$2,971,978**
December 31, 2023 to June 30, 2024					
Allowance for Credit Losses (Loans)					
Real estate mortgage	**$513,842**	**$0**	**$0**	**$317,988**	**$831,830**
Production and intermediate term	**785,765**	**0**	**0**	**$144,715**	**$930,480**
Agribusiness	**585,885**	**0**	**0**	**$275,883**	**$861,768**
Rural infrastructure	**82,200**	**0**	**0**	**$70,903**	**$153,103**
Total	**$1,967,692**	**$0**	**$0**	**$809,489**	**$2,777,181**
Allowance for Unfunded Commitments					
Real estate mortgage	**$4,129**	**$0**	**$0**	**($964)**	**$3,165**
Production and intermediate term	**97,598**	**0**	**0**	**$47,970**	**$145,568**
Agribusiness	**28,155**	**0**	**0**	**$2,482**	**$30,637**
Rural infrastructure	**2,308**	**0**	**0**	**$13,119**	**$15,427**
Total	**$132,190**	**$0**	**$0**	**$62,607**	**$194,797**
Total allowance for credit losses	**$2,099,882**	**$0**	**$0**	**$872,096**	**$2,971,978**

	Beginning Balance	Cumulative effect of change in accounting principle	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Ending Balance
March 31, 2023 to June 30, 2023						
Allowance for Credit Losses (Loans)						
Real estate mortgage	$497,888	$0	$0	$0	$4,630	$502,518
Production and intermediate term	632,301	0	0	0	45,422	677,723
Agribusiness	421,355	0	0	0	46,519	467,874
Rural infrastructure	59,281	0	0	0	29,623	88,904
Total	$1,610,825	$0	$0	$0	$126,194	$1,737,019
Allowance for Unfunded Commitments						
Real estate mortgage	$2,208	$0	$0	$0	($119)	$2,089
Production and intermediate term	132,585	0	0	0	(430)	132,155
Agribusiness	43,695	0	0	0	3,201	46,896
Rural infrastructure	3,591	0	0	0	(1,119)	2,472
Total	$182,079	$0	$0	$0	$1,533	$183,612
Total allowance for credit losses	$1,792,904	$0	$0	$0	$127,727	$1,920,631
December 31, 2022 to June 30, 2023						
Allowance for Credit Losses (Loans)						
Real estate mortgage	$588,599	$21,323	$0	$0	($107,404)	$502,518
Production and intermediate term	856,037	(10,283)	0	0	(168,031)	677,723
Agribusiness	88,058	95,920	0	0	283,896	467,874
Rural infrastructure	7,566	8,474	0	0	72,864	88,904
Total	$1,540,260	$115,434	$0	$0	$81,325	$1,737,019
Allowance for Unfunded Commitments						
Real estate mortgage	$782	$789	$0	$0	$518	$2,089
Production and intermediate term	52,881	49,406	0	0	29,868	132,155
Agribusiness	57,507	63,809	0	0	(74,420)	46,896
Rural infrastructure	2,333	2,613	0	0	(2,474)	2,472
Total	$113,503	$116,617	$0	$0	($46,508)	$183,612
Total allowance for credit losses	$1,653,763	$232,051	$0	$0	$34,817	$1,920,631

Discussion of Changes in Allowance for Credit Losses

The ACL increased $872,096 to $2,971,978 at June 30, 2024, as compared to $2,099,882 at December 31, 2023. This is due to loan volume and loan commitment changes which added $58,368, PD/LGD rating changes which added $162,058, macroeconomic forecast changes which added $177,356, and increases in specific reserves of $474,314.

The following table discloses the most significant macroeconomic variables by loan type:

Portfolio Segment	Macroeconomic Variable	Forecast Period		
		Year 1	Year 2	Year 3
		MVar 1, MVar 2	MVar 1, MVar 2	MVar 1, MVar 2
Real estate mortgage	Economic Forecasts, Commodity & Asset Values	1.56%; 0.00%	0.00%; 0.26%	-
Production and intermediate-term	Economic Forecasts, Commodity & Asset Values	1.56%; 0.00%	0.00%; 0.26%	-
Agribusiness	Economic Forecasts, Commodity & Asset Values	1.56%; 0.00%	0.00%; 0.26%	-
Rural infrastructure	Economic Forecasts, Commodity & Asset Values	1.56%; 0.00%	0.00%; 0.26%	-

<u>Note 3 – Capital:</u>

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.

<u>Note 4 – Income Taxes:</u>

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 15 "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 Idaho AgCredit's Audit Committee. Details about the whistleblower program and contact information for making whistleblower complaints are listed on Idaho AgCredit's website at www.idahoagcredit.com.

Note 7 – Subsequent Events:
Idaho AgCredit has evaluated subsequent events through July 16, 2024, which is the date the financial statements were available to be issued.