GreenStone Farm Credit Services, ACA

Quarterly Report
September 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of GreenStone Farm Credit Services, ACA and its subsidiaries, GreenStone Farm Credit Services, FLCA and GreenStone Farm Credit Services, PCA. This discussion should be read in conjunction with both the unaudited consolidated financial information and related notes included in this Quarterly Report as well as Management's Discussion and Analysis included in our Annual Report for the year ended December 31, 2022 (2022 Annual Report).

Due to the nature of our financial relationship with AgriBank, FCB (AgriBank), the financial condition and results of operations of AgriBank materially impact our members' investment. To request free copies of AgriBank financial reports or additional copies of our report, contact us at:

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FORWARD-LOOKING INFORMATION

Any forward-looking statements in this Quarterly Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties. More information about these risks and uncertainties is contained in our 2022 Annual Report. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

AGRICULTURAL AND ECONOMIC CONDITIONS

The United States (U.S.) real gross domestic product (GDP), increased at an annual rate of 4.9% in the third quarter of 2023, according to the Bureau of Economic Analysis. This reflects increases in consumer spending, private inventory investment, exports, government spending, and residential fixed investment, which were partially offset by a decrease in nonresidential fixed investment. The growth in the third quarter follows GDP increases of 2.1% and 2.0% in the second and first quarters of 2023, respectively.

The U.S. Bureau of Labor Statistics (BLS) reported the Consumer Price Index (CPI) rose 0.4% in September, on a seasonally adjusted basis, after increasing 0.6% in August. The CPI increased 3.7% for the 12 months ending in September 2023. The shelter index increased 7.2%, while the food index increased 3.7% over that last year, with food at home increasing 2.4% and food away from home increasing 6.0%.

According to the BLS, the unemployment rate was 3.8% in September 2023, which showed little to no change from the previous month. The unemployment rate for Michigan was 3.9% and Wisconsin was 3.1%. Of significant importance in the Midwest, the United Auto Workers (UAW) strike began on September 15, 2023. The UAW and all three major automakers in Detroit have come to tentative labor contract agreements as of October 30, 2023. The tentative agreements will be voted on in the coming weeks.

The Federal Open Market Committee (FOMC) decided to maintain the federal funds rate target range at 5.25%-5.50% at their November 2023 meeting. In determining the extent of additional policy firming that may be appropriate to return inflation to 2% over time, the Committee will consider the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt. While core inflation continued to cool, the Federal Reserve is strongly committed to returning inflation to its 2% objective.

Despite mortgage rates that are at a 23-year high, new home sales posted gains because of a lack of inventory in the resale market. The U.S. Department of Housing and Urban Development estimated sales of newly built, single-family homes at a 759 thousand seasonally adjusted annual pace in September 2023, which is an increase of 12.3% over August 2023, and up 33.9% from a year earlier. New single-family home inventory was 435 thousand in September 2023, down 5.4% compared to a year ago. This represents 6.9 months supply at the current building pace. A measure near a 6.0 months' supply is considered balanced.

The United States Department of Agriculture (USDA) reported in the Farm Sector Income Forecast that net farm income is forecast to be $141.3 billion for 2023, which would be a decrease of $41.7 billion, or 30.7% from 2022. Farm cash receipts are forecast to decrease by $23.0 billion, or 4.3% from 2022, to $513.6 billion in 2023. Total crop receipts are forecast to decrease by $11.2 billion, or 4.0%, and total animal/animal products receipts are expected to decrease by $11.9 billion, or 4.6%. Direct Government farm payments are forecast to decrease $2.9 billion, or 19.0% primarily due to lower supplemental and ad hoc disaster assistance to farmers and ranchers compared to 2022. Total production expenses are forecast to increase by $29.5 billion, or 6.9%, with interest expense and livestock/poultry purchases having the largest increases. Farm sector equity is expected to increase by $227.4 billion, or 6.8%. Debt-to-asset levels are forecast to improve from 12.9% in 2022 to 12.7% in 2023, but working capital is forecast to fall 5.5% in 2023 compared to 2022.

The USDA National Agricultural Statistics Crop Production report forecasts U.S. corn production at 15.1 billion bushels (bu.) in 2023, a 9.8% increase from 2022. Soybean production is forecast to be 4.1 billion bu., a decrease of 3.9% compared to the previous year. 2023 Michigan corn yields are expected to be 170.0 bu. per acre, compared to 168.0 bu. per acre in 2022, with total corn production of 348.5 million bu., 4.2% more than the previous year. Wisconsin 2023 corn yields are forecast at 165.0 bu. per acre, down from 180.0 bu. per acre the previous year, with total production estimated at 511.5 million bu., down 6.2%. Michigan soybeans are expected to yield 46.0 bu. per acre in 2023, compared to 47.0 bu. per acre the previous year, for total production at 92.5 million bu., down 12.2% from 2022. Wisconsin soybeans are expected to yield 44.0 bu. per acre in 2023, compared to 54.0 bu. per acre in 2022, for total production of 91.1 million bu., down 21.6% from the prior year.

The USDA Livestock, Dairy, and Poultry Outlook reported their all-milk price forecast at $20.70 per hundredweight (cwt) in 2023, compared to $25.34 per cwt in 2022. Milk production for 2023 is projected to be 227.6 billion pounds in 2023, which would be an increase of 0.7% from 2022, if realized. Due to expected soft demand from the international markets and competitive international prices from major dairy exporting regions, lower U.S. dairy export volumes are projected for the rest of 2023.

According to the USDA Land Values 2023 Summary report, U.S. cropland value averaged $5,460 per acre in 2023, an increase of $410 per acre, or 8.1% from the previous year. The average cropland value increased 9.4% to $6,400 per acre in Michigan, and increased 8.8% to $6,200 per acre in Wisconsin.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $13.3 billion at September 30, 2023, an increase of $616.3 million from December 31, 2022. Our mortgage portfolio increased $766.7 million, or 7.6% from December 31, 2022, while our short and intermediate-term loan portfolio decreased $150.3 million, or 5.9% from December 31, 2022. When compared to September 30, 2022, owned and managed loan volume (which includes loans in our Consolidated Statements of Condition as well as loan participation interests sold as part of AgriBank asset pool programs) increased 8.1%. This increase was driven by growth in all market segments and was led by our capital markets segment which increased 19.7% since September 30, 2022. In addition, our large traditional loan and country living segments have increased 5.3% and 5.2% since September 30, 2022, respectively. Our current volume reflects an asset growth rate year-over-year that is above our 2023 Business Plan.

Portfolio Credit Quality

The credit quality of our loan portfolio remained solid during the first nine months of 2023. Acceptable loan credit quality, as measured under the Uniform Classification System, was 97.0%, which decreased slightly from 97.2% at December 31, 2022. Year-over-year, acceptable credit quality increased 0.2% from 96.8% at September 30, 2022. Portfolio assets classified as being less than acceptable were comprised of 1.6% other assets especially mentioned (OAEM) and 1.4% adversely classified. OAEM increased 0.3% and adversely classified decreased 0.1% from December 31, 2022.

Adversely classified loans are identified as having material credit weaknesses which, if left uncorrected, result in a greater than normal risk. Portfolio credit quality is considered when assessing the reasonableness of our allowance for loan losses. Weaker borrowers in our fruit and cash crop portfolios were challenged financially during the first nine months of 2023.

The resulting level of credit quality, when combined with our earnings and additions to capital surplus, resulted in an adverse assets to regulatory capital ratio of 9.0%, which decreased 0.6% from December 31, 2022.

In certain circumstances, the Federal Agricultural Mortgage Corporation and other government agency guarantee programs are used to reduce the risk of loss. At September 30, 2023, $389.7 million of our loans were substantially guaranteed under these programs. The guaranteed loan volume decreased from $400.6 million at December 31, 2022.

Nonperforming Assets

Effective January 1, 2023, we adopted Accounting Standards Update 2016-13 “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” This guidance established a single allowance framework for all financial assets measured at amortized cost and certain off-balance sheet credit exposures, and replaced the incurred loss guidance. This framework requires that management’s estimate reflects credit losses over the asset’s remaining expected life and considers expected future changes in macroeconomic conditions and is referred to as the Current Expected Credit Loss (CECL) model. The allowance for credit losses comprises the allowance for credit losses on loans, unfunded commitments, and investment securities.

Components of Nonperforming Assets

(dollars in thousands) As of:	**September 30, 2023**	December 31, 2022
Loans:		
Nonaccrual	**$61,332**	$28,610
Accruing loans 90 days or more past due	**3,201**	--
Total nonperforming loans	**64,533**	28,610
Acquired property	**948**	1,709
Total nonperforming assets	**$65,481**	$30,319
Total nonperforming loans as a percentage of total loans	**0.5%**	0.2%
Nonaccrual loans as a percentage of total loans	**0.5%**	0.2%
Current nonaccrual loans as a percentage of total nonaccrual loans	**64.2%**	83.3%
Total delinquencies as a percentage of total loans	**0.3%**	0.2%

Note: Prior to the adoption of CECL, which was effective January 1, 2023, accruing loans included accrued interest receivable. Additionally, certain prior period ratios have been updated to conform to current period presentation.

Our nonperforming assets have increased from December 31, 2022, but have remained at acceptable levels. Total nonperforming loans as a percentage of total loans remained well within our established risk management guidelines.

Nonaccrual loans increased from $28.6 million at December 31, 2022, to $61.3 million at September 30, 2023. This increase was primarily due to four capital markets purchased participations that transferred to nonaccrual during the first quarter of 2023, which was partially offset by one of these loans paying off most of their loan obligations during the third quarter of 2023. As of September 30, 2023, 72.4% of the nonaccrual loan portfolio was from four capital markets purchased participations.

The increase in accruing loans 90 days or more past due was due to one short-term loan, that is adequately secured and in the process of collection. Our accounting policy requires loans past due 90 days or more to be transferred into nonaccrual status unless adequately secured and in the process of collection. Based on our analysis, accruing loans 90 days or more past due were eligible to remain in accruing status.

Allowance for Credit Losses on Loans

Allowance For Credit Losses on Loans Coverage Ratios

As of:	**September 30, 2023**	December 31, 2022
Allowance for credit losses on loans as a percentage of:		
Loans	**0.3%**	0.3%
Nonaccrual loans	**70.8%**	142.9%
Total nonperforming loans[1]	**67.3%**	142.9%

[1]Prior period ratio has been updated to conform to current period presentation.

Effective January 1, 2023, the allowance for credit losses on loans is an estimate of expected credit losses in our portfolio. We determine the appropriate level of allowance for credit losses on loans based on a disciplined process and methodology that incorporates expected probabilities of default and severity of loss based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions. Prior to January 1, 2023, the allowance for loan losses was an estimate of losses on loans in our portfolio as of the financial statement date.

After adoption of this guidance, the allowance for credit losses takes into consideration relevant information about past events, current conditions, and macroeconomic forecasts of future conditions. An economic scenario is considered over a reasonable and supportable forecast period, after which, the framework incorporates historical loss experience. Final loss estimates also consider factors affecting credit losses not reflected in the scenario, due to the unique aspects of current conditions and expectations. These factors may include, but are not limited to, lending policies, portfolio concentrations, regulatory guidance, and/or lags in economic forecast information.

As a result of adoption of this guidance, the allowance for credit losses on loans decreased by $8.1 million but the allowance for credit losses on unfunded commitments increased by $4.8 million with the offset to retained earnings. The decrease in the allowance for credit losses on loans was largely due to the requirement of the standard to estimate losses to the assets' contractual maturities, resulting in a decrease of allowances attributable to our short-term portfolios. Partially offsetting the decline were modest increases in allowance attributable to our long-term real estate portfolios.

The allowance for credit losses on loans increased $2.5 million from December 31, 2022, to $43.4 million at September 30, 2023. During the first nine months of 2023, provision for loan losses of $17.6 million along with $7.2 million of charge-offs and $277 thousand of recoveries were recorded, in addition to $8.1 million for the adoption of CECL, as mentioned in the previous paragraph. Additional information regarding the CECL adoption is included in Note 1. In our opinion, the allowance for credit losses on loans was reasonable in relation to the risk in our loan portfolio at September 30, 2023.

Under certain circumstances, credit losses may be recorded to establish an allowance for credit losses on unfunded commitments. As a result of the adoption of CECL, the allowance for credit losses on unfunded commitments increased by $4.8 million, with the offset to retained earnings. Additional information regarding the CECL adoption is included in Note 1. The "(Reversal of) provision for credit losses" in the Consolidated Statements of Comprehensive Income for the nine months ended September 30, 2023, included a reversal of provision for credit losses on unfunded commitments of $1.9 million. The allowance for credit losses on unfunded commitments are recorded in "Other liabilities" in the Consolidated Statements of Condition. The allowance for credit losses on unfunded commitments were $6.7 million at September 30, 2023, which increased by $2.9 million from December 31, 2022.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands)

For the nine months ended September 30,	**2023**	2022
Net income	**$212,776**	$220,866
Return on average assets	**2.1%**	2.4%
Return on average members' equity	**12.2%**	13.6%

Changes presented in the profitability information chart relate directly to:

- Changes in net income discussed in this section
- Changes in assets discussed in the Loan Portfolio section
- Changes in capital discussed in the Funding, Liquidity, and Capital section

Changes in Significant Components of Net Income

(in thousands)

For the nine months ended September 30,	**2023**	2022	**Increase (decrease) in net income**
Net interest income	**$256,974**	$217,835	**$39,139**
(Provision for) reversal of credit losses	**(15,718)**	27,640	**(43,358)**
Patronage income	**49,480**	44,728	**4,752**
Financially related services income	**11,642**	12,359	**(717)**
Fee income	**17,989**	16,158	**1,831**
Other non-interest income	**2,777**	1,007	**1,770**
Non-interest expense	**(104,750)**	(92,956)	**(11,794)**
Provision for income taxes	**(5,618)**	(5,905)	**287**
Net income	**$212,776**	$220,866	**($8,090)**

Net Interest Income

Changes in Net Interest Income

(in thousands)

For the nine months ended September 30,	**2023 vs 2022**
Changes in volume	**$19,643**
Changes in interest rates	**26,579**
Changes in nonaccrual income and other	**(7,083)**
Net change	**$39,139**

(Provision for) Reversal of Credit Losses

During the first nine months of 2023, provision for credit losses of $15.7 million were recorded. This provision expense was primarily due to specific reserves that were established on four capital markets purchased participations, which was partially offset by a nonaccrual capital markets participation that paid off most of their loan obligations. The reversal of provision for credit losses of $27.6 million in the first nine months of 2022 was primarily due to payoff of loan obligations by a large dairy customer, along with reductions to the dairy industry qualitative reserve.

Non-Interest Income

The change in non-interest income was primarily due to patronage income and other non-interest income.

Patronage Income: We may receive patronage from AgriBank and other Farm Credit institutions. Patronage distributions from AgriBank and other Farm Credit institutions are declared solely at the discretion of each institution's Board of Directors. Patronage distributions may be in the form of cash or stock.

Patronage Income

(in thousands)

For the nine months ended September 30,	**2023**	2022
Patronage from AgriBank	**$46,389**	$41,648
AgDirect partnership distribution	**2,928**	2,631
Other patronage	**163**	449
Total patronage income	**$49,480**	$44,728

The increase in patronage income was primarily due to wholesale and asset pool program patronage income received from AgriBank. The wholesale patronage income is based on the average balance of our note payable to AgriBank, which increased during the first nine months of 2023 compared to the prior year, primarily as a result of growth in our loan portfolio. In addition, the asset pool program patronage increased due to higher net earnings on loans in the pool, which was a result of loan growth experienced in the pool.

Other Non-Interest Income: The increase in non-interest income was primarily due to $2.2 million in acquired property net income recorded during the first nine months of 2023, which was primarily due to a gain from the sale of an acquired property.

Non-Interest Expense

The variance in non-interest expense in 2023 compared to 2022 was primarily due to an increase of $7.3 million in salaries and employee benefit expense, along with an increase of $3.5 million in technology costs.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank, under a note payable, in the form of a line of credit. Our note payable is scheduled to mature on December 31, 2025. We intend to renegotiate the note payable no later than the maturity date. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio, which significantly reduces our market interest rate risk. Due to the cooperative structure of the Farm Credit System and as we are a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. Our other source of lendable funds is from equity.

The components of cost of funds associated with our note payable include:

- A marginal cost of debt component
- A spread component, which includes cost of servicing, cost of liquidity, and bank profit
- A risk premium component, if applicable

We were not subject to a risk premium at September 30, 2023, or December 31, 2022.

In August 2023, Fitch Ratings lowered the U.S. sovereign's long-term Issuer Default Rating and the long-term debt rating for the Farm Credit System to AA+ from AAA, the F1+ short-term ratings were affirmed, and the outlooks on the long-term debt ratings were revised to stable. As a government-sponsored entity, the Farm Credit System benefits from the implicit government support and, therefore, the ratings are directly linked to the U.S. sovereign rating. Additionally, Fitch Ratings lowered the long-term debt rating for the Farm Credit Banks, including AgriBank, to A+ from AA-, the F1+ short-term rating was affirmed, and the outlook on the long-term debt rating was revised to stable. The reduction in the credit rating by Fitch Ratings for the Farm Credit Banks, including AgriBank, could result in higher funding costs which could impact our costs and, ultimately, retail rates.

Total members' equity increased $127.3 million from December 31, 2022, primarily due to net income for the period and the cumulative effect of the change in accounting principle partially offset by patronage distribution accruals.

The Farm Credit Administration (FCA) Regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total regulatory capital, and permanent capital risk-based capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents leverage. Refer to Note 7 in our 2022 Annual Report for a more complete description of these ratios.

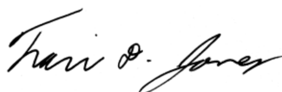
Regulatory Capital Requirements and Ratios				Capital	
As of:	**September 30, 2023**	December 31, 2022	Regulatory Minimums	Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**14.3%**	15.1%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**14.3%**	15.1%	6.0%	2.5%	8.5%
Total regulatory capital ratio	**14.7%**	15.4%	8.0%	2.5%	10.5%
Permanent capital ratio	**14.3%**	15.1%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**15.4%**	16.0%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**15.2%**	15.8%	1.5%	N/A	1.5%

Capital ratios are directly impacted by the changes in capital, as more fully explained in this section, the changes in assets, as discussed in the Loan Portfolio section, and off-balance sheet commitments, as disclosed in Note 11 in our 2022 Annual Report.

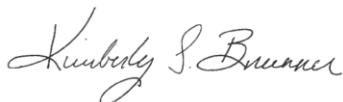
CERTIFICATION

The undersigned have reviewed the September 30, 2023, Quarterly Report of GreenStone Farm Credit Services, ACA, which has been prepared under the oversight of the Audit Committee and in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Edward L. Reed
Chair of the Board
GreenStone Farm Credit Services, ACA



Travis D. Jones
Chief Executive Officer
GreenStone Farm Credit Services, ACA



Kimberly S. Brunner
Executive Vice President – Chief Financial Officer
GreenStone Farm Credit Services, ACA

November 6, 2023

CONSOLIDATED STATEMENTS OF CONDITION

GreenStone Farm Credit Services, ACA
(in thousands)

As of:	**September 30, 2023**	December 31, 2022
	(Unaudited)	
ASSETS		
Loans	**$13,285,849**	$12,669,524
Allowance for credit losses on loans	**43,429**	40,889
Net loans	**13,242,420**	12,628,635
Investment in AgriBank, FCB	**374,688**	350,696
Investment securities	**986**	1,284
Accrued interest receivable	**111,266**	83,869
Premises and equipment, net	**52,204**	52,423
Other assets	**115,475**	87,074
Total assets	**$13,897,039**	$13,203,981
LIABILITIES		
Note payable to AgriBank, FCB	**$11,247,762**	$10,678,542
Accrued interest payable	**103,098**	73,861
Patronage distribution payable	**90,000**	120,000
Deferred tax liabilities, net	**3,090**	1,073
Other liabilities	**65,850**	70,531
Total liabilities	**11,509,800**	10,944,007
Contingencies and commitments (Note 3)		
MEMBERS' EQUITY		
Protected members' equity	**1**	1
Capital stock and participation certificates	**26,332**	25,891
Unallocated surplus	**2,364,226**	2,237,685
Accumulated other comprehensive loss	**(3,320)**	(3,603)
Total members' equity	**2,387,239**	2,259,974
Total liabilities and members' equity	**$13,897,039**	$13,203,981

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

GreenStone Farm Credit Services, ACA
(in thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
For the period ended September 30,	**2023**	2022	**2023**	2022
Interest income	**$190,660**	$129,156	**$541,813**	$344,536
Interest expense	**103,098**	55,241	**284,839**	126,701
Net interest income	**87,562**	73,915	**256,974**	217,835
(Reversal of) provision for credit losses	**(8,444)**	(2,194)	**15,718**	(27,640)
Net interest income after (reversal of) provision for credit losses	**96,006**	76,109	**241,256**	245,475
Non-interest income				
Patronage income	**17,387**	16,062	**49,480**	44,728
Financially related services income	**4,523**	4,433	**11,642**	12,359
Fee income	**5,691**	5,685	**17,989**	16,158
Other non-interest income	**184**	321	**2,777**	1,007
Total non-interest income	**27,785**	26,501	**81,888**	74,252
Non-interest expense				
Salaries and employee benefits	**23,299**	21,097	**68,593**	61,293
Other operating expense	**12,315**	11,047	**36,157**	31,663
Total non-interest expense	**35,614**	32,144	**104,750**	92,956
Income before income taxes	**88,177**	70,466	**218,394**	226,771
Provision for (benefit from) income taxes	**1,648**	(91)	**5,618**	5,905
Net income	**$86,529**	$70,557	**$212,776**	$220,866
Other comprehensive income				
Employee benefit plans activity	**$94**	$108	**$283**	$325
Total other comprehensive income	**94**	108	**283**	325
Comprehensive income	**$86,623**	$70,665	**$213,059**	$221,191

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

GreenStone Farm Credit Services, ACA
(in thousands)
(Unaudited)

	Protected Members' Equity	Capital Stock and Participation Certificates	Unallocated Surplus	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2021	$1	$25,498	$2,072,939	($3,736)	$2,094,702
Net income	--	--	220,866	--	220,866
Other comprehensive income	--	--	--	325	325
Unallocated surplus designated for patronage distributions	--	--	(86,150)	--	(86,150)
Capital stock and participation certificates issued	--	1,889	--	--	1,889
Capital stock and participation certificates retired	--	(1,509)	--	--	(1,509)
Balance at September 30, 2022	$1	$25,878	$2,207,655	($3,411)	$2,230,123
Balance at December 31, 2022	$1	$25,891	$2,237,685	($3,603)	$2,259,974
Net income	**--**	**--**	**212,776**	**--**	**212,776**
Cumulative effect of change in accounting principle	**--**	**--**	**3,305**	**--**	**3,305**
Other comprehensive income	**--**	**--**	**--**	**283**	**283**
Unallocated surplus designated for patronage distributions	**--**	**--**	**(89,540)**	**--**	**(89,540)**
Capital stock and participation certificates issued	**--**	**1,499**	**--**	**--**	**1,499**
Capital stock and participation certificates retired	**--**	**(1,058)**	**--**	**--**	**(1,058)**
Balance at September 30, 2023	**$1**	**$26,332**	**$2,364,226**	**($3,320)**	**$2,387,239**

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited Consolidated Financial Statements contain all adjustments necessary for a fair presentation of the interim financial information and conform to generally accepted accounting principles in the United States of America (GAAP) and the prevailing practices within the financial services industry. This interim Quarterly Report is prepared based upon statutory and regulatory requirements and in accordance with GAAP. However, certain disclosures required by GAAP are omitted. The results of the nine months ended September 30, 2023, are not necessarily indicative of the results to be expected for the year ending December 31, 2023. The interim financial statements and the related notes in this Quarterly Report should be read in conjunction with the Consolidated Financial Statements and related notes included in our Annual Report for the year ended December 31, 2022 (2022 Annual Report).

Principles of Consolidation

The Consolidated Financial Statements present the consolidated financial results of GreenStone Farm Credit Services, ACA and its subsidiaries GreenStone Farm Credit Services, FLCA and GreenStone Farm Credit Services, PCA. All material intercompany transactions and balances have been eliminated in consolidation.

Significant Accounting Policies

Loans: Loans are carried at their principal amount outstanding, net of any unearned income, cumulative net charge-offs, unamortized deferred fees and costs on originated loans, and unamortized premiums or discounts on purchased loans. Loan interest is accrued and credited to interest income based upon the daily principal amount outstanding. Material loan fees, net of related costs, are deferred and recognized over the life of the loan as an adjustment to net interest income. The net amount of loan fees and related origination costs are not material to the Consolidated Financial Statements taken as a whole.

A loan is considered contractually past due when any principal repayment or interest payment required by the loan instrument is not received on or before the due date. A loan remains contractually past due until certain modifications are completed or until the entire amount past due, including principal, accrued interest and penalty interest incurred as the result of past due status, is collected or otherwise discharged in full.

Generally, loans are placed in nonaccrual status when principal or interest is delinquent for 90 days or more (unless adequately secured and in the process of collection) or circumstances indicate that full collection is not expected. When a loan is placed in nonaccrual status, and the interest is determined to be both uncollectible and the loss is known, we reverse current year accrued interest to the extent principal plus accrued interest exceeds the net realizable value of the collateral prior to reclassification. When we deem a loan to be uncollectible, we charge the loan principal and prior year(s) accrued interest against the allowance for credit losses on loans. Subsequent recoveries, if any, are added to the allowance for credit losses on loans. Any cash received on nonaccrual loans is applied to reduce the carrying amount in the loan, except in those cases where the collection of the carrying amount is fully expected and certain other criteria are met. In these circumstances, interest is credited to income when cash is received. Loans are charged-off at the time they are determined to be uncollectible. Nonaccrual loans may be returned to accrual status when principal and interest are current, the customer's ability to fulfill the contractual payment terms is fully expected, and, if the loan was past due when placed in nonaccrual status, the loan has evidence of sustained performance in making on-time contractual payments (typically based on payment frequency).

Included within our loans are loan modifications. Loan modifications may be granted to borrowers experiencing financial difficulty. Qualifying disclosable modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months.

Prior to January 1, 2023, in situations where, for economic or legal reasons related to the borrower's financial difficulties, we granted a concession for other than an insignificant period of time to the borrower that we would not otherwise consider, the related loan was classified as a troubled debt restructuring (TDR), also known as a formally restructured loan for regulatory purposes. A concession was generally granted to minimize economic loss and avoid foreclosure. Concessions varied by program and borrower and may have included interest rate reductions, term extensions, payment deferrals, or an acceptance of additional collateral in lieu of payments. In limited circumstances, principal may have been forgiven. Loans classified as TDRs were considered risk loans. There may have been modifications made in the normal course of business that were not considered TDRs.

Loans that are sold as participations are transferred as entire financial assets, groups of entire financial assets, or participating interests in the loans. The transfers of such assets or participating interests are structured such that control over the transferred assets, or participating interests have been surrendered and that all the conditions have been met to be accounted for as a sale.

Allowance for Credit Losses: Effective January 1, 2023, we adopted Accounting Standards Update (ASU) 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." This guidance established a single allowance framework for all financial assets measured at amortized cost and certain off-balance sheet credit exposures, and replaced the incurred loss guidance. This framework requires that management's estimate reflects credit losses over the asset's remaining expected life and considers expected future changes in macroeconomic conditions and is referred to as the Current Expected Credit Loss (CECL) model. The allowance for credit losses comprises the allowance for credit losses on loans, unfunded commitments, and investment securities.

Allowance for Credit Losses on Loans
Beginning January 1, 2023, the allowance for credit losses on loans (ACLL) represents the estimated current expected credit losses on the loan portfolio over the remaining contractual life of the loan portfolio adjusted for expected prepayments. The ACLL takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are not unconditionally cancellable.

The ACLL is increased through provisions for credit losses on loans and loan recoveries and is decreased through reversals of credit losses on loans and loan charge-offs. The provision activity is included as part of the “(Reversal of) provision for credit losses” in the Consolidated Statements of Comprehensive Income.

Determining the appropriateness of the ACLL is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of the then-existing loan portfolio, in light of the factors then prevailing, may result in significant changes in the ACLL in those future periods. Loans are evaluated on the amortized cost basis, including unamortized premiums and discounts.

We employ a disciplined process and methodology to establish the ACLL that has two basic components: first, an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans; and second, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics. When a loan does not share risk characteristics with other loans, expected credit loss is measured as the difference between the amortized cost basis in the loan and the present value of expected future cash flows discounted at the loan’s effective interest rate except that, for collateral-dependent loans, credit loss is measured as the difference between the amortized cost basis in the loan and the fair value of the underlying collateral. The fair value of the collateral is adjusted for the estimated cost to sell if repayment or satisfaction of a loan is dependent on the sale (rather than only on the operation) of the collateral. In accordance with our appraisal policy, the fair value of collateral-dependent loans is based upon independent third-party appraisals or on collateral valuations prepared by in-house appraisers. When an updated appraisal or collateral valuation is received, management reassesses the need for adjustments to the loan’s expected credit loss measurements and, where appropriate, records an adjustment. If the calculated expected credit loss is determined to be permanent, fixed or non-recoverable, the credit loss portion of the loan will be charged-off against the ACLL.

In estimating the component of the ACLL that share common risk characteristics, loans are pooled and segregated into loan classes based on loan type, commodity, and internal risk rating. We utilize a model to calculate an expected life-of-loan loss percentage for each loan category by considering the probability of default, based on the migration of loans from performing to loss by internal risk rating, and the severity of loss, based on the aggregate net lifetime losses incurred. Loan borrower characteristics are also utilized and include internal risk ratings, delinquency status, and the remaining term of the loan, adjusted for expected prepayments.

In order to calculate this estimated migration of loans from performing to loss, we utilize a single economic scenario over a reasonable and supportable forecast period of three years. The economic forecasts are updated on a quarterly basis and include macroeconomic variables such as agricultural commodity prices, unemployment rates, real gross domestic product levels, inflation rates, housing price indexes, and agricultural land values. Subsequent to the forecast period, our model reverts to historical loss experience to estimate losses for the remaining estimated contractual life of the portfolio.

The final credit loss estimate also considers factors not reflected in the economic forecast and historical loss experience due to the unique aspects of current conditions and expectations. These factors may include, but are not limited to: lending policies and procedures, credit quality and delinquency trends, individual borrower and industry concentrations, national, regional, and local economic business conditions and developments, collateral value trends, and expected performance of specific industry sectors not reflected in the economic forecast. Consideration of these factors, as well as the imprecision inherent in the process and methodology may lead to a management adjustment to the modeled ACLL results. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral.

Prior to January 1, 2023, the allowance for loan losses was an estimate of losses inherent in our loan portfolio as of the financial statement date. We determined the appropriate level of allowance for loan losses based on periodic evaluation of factors such as loan loss history, estimated probability of default, estimated loss severity, portfolio quality, and current economic and environmental conditions. Refer to our 2022 Annual Report for additional information.

Allowance for Credit Losses on Unfunded Commitments
Under CECL, we evaluate the need for an allowance for credit losses on unfunded commitments, which is included in “Other liabilities” in the Consolidated Statements of Condition. The related provision is included as part of the “(Reversal of) provision for credit losses” in the Consolidated Statements of Comprehensive Income. The amount of expected losses is determined by calculating a commitment usage factor over the contractual period for exposures that are not unconditionally cancellable by the Association and applying the loss factors used in the ACLL methodology to the results of the usage calculation. No allowance for credit losses is recorded for commitments that are unconditionally cancellable.

Allowance for Credit Losses on Investment Securities
Quarterly, we evaluate the investment portfolio for credit losses. When the present value of cash flows expected to be collected from the security is less than the amortized cost basis of the security, an allowance for credit losses on investment securities is recognized and is limited to the amortized cost less the fair value. For securities that are guaranteed by the U.S. government or other governmental agencies, we have not recognized an allowance for credit losses on investment securities as our expectation of nonpayment of the amortized cost basis, based on historical losses, is zero.

Accrued Interest Receivable: Accrued interest receivable is presented separately in the Consolidated Statements of Condition and includes accrued interest on loans and investment securities. Accrued interest receivable has been excluded from the footnote disclosures for all periods after January 1, 2023.

Investment Securities: We are authorized by the Farm Credit Administration to purchase and hold certain types of investments. As we have the positive intent and ability to hold these investments to maturity, they have been classified as held-to-maturity and are carried at amortized cost, net of

allowance for credit losses on investment securities upon the adoption of CECL. Purchased premiums and discounts are amortized or accreted using the interest method over the terms of the respective securities.

There have been no other changes in our accounting policies as disclosed in our 2022 Annual Report, except as previously described and in the Recently Issued or Adopted Accounting Pronouncements section.

Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined the following standards to be applicable to our business. While we are a nonpublic business entity, our financial results are closely related to the performance of the combined Farm Credit System. Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

Standard and effective date	Description	Adoption status and financial statement impact
In June 2016, the FASB issued ASU 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." The guidance was originally effective for non-U.S. Securities Exchange Commission filers for our first quarter of 2021. In November 2019, the FASB issued ASU 2019-10 which amended the mandatory effective date for this guidance for certain institutions. We qualified for the deferral of the mandatory effective date. As a result of the change, the standard was effective for our first quarter of 2023 and early adoption was permitted. Additionally, the FASB issued several updates during 2019 refining and clarifying Topic 326.	This guidance replaced the 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.	We adopted the standard and subsequently issued updates as of January 1, 2023. As a result of adoption of this guidance, the allowance for credit losses on loans decreased by $8.1 million and the allowance for credit losses on unfunded commitments increased by $4.8 million, with a cumulative-effect increase, net of tax balances, to retained earnings of $3.3 million. The adoption of the standard did not have a material impact related to our held-to-maturity investment portfolio as all of these investments carry a full faith and credit guarantee of the U.S. government or an implicit credit guarantee from its agencies and have an immaterial risk of credit loss. No allowance for credit losses was recognized in relation to our investment portfolio upon adoption.
In March 2022, the FASB issued ASU 2022-02 "Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures." The guidance was effective at the same time that ASU 2016-13 was adopted.	This guidance eliminated the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, Receivables - Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings. The expanded Vintage Disclosures are not applicable to nonpublic business entities.	We adopted the standard on January 1, 2023. The adoption of this guidance did not have a material impact on our financial statements, but modified certain disclosures beginning in 2023. However, modifications during the period were not material; therefore, related disclosures have been omitted from this report.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans by Type

(dollars in thousands)

As of:	**September 30, 2023**		December 31, 2022	
	Amortized Cost	**Percentage**	Amortized Cost	Percentage
Real estate mortgage	**$6,880,325**	**51.8%**	$6,858,494	54.1%
Production and intermediate-term	**2,199,613**	**16.6**	2,228,232	17.6
Agribusiness	**3,124,448**	**23.5**	2,724,693	21.5
Other	**1,081,463**	**8.1**	858,105	6.8
Total	**$13,285,849**	**100.0%**	$12,669,524	100.0%

The other category is primarily composed of rural infrastructure and rural residential real estate related loans.

Throughout Note 2, accrued interest receivable on loans of $111.3 million at September 30, 2023 has been excluded from the amortized cost of loans and is presented in "Accrued interest receivable" in the Consolidated Statements of Condition.

Credit Quality

We utilize the Farm Credit Administration (FCA) Uniform Classification System to categorize loans into five credit quality categories. The categories are:

- Acceptable – loans are non-criticized loans representing the highest quality. They are expected to be fully collectible. This category is further differentiated into various probabilities of default.
- Other assets especially mentioned (Special Mention) – loans are currently collectible but exhibit some potential weakness. These loans involve increased credit risk, but not to the point of justifying a substandard classification.
- Substandard – loans exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – loans exhibit similar weaknesses as substandard loans. Doubtful loans have additional weaknesses in existing factors, conditions, and values that make collection in full highly questionable.
- Loss – loans are considered uncollectible.

We had no loans categorized as loss at September 30, 2023, or December 31, 2022.

Credit Quality of Loans at Amortized Cost[1]

(dollars in thousands)	Acceptable		Special Mention		Substandard/ Doubtful		Total
As of September 30, 2023	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Real estate mortgage	**$6,739,023**	**98.0%**	**$55,637**	**0.8%**	**$85,665**	**1.2%**	**$6,880,325**
Production and intermediate-term	**2,124,105**	**96.5**	**23,461**	**1.1**	**52,047**	**2.4**	**2,199,613**
Agribusiness	**2,952,075**	**94.5**	**124,189**	**4.0**	**48,184**	**1.5**	**3,124,448**
Other	**1,067,779**	**98.7**	**9,680**	**0.9**	**4,004**	**0.4**	**1,081,463**
Total	**$12,882,982**	**97.0%**	**$212,967**	**1.6%**	**$189,900**	**1.4%**	**$13,285,849**
As of December 31, 2022							
Real estate mortgage	$6,707,281	97.1%	$89,104	1.3%	$110,434	1.6%	$6,906,819
Production and intermediate-term	2,209,105	98.2	24,497	1.1	15,869	0.7	2,249,471
Agribusiness	2,628,282	96.1	52,865	1.9	55,641	2.0	2,736,788
Other	853,849	99.3	1,896	0.2	4,563	0.5	860,308
Total	$12,398,517	97.2%	$168,362	1.3%	$186,507	1.5%	$12,753,386

[1]Prior to the adoption of CECL, which was effective January 1, 2023, accruing loans included accrued interest receivable.

Delinquency

Aging Analysis of Loans at Amortized Cost[1]

(in thousands) **As of September 30, 2023**	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less than 30 Days Past Due	Total	Accruing Loans 90 Days or More Past Due
Real estate mortgage	**$6,773**	**$1,659**	**$8,432**	**$6,871,893**	**$6,880,325**	**$ --**
Production and intermediate-term	**1,745**	**2,733**	**4,478**	**2,195,135**	**2,199,613**	**--**
Agribusiness	**1,868**	**15,314**	**17,182**	**3,107,266**	**3,124,448**	**3,201**
Other	**3,194**	**279**	**3,473**	**1,077,990**	**1,081,463**	**--**
Total	**$13,580**	**$19,985**	**$33,565**	**$13,252,284**	**$13,285,849**	**$3,201**
As of December 31, 2022						
Real estate mortgage	$11,765	$411	$12,176	$6,894,643	$6,906,819	$ --
Production and intermediate-term	5,917	716	6,633	2,242,838	2,249,471	--
Agribusiness	--	28	28	2,736,760	2,736,788	--
Other	1,116	34	1,150	859,158	860,308	--
Total	$18,798	$1,189	$19,987	$12,733,399	$12,753,386	$ --

[1]Prior to the adoption of CECL, which was effective January 1, 2023, accruing loans included accrued interest receivable.

Nonaccrual Loans

Nonaccrual Loans by Type

(in thousands) As of:	**September 30, 2023**	December 31, 2022
Real estate mortgage	**$28,298**	$9,141
Production and intermediate-term	**10,809**	5,969
Agribusiness	**19,066**	12,649
Other	**3,159**	851
Total	**$61,332**	$28,610

Additional Nonaccrual Loans Information

	As of September 30, 2023	**For the Nine Months Ended September 30, 2023**
(in thousands)	Amortized Cost Without Allowance	Interest Income Recognized
Real estate mortgage	**$9,517**	**$691**
Production and intermediate-term	**1,224**	**132**
Other	**729**	**77**
Total	**$11,470**	**$900**

Reversals of interest income on loans that moved to nonaccrual status were not material for the nine months ended September 30, 2023.

Allowance for Credit Losses

Changes in Allowance for Credit Losses

(in thousands) Nine months ended September 30,	**2023**	2022
Allowance for Credit Losses on Loans		
Balance at beginning of period	**$40,889**	$55,056
Cumulative effect of change in accounting principle	**(8,134)**	--
Provision for (reversal of) loan losses	**17,615**	(24,325)
Loan recoveries	**277**	8,495
Loan charge-offs	**(7,218)**	(383)
Balance at end of period	**$43,429**	$38,843
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	**$3,826**	$3,315
Cumulative effect of change in accounting principle	**4,805**	--
Reversal of provision for losses on unfunded commitments	**(1,897)**	(3,315)
Balance at end of period	**$6,734**	$ --
Total allowance for credit losses	**$50,163**	$38,843

Previously Required Disclosures

The disclosures in this section were required prior to January 1, 2023. Upon the adoption of CECL, these disclosures are no longer required prospectively.

Risk Loans: Risk loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms.

Risk Loan Information

(in thousands) As of:	December 31, 2022
Volume with specific allowance	$16,704
Volume without specific allowance	14,696
Total risk loans	$31,400
Total specific allowance	$8,799
For the nine months ended September 30,	2022
Income on accrual risk loans	$97
Income on nonaccrual loans	7,986
Total income on risk loans	$8,083
Average risk loans	$30,458

Note: Accruing loans include accrued interest receivable.

TDRs: Prior to the adoption of CECL, a restructuring of a loan constituted a troubled debt restructuring, also known as formally restructured, if the creditor for economic or legal reasons related to the borrower's financial difficulties granted a concession to the borrower that it would not otherwise consider. Concessions varied by program and were borrower-specific and could include interest rate reductions, term extensions, payment deferrals, or the acceptance of additional collateral in lieu of payments. In limited circumstances, principal may have been forgiven.

We completed TDRs of certain real estate mortgage loans during the nine months ended September 30, 2022. Our recorded investment in these loans just prior to and immediately following the restructuring was $1.9 million during the nine months ended September 30, 2022. The recorded investment is the unpaid principal amount of the receivable increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, and acquisition costs and may also reflect a previous direct charge-off of the investment. The type of modification for the nine months ended September 30, 2022, was extension of maturity.

The amortized cost plus accrued interest of TDRs in the real estate mortgage loan category that defaulted during the nine months ended September 30, 2022, in which the modifications were within twelve months of the respective reporting period was $1.9 million.

TDRs Outstanding

(in thousands) As of:	December 31, 2022
Accrual status:	
Real estate mortgage	$2,303
Production and intermediate-term	185
Other	302
Total TDRs in accrual status	$2,790
Nonaccrual status:	
Real estate mortgage	$643
Production and intermediate-term	72
Other	2
Total TDRs in nonaccrual status	$717
Total TDRs:	
Real estate mortgage	$2,946
Production and intermediate-term	257
Other	304
Total TDRs	$3,507

Note: Accruing loans include accrued interest receivable.

NOTE 3: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the Consolidated Financial Statements. We do not anticipate any material losses because of these contingencies or commitments.

We may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these Consolidated Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

Refer to Note 11 in our 2022 Annual Report for additional detail regarding contingencies and commitments.

NOTE 4: FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three input levels that may be used to measure fair value. Refer to Note 2 in our 2022 Annual Report for a more complete description of the three input levels.

We did not have any assets or liabilities measured at fair value on a recurring basis at September 30, 2023, or December 31, 2022.

Non-Recurring Basis

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis.

Assets Measured at Fair Value on a Non-Recurring Basis

(in thousands)

As of September 30, 2023	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	**$ --**	**$ --**	**$29,847**	**$29,847**
Acquired property	**--**	**--**	**1,500**	**1,500**

As of December 31, 2022	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	$ --	$ --	$8,300	$8,300
Acquired property	--	--	4,744	4,744

Valuation Techniques

Loans: Represents the carrying amount of loans evaluated individually for credit losses and are deemed to be collateral dependent. The carrying value amount is based on the estimated value of the underlying collateral, less costs to sell. When the fair value of the collateral, less cost to sell, is less than the amortized cost basis of the loan, a specific allowance for expected credit losses is established. Costs to sell represent transaction costs and are not included as a component of the collateral's estimated fair value. Typically, the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters and, therefore, are classified as Level 3 fair value measurements.

Acquired Property: Represents the fair value of foreclosed assets measured based on the collateral value, which is generally determined using appraisals, or other indications based on sales of similar properties. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. If the process uses observable market-based information, they are classified as Level 2. If the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the property and other matters, they are classified as Level 3.

NOTE 5: SUBSEQUENT EVENTS

We have evaluated subsequent events through November 6, 2023, which is the date the Consolidated Financial Statements were available to be issued.

On November 1, 2023, we sold AgriBank participation interests with funded balances of $1.2 billion and unfunded commitments of $284.4 million, representing a 10.0% participation interest across most of our loan portfolio.

There have been no other material subsequent events that would require recognition in our Quarterly Report or disclosure in the Notes to Consolidated Financial Statements.